Demerger Booklet.

August 2024

Webjet Limited Demerger of Webjet Group Limited.

Vote in Favour

Each Webjet Director recommends that Webjet Shareholders vote in favour of the Demerger Resolution to give effect to the Demerger of Webjet Group Limited. The Independent Expert has concluded that the Demerger is in the best interests of Webjet Shareholders.

This is an important document and requires your immediate attention.

You should read this document in its entirety prior to deciding whether or not to vote in favour of the resolution to effect the Demerger. If you are in any doubt as to what you should do, you should seek independent legal, financial, taxation or other professional advice before voting on the Demerger Resolution.

Financial Advisor

Goldman Sachs

Legal Advisor

DLA PIPER

Important Notices.

Purpose of this Demerger Booklet

This Demerger Booklet is important and should be read in its entirety. This Demerger Booklet sets out information which is material to the decision of Webjet Shareholders in deciding whether or not to vote in favour of the Demerger Resolution at the Extraordinary General Meeting.

This Demerger Booklet is not a prospectus lodged under Chapter 6D of the Corporations Act.

Preparation and responsibility for information

Other than as described below, this Demerger Booklet has been prepared by Webjet and is the responsibility of Webjet.

Deloitte Corporate Finance Pty Limited has prepared the Independent Limited Assurance Report, which is set out in Section 7 of this Demerger Booklet. Deloitte Corporate Finance Pty Limited takes responsibility for the Independent Limited Assurance Report.

KPMG Financial Advisory Services (Australia) Pty Ltd has prepared the Independent Expert's Report, which is set out in Section 8 of this Demerger Booklet. KPMG Financial Advisory Services (Australia) Pty Ltd takes responsibility for the Independent Expert's Report.

Notice of Extraordinary General Meeting

The Notice of Extraordinary General Meeting is set out in Section 10 of this Demerger Booklet.

Regulatory authorities

A copy of this Demerger Booklet has been lodged with ASIC in accordance with section 256C(5) of the Corporations Act.

Webjet Group Limited (**Webjet B2C**) will apply for admission to the Official List of the ASX and for official quotation of Webjet B2C Shares on the ASX shortly after the Demerger Booklet Date, conditional on approval of the Demerger.

Neither ASIC, the ASX nor their respective officers take any responsibility for the contents of this Demerger Booklet. The fact that the ASX may admit Webjet B2C to the Official List should not be taken in any way as an indication of the merits of an investment in Webjet B2C.

Foreign jurisdictions and shareholders

Webjet Shareholders who are Ineligible Shareholders will not receive Webjet B2C Shares under the Demerger. Webjet B2C Shares that would otherwise be transferred to these shareholders under the Demerger will be transferred to the Sale Agent to be sold, with the proceeds of such sale to be paid to Ineligible Shareholders. Refer to Section 4.7.3 for further information.

This Demerger Booklet does not constitute an offer or invitation to apply for Webjet B2C Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Webjet B2C Shares or to otherwise permit a public offering of the Webjet B2C Shares, in any jurisdiction outside Australia and its external territories.

Based on information available to Webjet as at the Demerger Booklet Date, Webjet Shareholders whose addresses are shown in the register on the Demerger Record Date as being in the following jurisdictions will be entitled to have Webjet B2C Shares transferred to them under the Demerger subject to any qualifications set out below in respect of that jurisdiction: Australia and its external territories, Hong Kong, New Zealand, Singapore, United Kingdom or United States.

The distribution of this Demerger Booklet (including in electronic form) outside Australia and its external territories, Hong Kong, New Zealand, Singapore, the United Kingdom and the United States may be restricted by law and persons who come into possession of this Demerger Booklet outside these jurisdictions should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Webjet Shareholders who are not Australian residents for tax purposes should seek specific tax advice in relation to the Australian and overseas tax implications of the Demerger.

Nominees, custodians and other Webjet Shareholders who hold Webjet Shares on behalf of a beneficial owner resident outside Australia and its external territories, Hong Kong, New Zealand, Singapore, the United Kingdom and the United States, may not forward this Demerger Booklet (or any accompanying document) to anyone outside these jurisdictions.

Financial information

The Webjet Historical Financial Information within this Demerger Booklet has been derived from Webjet's financial reports for the financial years ended 31 March 2022 (**FY22**), 31 March 2023 (**FY23**) and 31 March 2024 (**FY24**).

All financial amounts stated in this Demerger Booklet are expressed in Australian currency, unless otherwise stated. Some numerical figures included in this Demerger Booklet may be subject to rounding adjustments. Any discrepancies between totals and sums of components in tables contained in this Demerger Booklet are due to rounding.

Webjet Shareholders should be aware that certain financial data included in this Demerger Booklet is "non-IFRS financial information" under Regulatory Guide 230 *Disclosing non IFRS financial information* published by ASIC. Webjet believes this non-IFRS financial information provides useful information to users in measuring the financial performance and condition of Webjet Group (Post-Demerger) and Webjet B2C. The non-IFRS financial information does not have standardised meanings prescribed by the Australian Accounting Standards (**AAS**) and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should it be construed as an alternative to other financial information determined in accordance with AAS. Webjet Shareholders are cautioned, therefore, not to place undue reliance on any non-IFRS financial information included in this Demerger Booklet.

The Financial Information set out in this Demerger Booklet has been prepared and presented in accordance with the recognition and measurement principles prescribed by the AAS and are presented in an abbreviated form. Unless otherwise stated, all pro forma financial information in this Demerger Booklet gives effect to the pro forma adjustments referred to in Section 2.6 and Section 3.6. The pro forma financial information in this Demerger Booklet has been prepared on the basis of the estimates and assumptions set out in Section 2.6 and Section 3.6.

No investment advice

The information contained in this Demerger Booklet is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Demerger Booklet should not be construed as financial, taxation, legal or other advice. Neither Webjet nor Webjet B2C are licensed to provide financial product advice in respect of its securities or any other financial products. No cooling-off regime applies to the acquisition of Webjet B2C Shares under the Demerger.

If you do not fully understand this Demerger Booklet or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, lawyer, accountant or other professional adviser.

No person named in this Demerger Booklet warrants or guarantees Webjet or Webjet B2C's performance or any return on investment.

Risk factors
There are risk factors associated with the Demerger and with an investment in Webjet Shares and Webjet B2C Shares. The risk factors are outlined in this Demerger Booklet and should be carefully considered by all Webjet Shareholders.

Forward-looking statements
This Demerger Booklet contains forward-looking statements which may generally be identified by the use of forward-looking words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors, many of which are in some cases beyond the control of Webjet, Webjet B2C and their respective directors and management. The forward-looking statements should therefore be read in conjunction with, and are qualified by reference to, Section 2.6 and Section 3.6 and other information in this Demerger Booklet. As a result, any or all of the forward-looking statements in this Demerger Booklet may turn out to be inaccurate. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in this Demerger Booklet.

Webjet, the Webjet Directors, Webjet B2C and the Webjet B2C Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Demerger Booklet will actually occur, and Webjet Shareholders are cautioned not to place undue reliance on these forward-looking statements.

These forward-looking statements speak only as at the Demerger Booklet Date. Unless required by law, neither Webjet nor Webjet B2C intends to publicly update or revise any forward-looking statements in this Demerger Booklet to reflect new information or future events or otherwise.

Past performance
This Demerger Booklet includes information regarding the past performance of Webjet. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Market and industry data
This Demerger Booklet (and in particular Section 2 and Section 3) uses market data and third-party estimates and other information (including industry forecasts and projections). Webjet has obtained portions of this information from databases and research prepared by third parties including Phocuswright, Statista, Euromonitor and Travelport. Certain information in this Demerger Booklet has been extracted by Webjet from these reports and based on Webjet's analysis of such information. None of the authors of the reports noted in this paragraph have authorised or approved publication of this Demerger Booklet.

The market and industry data has not been independently prepared or verified and Webjet cannot provide any assurance as to the accuracy of the underlying assumptions used to estimate such data. Industry assumptions, estimates and forecasts involve risks and uncertainties that are subject to change based on various factors, including those described in the risk factors set out in Section 2.14 and Section 3.9. There is no assurance that any of the third-party estimates or projections contained in this Demerger Booklet will be achieved.

Market data and statistics are inherently subject to a range of limitations and possible errors, including errors in data collection and the possibility that relevant data has been omitted. As a result, this data is subject to uncertainty and not necessarily reflective of actual market conditions.

Disclaimer
No person is authorised to give any information or make any representation in connection with the Demerger that is not contained in this Demerger Booklet. Only information or representations contained in this Demerger Booklet may be relied on as having been authorised by Webjet, Webjet B2C, the Webjet Directors, the Webjet B2C Directors, or any other person in connection with the Offer. Webjet's business, financial condition, results of operations and prospects may have changed since the Demerger Booklet Date.

Privacy and personal information
Webjet, Webjet B2C and their respective share registries on their behalf may collect, hold, use and disclose personal information in the process of implementing the Demerger and in relation to the shareholdings arising from the Demerger. This means that Webjet and Webjet B2C will need to collect your personal information (for example, your name, address and details of the shares that you hold). Under the Corporations Act, some of this information must be included in the Webjet Share Registry and/or the Webjet B2C Share Registry, which will be accessible by the public.

Webjet and Webjet B2C will only use and/or disclose your personal information for the purposes for which it was collected, other related purposes and as permitted or required by law. If you do not wish to provide this information, Webjet and Webjet B2C may be hindered in, or prevented from, conducting the Extraordinary General Meeting, implementing the Demerger, and administering the shareholdings arising from the Demerger.

Webjet, Webjet B2C and their respective share registries may also share your personal information with agents and service providers of Webjet and Webjet B2C or others who provide services on Webjet or Webjet B2C's behalf, some of which may be located outside of Australia where personal information may not receive the same level of protection as that afforded under Australian law.

Webjet Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact the Webjet Share Registry, Computershare Investor Services Pty Ltd, on 1300 556 161 (within Australia) or +61 3 9415 4000 (international) on Business Days between 8.30am and 5.00pm, in the first instance, if they wish to request access to that personal information.

Definitions, abbreviations and time
Abbreviations and capitalised terms used in this Demerger Booklet (unless specified otherwise) are explained in Section 9.

All references to time in this Demerger Booklet refer to AEST unless stated otherwise.

Restructure
As outlined in Section 4.2.1, Webjet will complete an internal restructure to establish Webjet B2C as the owner of the Webjet B2C Business. Unless otherwise indicated, this Demerger Booklet has been prepared as if the Restructure has occurred.

Company website
Any references to documents included on Webjet or Webjet B2C's website are provided for convenience only, and none of the documents or other information on Webjet or Webjet B2C's website, or any other website referred to in this Demerger Booklet, is incorporated in this Demerger Booklet by reference.

Date of this Demerger Booklet
This Demerger Booklet is dated 8 August 2024. Unless otherwise indicated, all information included in this Demerger Booklet is current as at the date of this Demerger Booklet.

What does it mean for Webjet Shareholders?

If the Demerger is implemented, Eligible Shareholders (who have not elected to become a Selling Shareholder) will receive one Webjet B2C Share for every Webjet Share they hold on the Demerger Record Date. Webjet Shareholders will retain their existing shareholding in Webjet (to be renamed WEB Travel Group post-Demerger).

Advantages of the Demerger.

- Create two independent and simplified businesses with increased focus for WEB Travel Group and Webjet B2C
- Improve the ability for each business to pursue independent strategic priorities and growth agenda
- Allow each business to adopt tailored capital structures and financial policies appropriate for each businesses' unique characteristics
- Introduce flexibility for existing and new shareholders to choose their level of investment in WEB Travel Group and Webjet B2C

The advantages of the Demerger are expected to outweigh the disadvantages associated with the Demerger. Please see Section 1.3 and Section 1.4 for further details on the advantages and disadvantages of the Demerger.

The Webjet Board unanimously considers that the Demerger is in the best interests of Webjet Shareholders and unanimously recommends that you vote in favour of the Demerger Resolution to be considered at the Extraordinary General Meeting. Each Webjet Director who holds or controls Webjet Shares intends to vote in favour of the Demerger Resolution to be considered at the Extraordinary General Meeting.[1]

The Independent Expert, KPMG, has also concluded that the Demerger is in the best interests of Webjet Shareholders. The Independent Expert's Report is contained in Section 8.

1 Details of the Webjet Shares held by the Webjet Directors at the Demerger Booklet Date are set out in Section 6.1. The Non-Executive Directors of Webjet are entitled to receive Special Exertion Fees in recognition of the increased workload and time commitment of those Non-Executive Directors in connection with the Demerger. Please see Section 6.2 for further details.

Contents.

Important dates.

Event	Indicative date
Demerger Booklet Date	**Thursday, 8 August 2024**
Last time and date by which proxy forms for the Extraordinary General Meeting must be received by the Webjet Share Registry	**9:00am (AEST), Sunday, 15 September 2024**
Extraordinary General Meeting Record Date **Time and date for determining eligibility to vote at the Extraordinary General Meeting**	**7:00pm (AEST), Sunday, 15 September 2024**
Extraordinary General Meeting	**9:00am (AEST), Tuesday, 17 September 2024**
Last date Webjet Shares trade on ASX cum-entitlements under the Demerger **Admission of Webjet B2C to the Official List**	**Friday, 20 September 2024**
Last date by which Sale Facility Forms must be received by the Webjet Share Registry (for Eligible Shareholders who individually hold 500 or fewer Webjet Shares as at the Demerger Record Date)	**5:00pm (AEST), Friday, 20 September 2024**
First date Webjet Shares trade on ASX on an ex-Demerger entitlement basis **Webjet B2C Shares commence trading on ASX** on a conditional and deferred basis	**Monday, 23 September 2024**
Demerger Record Date Date for determining entitlement to Webjet B2C Shares under the Demerger	**7:00pm (AEST), Tuesday, 24 September 2024**
Implementation Date Transfer of Webjet B2C Shares to Eligible Shareholders (other than Selling Shareholders) and Sale Agent	**Monday, 30 September 2024**
Normal trading of Webjet B2C Shares on ASX commences	**Tuesday, 1 October 2024**
Dispatch of holding statements to Eligible Shareholders (other than Selling Shareholders)	**Wednesday, 2 October 2024**
Completion of sale of Webjet B2C Shares under Sale Facility	**Monday, 21 October 2024**
Dispatch of payment to Ineligible Shareholders and Selling Shareholders	**Expected to occur on or before Monday, 4 November 2024**

All dates and times above are Australian Eastern Standard Time (AEST). All dates and times following the date of the Extraordinary General Meeting are indicative only. Any changes to the timetable will be announced through ASX and will be notified on Webjet's website at www.webjetlimited.com.

What Webjet Shareholders should do.

For ease of voting **submit a proxy** through www.**investorvote**.com.au

01.

Carefully read this Demerger Booklet

You should read this Demerger Booklet in full, including the advantages, disadvantages and risks of the Demerger as set out in Section 1 and of an investment in Webjet B2C as set out in Section 2.14, before making any decision on how to vote on the Demerger Resolution.

There are answers to questions you may have about the Demerger in the 'Frequently Asked Questions' Section.

If you have any additional questions in relation to this document or the Demerger, please call the **Shareholder Information Line** on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia).

02.

Vote on the Demerger and Capital Reduction

Webjet Shareholders who are registered on the Webjet Share Register at 7:00pm (AEST) on Sunday, 15 September 2024 are entitled to vote to determine whether or not the Demerger and Capital Reduction proceed, subject to certain other conditions.

Webjet Shareholders can vote:

- **in person** by attending Webjet's corporate office at Level 2, 509 St Kilda Road, Melbourne Victoria at 9.00am (AEST) on Tuesday, 17 September 2024;
- **online**, by attending the virtual Extraordinary General Meeting, using a web browser or mobile device: https://meetnow.global/MZCZR4J;
- by **submitting a proxy** through www.investorvote.com.au and following the prompts and instructions provided;
- by **mailing** the enclosed Proxy Form to Webjet Share Registry at GPO Box 242, Melbourne VIC 3001 (using the reply paid envelope provided);
- by **faxing** the enclosed Proxy Form to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- by using your mobile device to scan the **QR Code** on your Proxy Form and following the prompts.

To be valid, your proxy must be received by the Webjet Share Registry by 9.00am (AEST) on Sunday, 15 September 2024. As this is not a business day, if you intend to mail your Proxy Form, you should ensure that you allow sufficient time for it to be received by the Webjet Share Registry by close of business on Friday, 13 September 2024.

03.

Choose whether to keep or sell the Webjet B2C Shares that you would receive as a result of the Demerger

If you are an Eligible Shareholder who individually holds 500 or fewer Webjet Shares as at the Demerger Record Date, you may elect to have all the Webjet B2C Shares that you would otherwise receive under the Demerger sold by the Sale Agent and the proceeds remitted to you, free of any brokerage costs or stamp duty.

To make this election, please visit www.computershare.com.au/websalefacility to **complete the Sale Facility Form** by 5:00pm (AEST) on Friday, 20 September 2024.

Letter from the Chair.

Dear Webjet Shareholder

On behalf of the Webjet Board, I am pleased to present you with this **Demerger Booklet, which contains information about the proposed demerger of Webjet B2C from Webjet.**

The Webjet Board recommends that you support the Demerger, which is intended to create two ASX-listed companies with leadership positions in their respective industries and with their own distinct operating profiles, strategies and growth opportunities:

1. Webjet post-Demerger (to be renamed **WEB Travel Group**): Comprises WebBeds, a global B2B travel distribution business with a disruptive business model, a large total addressable market and considerable growth opportunities through enhancing scale in all geographies, ongoing investment in technology and targeting new customers, travel suppliers and markets.
2. **Webjet B2C**: Comprises the two key businesses of Webjet OTA (online travel agency) – an Australia and New Zealand focused consumer digital travel business with iconic brand heritage, the #1 OTA position and growth opportunities in international flights and complex itineraries and GoSee – a global motorhome and car rental ecommerce site. Webjet B2C also owns Trip Ninja, a technology company providing solutions for complex travel itineraries.

Webjet has emerged from the COVID-19 pandemic as a stronger company, with the value propositions of our two leading businesses remaining ever-relevant and compelling for both our customers and our partners. In an increasingly complex travel environment, our businesses act as important intermediaries – WebBeds connects hotel and travel product suppliers with its global network of travel trade buyers, while Webjet B2C enables consumers to book flights, hotel accommodation, cars, motorhomes and other travel related products.

The digital travel industry is dynamic and fast-changing, with customers' travel preferences continuously evolving. Given this industry dynamism, and the distinctly different customer profiles that each of our businesses serve, the Webjet Board believes that the Demerger will enhance shareholder value by enabling highly focused management teams to pursue their own strategic priorities, making more targeted capital allocation decisions.

The Webjet Board is committed to maximising the opportunity for both WEB Travel Group and Webjet B2C to succeed as independent companies. If the Demerger proceeds, both WEB Travel Group and Webjet B2C will maintain net cash positions to support their respective growth strategies and cashflow profiles.

Webjet B2C will be led by a team with diverse and complementary skills and expertise, as well as the experience required to position Webjet B2C for continued success in the dynamic digital travel environment. Webjet B2C's Board will be led by Don Clarke as Chair, and its experienced executive team will be led by Katrina Barry as Managing Director. Having worked closely with Don and Katrina for a number of years, I have high confidence in their stewardship of Webjet B2C.

Webjet B2C does not expect to declare a dividend in respect of FY25, but it does anticipate paying dividends in FY26 and in subsequent years. The Webjet B2C Board will provide further details with the release of its FY25 results in May 2025. All dividends will be dependent on earnings, cash flows, investment opportunities and available franking credits.

After an extensive strategic review which considered various structural alternatives including a sale to a third party and an initial public offer, and the advantages, disadvantages and risks of the Demerger, the Webjet Board unanimously considers the Demerger to be in the best interests of Webjet Shareholders. KPMG, the Independent Expert appointed by Webjet, has also concluded that the Demerger is in the best interests of Webjet Shareholders. A copy of the Independent Expert's Report is contained in Section 8. Further information on the separation alternatives considered is in Section 1.2.

The Demerger Resolution is to be considered at the Extraordinary General Meeting of shareholders on Tuesday, 17 September 2024. If approved and implemented, the Demerger will result in the formation of two separate ASX-listed companies. If you are an Eligible Shareholder, you will retain your existing shareholding in Webjet (to be renamed WEB Travel Group) and, if you have not elected to become a Selling Shareholder, you will also receive one Webjet B2C Share for each Webjet Share you hold on the Demerger Record Date, which is expected to be Tuesday, 24 September 2024.

This Demerger Booklet contains important information, and you should read this document in its entirety as part of your consideration of the Demerger Resolution. You should refer specifically to the advantages, disadvantages and risks of the Demerger (see Section 1), the risks of an investment in Webjet B2C (see Section 2.14) and the risks of a continued investment in Webjet (to be renamed WEB Travel Group) (see Section 3.9). The interests of Webjet Directors are set out in Section 6.1.

If you have any questions about the Demerger Booklet or the Demerger, please consult your financial, legal, taxation or other professional adviser. You may also call the Shareholder Information Line on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia) on Business Days between 8:30am and 5:00pm (AEST) or visit the Webjet website at https://www.webjetlimited.com.

The Demerger must be approved by Webjet Shareholders at its Extraordinary General Meeting on Tuesday, 17 September 2024 at 9.00am (AEST) at Level 2, 509 St Kilda Road, Melbourne, Victoria. Shareholders may participate in the Extraordinary General Meeting either by attending in person or online at https://meetnow.global/MZCZR4J.

Shareholders may vote in person, by proxy, by attorney, or in the case of a corporate, by corporate representative. If you are voting by proxy or by corporate representative, your completed proxy or corporate representative forms must be received by 9.00am (AEST) on Sunday, 15 September 2024.

The Webjet Board unanimously recommends that you vote in favour of the Demerger Resolution to be considered at the Extraordinary General Meeting. Each Webjet Director who holds or controls Webjet Shares intends to vote in favour of the Demerger Resolution to be considered at the Extraordinary General Meeting.

On behalf of the Webjet Board, we thank you for your ongoing support, particularly those who stood beside us when times were difficult during the COVID-19 pandemic.

Yours sincerely

Roger Sharp
Chair,
Webjet Limited

FAQ.

Question	Answer	Section
Demerger Proposal.		
What is the Demerger?	The Demerger is the proposed separation of the Webjet B2C Business, to create a standalone, ASX-listed entity, Webjet B2C. Webjet Shareholders will retain their Webjet Shares and Eligible Shareholders will receive one Webjet B2C Share for each Webjet Share held on the Demerger Record Date.	For further information, see Section 1.1
Why has the Demerger been proposed by the Webjet Board?	The decision to pursue a demerger of the Webjet B2C Business from Webjet reflects an assessment of the attractive but divergent growth opportunities available to Webjet B2C and WebBeds and that operating as standalone businesses on an ongoing basis with independent boards, management teams and independent capital structures will best enhance value for Webjet Shareholders by enabling both businesses to pursue independent strategic priorities and growth agendas.	For further information, see Section 1.1
What alternatives did the Webjet Board consider?	The Webjet Board is of the view that the Demerger best enhances Shareholder value over time and is preferable over alternative separation structures, including a sale to a third-party and an initial public offering. Having regard to the available alternatives that were considered, the advantages, disadvantages and risks as set out in Sections 1.3, 1.4 and 1.5, the Webjet Board concluded that the Demerger is in the best interests of Webjet Shareholders.	For further information, see Section 1.2

Question	Answer	Section
What is Webjet B2C?	Webjet B2C is a leading digital consumer travel business and comprises two key businesses: • **Webjet OTA**: As Australia and New Zealand's leading online travel agency, Webjet OTA leads the way in online travel tools and technology. Webjet OTA enables customers to compare, combine and book domestic and international flight deals, hotel accommodation, holiday package deals, travel insurance and car hire worldwide. • **GoSee**: GoSee is a global travel e-commerce group that specialises in car and motorhome rentals through the Airport Rentals and Motorhome Republic websites, enabling customers to search, compare and book rental cars and motorhomes respectively. Webjet B2C also owns technology company Trip Ninja, a provider of technology that automates the highly manual process of selling complex multi-stop travel itineraries for travel intermediaries.	For further information, see Section 2

Recommendations.

What is the recommendation of the Webjet Directors?	The Webjet Directors recommend that you vote in favour of the Demerger Resolution. Each Webjet Director intends to vote any Webjet Shares held or controlled by them in favour of the Demerger Resolution.	For further information, see Section 1.1
What is the Independent Expert's opinion on the Demerger?	The Independent Expert has concluded that the Demerger is in the best interests of Webjet Shareholders.	For further information, see Section 8

Advantages, Disadvantages and Risks of the Demerger.

What are the key advantages of the Demerger?	The key advantages of the Demerger include: • the creation of two independent and simplified businesses with increased focus for Webjet post-Demerger (to be renamed WEB Travel Group) and Webjet B2C; • an improved ability for each business to pursue independent strategic priorities and growth agenda; • the ability to implement tailored capital structures and financial policies appropriate for each business' unique characteristics; and • that existing and new shareholders will have flexibility to choose their level of investment in WEB Travel Group and Webjet B2C.	For further information, see Section 1.3
What are the key disadvantages of the Demerger?	The key disadvantages of the Demerger include: • one-off transaction and implementation costs associated with the Demerger of $12.2 million in FY25 (pre-tax); • additional corporate and operating costs for Webjet B2C as a standalone ASX-listed company estimated at approximately $2.6 million per annum, including ASX listing and board-related costs. WEB Travel Group is also expected to incur additional corporate and operating costs of $5.5 million per annum; • the creation of two separate companies, each of which will be smaller and less diversified than Webjet immediately before the Demerger; and • some Webjet Shareholders may not be eligible to receive, or may be unable to retain Webjet B2C Shares after the Demerger.	For further information, see Section 1.4

Question	Answer	Section
What are the key potential risks associated with the Demerger?	The key potential risks of the Demerger include: • the advantages of the Demerger may not materialise; • potential delays, unexpected costs or other issues in establishing Webjet B2C as a standalone operating group; • uncertainty about the combined market value, trading and dividends of WEB Travel Group Shares and Webjet B2C Shares after the Demerger; and • that the Webjet B2C Pro Forma Historical Financial Information may not necessarily reflect the future results of Webjet B2C as a standalone, ASX-listed entity. Shareholders should carefully review the discussion of these risks in this Demerger Booklet before deciding whether or not to vote in favour of the Demerger Resolution.	For further information, see Section 1.5
What are the risks with respect to an investment in Webjet B2C?	Webjet B2C will be subject to regulatory risks, business risks, and other general risks that may adversely affect its future operating or financial performance. Many of these risks are existing business risks, to which Webjet Shareholders are already exposed, while others arise out of, or increase as a result of, the Demerger. The key potential risks include: • risks associated with competition from a range of direct and indirect competitors comprising established and emerging online and traditional sellers of travel-related services; • the risk of breach of various legislative and regulatory obligations applying to Webjet B2C as a consumer facing business such as misleading and deceptive conduct and unfair contract terms; • risks associated with technology and IT systems interruption or failure; • the risk of privacy, data and cyber security breaches; and • risks associated with the impact of economic conditions on the travel and tourism industry. These risks are discussed in Section 2.14. Webjet Shareholders should review Section 2.14 carefully before deciding whether or not to vote in favour of the Demerger Resolution.	For further information, see Section 2.14
What are the risks with respect to an investment in Webjet following the Demerger?	After the Demerger, Webjet (to be renamed WEB Travel Group) will continue to be exposed to the same risks that it currently faces. Investors are already faced with these risks through their investment in Webjet and these risks are disclosed each year in Webjet's annual report and sustainability report. Some of these risks may be altered due to the reduced diversification of activities, changed business and risk profile, and loss of Webjet B2C's revenues as a result of the Demerger.	For further information, see Section 3.9

Question	Answer	Section

Webjet B2C after Demerger.

When will Webjet B2C Shares commence trading on the ASX separately?	Webjet B2C Shares are expected to commence trading on the ASX on a conditional and deferred settlement basis on Monday, 23 September 2024. Eligible Shareholders are responsible for determining their entitlement to Webjet B2C Shares before trading in Webjet B2C Shares. Webjet B2C Shares are expected to commence trading on the ASX on a normal settlement basis on Tuesday, 1 October 2024.	For further information, see Section 1.1
What will the Webjet B2C share price be?	The price of Webjet B2C Shares will be determined when it commences trading on the ASX on a conditional and deferred settlement basis on Monday, 23 September 2024. There is no certainty or guarantee on the price at which Webjet B2C Shares will be traded after the Demerger is implemented.	For further information, see Section 1.1
What will Webjet B2C's strategic priorities after the Demerger be?	Following the Demerger, Webjet B2C should be well-positioned to pursue its strategic objectives for its two key businesses and technology company: • **Webjet OTA**: Increase market leadership as the #1 OTA in Australia and New Zealand. • **GoSee**: Become the industry leader in Australia and New Zealand and pursue growth in key international markets by leveraging the company's strong foundations. • **Trip Ninja**: Achieve profitability by leveraging its innovative technology to provide unparalleled value to the travel industry by solving complex flight related challenges.	For further information, see Section 2.5
What additional ongoing costs will Webjet B2C have as a standalone listed company?	Webjet B2C is expected to incur incremental, net ongoing costs of approximately $2.6 million per annum as a standalone, ASX-listed company. These incremental net ongoing costs include, amongst other things, share registry costs, company secretarial costs, the cost of maintaining a separate board of directors and executive team, other headcount costs, and the cost of services currently provided by Webjet to Webjet B2C such as statutory accounting, treasury, legal and taxation. WEB Travel Group is also expected to incur additional corporate and operating expenses of approximately $5.5 million per annum.	For further information, see Section 1.4.2
What will Webjet B2C's dividend policy be?	Webjet B2C's dividend policy will be determined by and at the discretion of the Webjet B2C Board and may change from time to time. Webjet B2C does not expect to declare a dividend in respect of FY25, but it does anticipate paying dividends in FY26 and in subsequent years. All dividends will be dependent on earnings, cash flows, investment opportunities and available franking credits. Further details are expected to be provided with the release of Webjet B2C's FY25 results in May 2025.	For further information, see Section 2.8

Question	Answer	Section
What will Webjet B2C's capital structure be?	Webjet B2C is expected to have net cash in the range of $80 million to $100 million, excluding restricted cash.[2] Webjet B2C will have no drawn debt. Webjet B2C will also be supported by a three-year $20 million revolving credit facility. Webjet B2C will have fully paid ordinary shares on issue. Webjet B2C intends to issue performance rights and options under its long term incentive plan following the Demerger.	For further information, see Section 2.7 and Section 2.12
Who will be on the Webjet B2C Board after the Demerger?	Following the Demerger, the Webjet B2C Board members will be: • Don Clarke, Independent Non-Executive Chair • Katrina Barry, Managing Director • Brad Holman, Independent Non-Executive Director • Shelley Beasley, Non-Executive Director It is proposed that one additional Independent Non-Executive Director will be appointed to the Webjet B2C Board in the future.	For further information, see Section 2.9.1
Who will be on the senior leadership team of Webjet B2C?	Webjet B2C's senior leadership team will comprise: • Katrina Barry – Managing Director • Layton Shannos – Chief Financial Officer • David Galt – Chief Executive Officer – Webjet OTA • Darren Linton – Chief Executive Officer – GoSee	For further information, see Section 2.9.2

Webjet after Demerger (to be re-named WEB Travel Group).

Will Webjet (to be renamed WEB Travel Group) own any Webjet B2C Shares after the Demerger?	WEB Travel Group will not own any Webjet B2C Shares after the Demerger.	For further information, see Section 1.1
What will be WEB Travel Group's share price after the Demerger?	There is no certainty or guarantee on the price at which WEB Travel Group Shares will be traded after the Demerger is implemented. It can be expected that the price of Webjet Shares will reflect the separation of WEB Travel Group and Webjet B2C. The WEB Travel Group share price will be determined after it commences trading on the ASX on an ex-Demerger entitlement basis on Monday, 23 September 2024.	For further information, see Section 1.5.3
What will be WEB Travel Group's strategy after the Demerger?	Following the Demerger, WEB Travel Group, through WebBeds, will continue to pursue its strategic objective of targeting $10 billion of TTV by FY30. This objective is underpinned by a number of key elements set out in Section 3.3.	For further information, see Section 3.3

2 Restricted cash relates to cash held within legal entities of Webjet B2C Group for payment to product and service suppliers or cash held for supplier guarantees where contractually required with an equal obligation recognised as a liability. Restricted cash includes monies received from customers which is due to be paid to airlines in accordance with International Air Transport Association (**IATA**) requirements. Based on the Webjet B2C Group pro forma statement of financial position as at 31 March 2024, Webjet B2C Group had restricted cash of $42.9 million (see Table 5).

Question	Answer	Section
Who will be on the WEB Travel Group Board after the Demerger?	Following the Demerger, WEB Travel Group's senior leadership team will comprise: • Roger Sharp – Independent Non-Executive Chair • John Guscic – Managing Director • Brad Holman – Independent Non-Executive Director • Denise McComish – Independent Non-Executive Director It is proposed that additional Independent Non-Executive Directors will be appointed to the WEB Travel Group Board in the future.	For further information, see Section 3.4.1
Who will be on the senior leadership team of WEB Travel Group?	Following the Demerger, WEB Travel Group's senior leadership team will comprise: • John Guscic – Managing Director • Shelley Beasley – Global Chief Operating Officer • Tony Ristevski – Chief Financial Officer and Company Secretary	For further information, see Section 3.4.2
What will be the impact of the Demerger on WEB Travel Group dividends?	The WEB Travel Group Board will revisit WEB Travel Group's dividend policy following the maturity date of the Convertible Notes in April 2026.	For further information, see Section 3.5

Implementation and Process.

What are the mechanics of the Demerger?	The Demerger will be implemented through a Capital Reduction and Demerger Dividend, which will involve an in-specie distribution of Webjet B2C Shares to Eligible Shareholders (other than Selling Shareholders). Eligible Shareholders will receive one Webjet B2C Share for each Webjet Share held by the Eligible Shareholder on the Demerger Record Date. Ineligible Shareholders and Selling Shareholders will not receive Webjet B2C Shares. Ineligible Shareholders and Selling Shareholders will receive cash through the Sale Facility Proceeds acquired through the sale of the Webjet B2C Shares that the Ineligible Shareholders and Selling Shareholders would have otherwise received under the Demerger.	For further information, see Section 4.4
What is the Capital Reduction?	The Capital Reduction involves Webjet reducing its share capital on an equal basis on the Implementation Date. The Capital Reduction Amount will not be paid in cash to Webjet Shareholders. The Capital Reduction (and the Demerger Dividend) will be effected by an in specie distribution of Webjet B2C Shares under the Demerger. The Capital Reduction must be approved by an ordinary resolution of Shareholders (a simple majority of more than 50%) of the votes cast by Webjet Shareholders on the Demerger Resolution.	For further information, see Section 4.4
What is the impact of the Capital Reduction on Webjet?	Webjet is of the view that, taking into account all relevant matters, the Capital Reduction is fair and reasonable to the Webjet Shareholders as a whole and will not materially prejudice the ability of Webjet to pay its creditors. The Independent Expert has concluded that the Demerger (comprising the Capital Reduction and the Demerger Dividend) is in the best interests of Webjet Shareholders and will not materially prejudice the ability of Webjet to pay its creditors.	For further information, see Section 8

Question	Answer	Section
What are the key steps to implement the Demerger?	The key steps to implement the Demerger include: • passing the Demerger Resolution at the Extraordinary General Meeting; • satisfying (or obtaining a waiver of) all Conditions Precedent to the Demerger; • obtaining approval for admission of Webjet B2C to the Official List and quotation of Webjet B2C Shares on the ASX; and • Eligible Shareholders receiving Webjet B2C Shares. Webjet B2C Shares will commence trading on the ASX on a conditional and deferred settlement basis on Monday, 23 September 2024, and will commence trading on the ASX on a normal settlement basis on Tuesday, 1 October 2024.	For further information, see Section 4.4.1
Is the Demerger subject to any conditions?	The Demerger is subject to the satisfaction or waiver of the Conditions Precedent.	For further information, see Section 4.1
Which Webjet Shareholders are eligible to participate in the Demerger?	Eligible Shareholders are Shareholders whose addresses are registered on the Webjet Share Register as at the Demerger Record Date in the following jurisdictions: • Australia and its external territories; • Hong Kong • New Zealand; • Singapore; • United Kingdom; or • United States. Eligibility for nominees and custodians will be at the registered holder level. Ineligible Shareholders are Webjet Shareholders whose addresses are registered on the Webjet Share Register as at the Demerger Record Date in a jurisdiction that is outside of the above jurisdictions identified. Nominees, custodians and other Webjet Shareholders who hold Webjet Shares on behalf of a beneficial owner outside Australia, Hong Kong, New Zealand, Singapore, the United Kingdom and the United States may not forward this Demerger Booklet (or any accompanying document) to anyone outside these jurisdictions.	For further information, see Section 4.5
Will I need to make any payment to participate in the Demerger?	No. Webjet Shareholders are not required to make any payment to receive Webjet B2C Shares under the Demerger.	For further information, see Section 4.4.1
Can I choose to receive cash instead of Webjet B2C Shares?	Webjet Shareholders who hold 500 or fewer Webjet Shares (i.e., a Small Shareholder) can elect to participate in the Sale Facility. A Small Shareholder who validly elects to have their Webjet B2C Shares sold pursuant to the Sale Facility is a Selling Shareholder. Ineligible Shareholders and Selling Shareholders will receive cash through the Sale Facility Proceeds acquired through the sale of the Webjet B2C Shares the Ineligible Shareholders and Selling Shareholders would have otherwise received under the Demerger. More information on the Sale Facility Proceeds is contained in Section 4.7. Eligible Shareholders (other than Selling Shareholders) cannot elect receive cash instead of Webjet B2C Shares.	For further information, see Section 4.5 and Section 4.7

Question	Answer	Section
What is the Sale Facility?	The Sale Facility provides for the sale of Webjet B2C Shares for Ineligible Shareholders and Selling Shareholders. The Webjet B2C Shares to be sold under the Sale Facility will be transferred to the Sale Agent. The Sale Agent will, as soon as reasonably practicable, sell the Webjet B2C Shares on the ASX and pay to the Ineligible Shareholders and Selling Shareholders the Sale Facility Proceeds. Eligibility for the Sale Facility for nominees and custodians will be at the registered holder level.	For further information, see Section 4.7.3
What will Webjet Shareholders receive if the Demerger proceeds?	Eligible Shareholders (other than Selling Shareholders) will receive one Webjet B2C Share for each Webjet Share held by the Eligible Shareholder at the Demerger Record Date.	For further information, see Section 4.5
What is the impact of the Demerger on my Webjet Shares?	The number of Webjet Shares will not change due to the Demerger. The Webjet B2C Business will be separated from Webjet and Webjet (to be renamed WEB Travel Group post-Demerger) will no longer own the Webjet B2C Business.	For further information, see Section 4
What are the costs of the Demerger?	Total transaction costs of the Demerger are estimated to be $12.2 million (pre-tax) and will be incurred by WEB Travel Group.	For further information, see Section 1.4.1
What happens if the Demerger does not proceed?	If the Demerger does not proceed: • Webjet B2C will continue to operate as part of the Webjet Group; • Eligible Shareholders (other than Selling Shareholders) will not receive Webjet B2C Shares; • Ineligible Shareholders and Selling Shareholders will not receive Sale Facility Proceeds; • Webjet will incur transaction costs of $1.7 million (pre-tax); and • the advantages of the Demerger will not be realised, and the disadvantages and risks of the Demerger will not arise.	For further information, see Section 4.8.5

Question	Answer	Section

Voting on the Demerger.

Question	Answer	Section
What is the resolution to be proposed at the Extraordinary General Meeting?	Webjet Shareholders will be asked to vote on a resolution to determine whether or not the Capital Reduction will proceed and the Demerger will be implemented. Webjet Shareholders will also be asked to vote on: • a change of company name for Webjet from "Webjet Limited" to "WEB Travel Group Limited"; and • the issue of Webjet Rights to John Guscic under the Webjet LTIP if the Demerger proceeds, in place of the Proposed FY25 Grant.	For further information, see Sections 4.3 and 4.6.4
What is the voting threshold?	The Demerger Resolution must be approved by more than 50% of votes cast by Webjet Shareholders at the Extraordinary General Meeting. The Change of Name Resolution must be approved by 75% or more of the votes cast by Webjet Shareholders at the Extraordinary General Meeting. The Executive Incentive Resolution must be approved by more than 50% of votes cast by Webjet Shareholders at the Extraordinary General Meeting. The Demerger is not conditional on the Change of Name Resolution or the Executive Incentive Resolution being approved.	For further information, see Sections 4.3 and 4.6.4
Who can vote at the Extraordinary General Meeting?	Webjet Shareholders who are registered on the Webjet Share Registry on 7:00pm (AEST), Sunday, 15 September 2024 are entitled to vote on the Demerger Resolution, the Change of Name Resolution and the Executive Incentive Resolution at the Extraordinary General Meeting.	For further information, see Section 4.3
When will the Extraordinary General Meeting be held?	The Extraordinary General Meeting will be held at 9.00am (AEST) on Tuesday, 17 September 2024.	For further information, see the Notice of Extraordinary General Meeting
What is the procedure to vote at the Extraordinary General Meeting?	Webjet Shareholders may vote at the Extraordinary General Meeting by attending the virtual meeting online, by using a mobile device to scan the QR code on the proxy form and following the prompts, or by submitting a proxy form by no later than 9.00am (AEST), Sunday, 15 September 2024. More information on how to submit a proxy form can be found in the "What Webjet Shareholders should do" Section.	For further information, see the "What Webjet Shareholders should do" Section
What if I do not vote at the Extraordinary General Meeting or do not vote in favour of the Demerger Resolution?	If Webjet Shareholders do not vote or vote against the Demerger Resolution, but the Demerger Resolution is approved at the Extraordinary General Meeting then, subject to the other conditions to the Demerger being satisfied or waived, the Demerger will be implemented and binding on all Webjet Shareholders, including those who did not vote or voted against the Demerger Resolution.	For further information, see the "What Webjet Shareholders should do" Section

Question	Answer	Section

Tax Considerations.

What are the taxation implications of the Demerger for Webjet Shareholders?	Webjet has applied for a Class Ruling on behalf of the Webjet Shareholders to confirm the expected tax outcomes of the Demerger. Broadly, where Demerger Tax Relief is determined to apply by the Commissioner under the Class Ruling, Australian tax resident Webjet Shareholders should not be assessed on the Demerger Dividend and where Demerger Tax Relief is elected, should be able to apply Demerger Tax Relief to disregard any capital gain that arises from the Capital Reduction under CGT Event G1. Where Demerger Tax Relief applies Webjet Shareholders must also apportion the tax cost base of their Webjet Shares just before the Demerger between the Webjet Shares and Webjet B2C Shares held just after the Demerger.	For further information, see Section 5

Other Information.

If you have further questions	If you have further questions, you should: • contact your stockbroker, solicitor, accountant and/or other professional advisers; or • call the Shareholder Information Line on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia) on Business Days between 8.30am and 5.00pm (AEST).	

Advantages, disadvantages and other relevant considerations.

1.1 Overview of the Demerger

The Demerger is the proposed separation of Webjet's B2C Business comprising the two key businesses Webjet OTA and GoSee, and technology company, Trip Ninja, to create a standalone, ASX-listed entity, Webjet B2C. Following the Demerger, Webjet will comprise the WebBeds business, and Webjet is expected to be renamed WEB Travel Group.

The decision to pursue a demerger of Webjet's B2C Business from Webjet reflects an assessment of the attractive but divergent growth opportunities available to Webjet B2C and WebBeds and that operating as standalone businesses on an ongoing basis with independent boards, management teams and capital structures will best enhance value for Shareholders.

The Webjet Board considered various alternative structures for the separation of Webjet B2C, including a sale to a third-party and an initial public offering, but the Webjet Board is of the view that the Demerger is preferable to those alternatives.

The Demerger is proposed to occur via a distribution of Webjet B2C Shares to Webjet Shareholders. Shareholders will retain their Webjet Shares and, if the Demerger Resolution to be considered at the Extraordinary General Meeting is approved and the other Conditions Precedent are satisfied or waived (refer to Section 4.1 for further details), Eligible Shareholders will be entitled to receive one Webjet B2C Share for each Webjet Share held at the Demerger Record Date.

The Demerger does not require any Webjet Shareholder to pay cash for Webjet B2C Shares.

Webjet B2C Shares are expected to trade separately on the ASX from Monday, 23 September 2024, initially on a conditional and deferred settlement basis. Trading on the ASX of Webjet B2C Shares on a normal settlement basis is expected to commence on Tuesday, 1 October 2024. They are expected to be assigned, and trade under, the code "WJL".

Following the Demerger, it is expected that the price of a WEB Travel Group Share will reflect the separation of Webjet B2C from Webjet.

Under the Demerger, 100% of the issued Webjet B2C Shares will be transferred to Eligible Shareholders (other than Selling Shareholders) and the Sale Agent. The Sale Agent will dispose of the Webjet B2C Shares it receives and the proceeds will be remitted to Ineligible Shareholders and Selling Shareholders.

Eligible Shareholders are those registered on the Webjet Share Register as the holders of Webjet Shares at the Demerger Record Date and who are not Ineligible Shareholders.

Ineligible Shareholders will not be eligible to receive Webjet B2C Shares as part of the Demerger. A Shareholder will be an Ineligible Shareholder for the purpose of the Demerger if their registered address on the Webjet Share Register as at the Demerger Record Date is outside the following jurisdictions:

- Australia and its external territories;
- Hong Kong;
- New Zealand;
- Singapore;
- United Kingdom; and
- United States.

Small Shareholders, being Shareholders who are Eligible Shareholders and individually hold 500 or fewer Webjet Shares as at the Demerger Record Date may elect not to receive Webjet B2C Shares under the Demerger and sell their Webjet B2C Shares under the Sale Facility. Ineligible Shareholders will also have their Webjet B2C Shares sold under the Sale Facility with the proceeds of sale remitted (free of any brokerage costs or stamp duty, but after deducting any applicable withholding tax) to them following the implementation of the Demerger. Refer to Section 4 for further information on the mechanics of the Demerger.

Each Webjet Director recommends that you vote in favour of the Demerger Resolution to be considered at the Extraordinary General Meeting and the Independent Expert has concluded that the Demerger is in the best interests of Shareholders.

If you are registered on the Webjet Share Register at 7.00pm (AEST), Sunday, 15 September 2024, then you are entitled to vote on the Demerger Resolution to be considered at the Extraordinary General Meeting which will be held at 9.00am (AEST), Tuesday, 17 September 2024.

1.2
Separation alternatives considered

The Webjet Board is of the view that the Demerger best enhances Shareholder value over time and is preferable to other available options. In arriving at this view, the Webjet Board considered alternative structures for the separation of Webjet B2C, including a sale to a third-party and an initial public offering.

1.2.1
Sale of Webjet B2C to a third party

Having regard to the relative value available to Shareholders, the tax consequences of a sale and the opportunity for Webjet B2C to realise value for Shareholders as a separately listed entity, the Webjet Board does not believe a sale of Webjet B2C would be in the best interest of Shareholders.

A Demerger does not preclude a third-party from acquiring Webjet B2C in the future, and any Webjet Shareholders who retain their investment in Webjet B2C following the Demerger would potentially benefit from, and make their own decision about participation in, any future corporate takeover activity involving Webjet B2C.

1.2.2
Initial public offering

Under an initial public offering (IPO) of Webjet B2C, Webjet would receive cash proceeds from investors for the sale of Webjet B2C Shares. However, an IPO would likely involve a high degree of transaction uncertainty and IPO proceeds realised would be subject to investor sentiment and the prevailing market conditions at the time of execution. Separation via an IPO would also likely give rise to additional costs compared to the Demerger.

1.3
Advantages of the Demerger

1.3.1
Two independent and simplified businesses with increased focus for WEB Travel Group and Webjet B2C

The Demerger will result in two businesses in WEB Travel Group and Webjet B2C that are simpler, more agile and focused on their respective businesses and customers. Each business will have its own board and management teams, enabling each to focus on their own business operations, implement their own strategic priorities and be well positioned to respond to the continuously evolving travel environment and consumer travel preferences.

The Demerger is also expected to create stronger brand clarity for both businesses, particularly as Webjet is expected to be renamed to WEB Travel Group following the Demerger.

1.3.2
Improved ability to pursue independent strategic priorities and growth agenda

Following the Demerger, Webjet B2C and WEB Travel Group will have a greater ability to pursue their own strategic priorities and growth agenda. In particular, potential initiatives that may not have been prioritised in Webjet B2C before the Demerger will now be able to be pursued by Webjet B2C.

Both businesses will also be able to directly access their own capital and invest in the areas that deliver the best returns for each business.

1.3.3
Tailored capital structures and financial policies appropriate for each business' unique characteristics

The Demerger will enable both WEB Travel Group and Webjet B2C to implement capital structures and financial policies that are appropriate for each business' characteristics and strategies.

Following the Demerger, both WEB Travel Group and Webjet B2C will have net cash positions that should provide each with adequate funding flexibility to pursue their respective growth initiatives and to meet their commitments. Webjet B2C's balance sheet will be further supported by debt facilities to provide liquidity headroom.

Webjet B2C does not expect to declare a dividend in respect of FY25, but it does anticipate paying dividends in FY26 and in subsequent years. All dividends will be dependent on earnings, cash flows, investment opportunities and available franking credits. Further details are expected to be provided with the release of Webjet B2C's FY25 results in May 2025.

Webjet's $250 million Convertible Notes due 2026 will remain with WEB Travel Group.

See Sections 2.7 and 3.8 for more information on Webjet B2C's and WEB Travel Group's capital structures after implementation of the Demerger.

1.3.4 Existing and new shareholders will have flexibility to choose their level of investment in WEB Travel Group and Webjet B2C

WEB Travel Group and Webjet B2C's different business characteristics, growth outlook, and financial profiles may appeal to different types of investors with different investment preferences. As the Demerger will provide Eligible Shareholders with separate investments in two ASX-listed companies, existing Shareholders and future investors will have greater investment choice and the opportunity to manage their exposure to each business according to their own investment objectives and the different investment propositions that each entity presents. As separately listed entities, WEB Travel Group and Webjet B2C will also be better positioned to attract new investors.

Shareholders and future investors of both WEB Travel Group and Webjet B2C will also benefit from more detailed market disclosures that will be provided by the two businesses as separately listed entities, compared to the current segment disclosures within Webjet.

1.4 Disadvantages of the Demerger

1.4.1 One-off Demerger implementation costs

WEB Travel Group will incur one-off transaction and implementation costs associated with the Demerger of $12.2 million in FY25 (pre-tax). These largely relate to adviser fees and other separation costs.

1.4.2 Additional corporate and operating costs

Following the Demerger, Webjet B2C will be a standalone ASX-listed company which will involve additional corporate and operating costs that are estimated at approximately $2.6 million per annum. These include costs associated with its ASX listing, share registry, maintaining a separate board of directors and executive team, insurance, and operating company secretarial, treasury, statutory accounting, legal, taxation and other corporate functions required to support a standalone listed company.

WEB Travel Group is also expected to incur additional corporate and operating costs estimated at approximately $5.5 million per annum. These costs include the corporate functions required to support a standalone listed entity, the cost of maintaining a board of directors, company secretarial costs, ASX listing fees, share registry costs, insurance and other incremental costs.

1.4.3 Reduction in size and diversification

The Demerger will create two separate companies listed on the ASX, each of which will be smaller and less diversified than Webjet immediately before the Demerger. Each entity will rely on its own financial performance and cashflows to access debt and equity markets to fund ongoing operations and to meet its obligations.

As a result of their smaller size and reduced diversification, each of WEB Travel Group and Webjet B2C as separate ASX-listed companies, may have an increased exposure to fluctuations in financial markets.

1.4.4 Some Webjet Shareholders may not be eligible to receive, or may be unable to retain Webjet B2C Shares

Webjet Shareholders who are Ineligible Shareholders will not receive Webjet B2C Shares under the Demerger. Webjet B2C Shares that would otherwise be transferred to these shareholders under the Demerger will be transferred to the Sale Agent to be sold, with the proceeds of such sale to be paid to Ineligible Shareholders.

In addition, some Webjet Shareholders may not be permitted to retain their Webjet B2C Shares under the terms of their investment mandates or for similar reasons.

1.5
Risks of the Demerger

1.5.1
Advantages of the Demerger may not materialise

WEB Travel Group and Webjet B2C may not be able to achieve some or all of the expected potential advantages identified in Section 1.3, which may potentially adversely affect their respective businesses and financial performance.

1.5.2
Potential delays, unexpected costs or other issues in establishing Webjet B2C as a standalone operating entity

Establishing Webjet B2C as a standalone ASX-listed entity is a significant undertaking. The Webjet B2C Business is currently supported by and integrated into Webjet's corporate infrastructure and third-party agreements and contracts. After the Demerger, Webjet B2C will replace this with its own internal capabilities and third-party contracts where appropriate. There is a risk that establishing these capabilities may take longer than expected or may involve greater costs than anticipated.

1.5.3
Uncertainty about combined market value and trading of WEB Travel Group Shares and Webjet B2C Shares after the Demerger

The Webjet Directors consider that the Demerger will enhance long term value for Webjet Shareholders. However, it is not possible to predict the market value of WEB Travel Group Shares and Webjet B2C Shares after the Demerger and there can be no assurance that WEB Travel Group Shares or Webjet B2C Shares will trade at any particular price after the Demerger.

Shareholders should note that there is a risk that the combined market value of WEB Travel Group and Webjet B2C post-Demerger may be less than the market value of Webjet prior to the Demerger. It can also be expected that the price of Webjet Shares will reflect the separation of WEB Travel Group and Webjet B2C.

Shareholders should also note that if the Demerger does not proceed, there is no assurance that Webjet Shares will continue to trade at prices in line with recent levels.

1.5.4
Webjet B2C Group Pro Forma Historical Financial Information may not necessarily reflect the results of a standalone, ASX-listed entity

The Webjet B2C Business has been operated within Webjet and Webjet B2C does not have a history operating as a standalone ASX-listed company. As such, the Webjet B2C Group Pro Forma Historical Financial Information provided in Section 2.6 may not necessarily reflect the results of operations, financial position and cash flows that Webjet B2C would have achieved as a standalone ASX-listed company during the period presented or those that it will achieve in the future.

1.5.5
Potential changes in index inclusion

Webjet is currently (prior to the Demerger) a constituent of the benchmark S&P/ASX 200. Following the Demerger, WEB Travel Group is expected to remain a constituent of the S&P/ASX 200 and Webjet B2C is expected to be a constituent of the S&P/ASX 300.

Index inclusion for each of WEB Travel Group and Webjet B2C will depend on a number of factors, including the trading of each company's shares following the Demerger, and no assurances can be made regarding either WEB Travel Group or Webjet B2C's potential index inclusion following the Demerger, or potential index inclusion in the future.

If WEB Travel Group were to be removed from the S&P/ASX 200 or Webjet B2C was not a constituent of the S&P/ASX 300, there is a risk that some existing institutional fund manager shareholders may sell their shares to comply with their investment mandates or preferences. However, this may also create the opportunity for different groups of institutional fund managers to purchase shares under their investment mandates. As such, there is no certainty as to the impact on the share price or trading of either WEB Travel Group and/or Webjet B2C stemming from not being a constituent of the S&P/ASX 200 or S&P/ASX 300 respectively.

1.6
What happens if the Demerger does not proceed?

Completion of the Demerger is subject to the satisfaction or waiver of certain Conditions Precedent (refer to Section 4.1 for further details) including, among others, the passing of the Demerger Resolution to be considered by Webjet Shareholders at the Extraordinary General Meeting. If Webjet Shareholders do not approve the Demerger Resolution or if any of the other Conditions Precedent are not satisfied or waived, the Demerger will not proceed.

If the Demerger does not proceed:

- Webjet Shareholders will not receive Webjet B2C Shares (or in the case of Selling Shareholders and Ineligible Shareholders, they will not receive the proceeds from the sale of the Webjet B2C Shares);
- Webjet Shareholders will retain their current Webjet Shares (unless they sell such shares);
- the advantages of the Demerger, as described in Section 1.3, will not be realised;
- the disadvantages and risks of the Demerger, as described in Section 1.4 and Section 1.5 may not eventuate;
- the Webjet Board may consider other alternatives for the Webjet B2C Business; and
- Webjet will incur transaction costs of approximately $1.7 million (pre-tax).

Information on Webjet B2C.

2.1
Webjet B2C overview and history

2.1.1
Introduction to Webjet B2C

Webjet B2C is a leading digital consumer travel business and comprises two key businesses:

Webjet OTA

As Australia and New Zealand's leading online travel agency (**OTA**), Webjet OTA leads the way in online travel tools and technology. Webjet OTA enables customers to compare, combine and book domestic and international flight deals, hotel accommodation, holiday package deals, travel insurance and car hire worldwide.

GoSee

GoSee is a global travel e-commerce group that specialises in car and motorhome rentals through the Airport Rentals and Motorhome Republic websites, enabling customers to search, compare and book rental cars and motorhomes respectively. GoSee is also the majority shareholder in Search Republic, a New Zealand-based performance marketing agency.

Figure 1: **Webjet B2C Overview**

webjet.com.au

The #1 OTA in Australia and New Zealand

- **Total GDS market share**
  8.2%
  46% on pre-pandemic levels)[3]
- **Most Outstanding Online Travel Agency** (National Travel Industry Awards 2023)

FY24 Bookings
1.3m
FY24 TTV
$1.4bn
FY24 Revenue
$121.2m
FY24 EBITDA
$54.2m

GoSee

A leading travel ecommerce group that specialises in global motorhome and car rentals

3.8m+
car rentals booked[4]
4.5m+
camper rental days[4]
34,000+
pickup locations

FY24 Bookings
300k
FY24 TTV
$211m
FY24 Revenue
$21.6m
FY24 EBITDA
$1.7m

In addition to Webjet OTA and GoSee, Webjet B2C also owns technology company Trip Ninja, a provider of technology that automates the highly manual process of selling complex multi-stop travel itineraries for travel intermediaries. Trip Ninja's proprietary technology improves content efficiency so that travel intermediaries can achieve their goals faster, and more profitably, using sophisticated machine learning technology and AI-driven algorithms.

Webjet B2C also has an investment in Taguchi Marketing, a provider of data driven marketing solutions. Its technology is used by Webjet B2C as well as across a variety of industries to facilitate programs and provide insights associated with digital marketing, loyalty engagement, customer re-targeting campaign, marketing automation and local area marketing. Webjet B2C owns a 25% interest in Taguchi Marketing.

3 FY24 average Global Distribution System (**GDS**) market share based on GDS bookings from 1 April 2023 to 31 March 2024. Pre-pandemic levels based on GDS bookings from 1 January 2019 to 31 December 2019.
4 Since the business commenced.

2.1.2
History of Webjet B2C

Webjet OTA was founded in 1998 as one of the first OTAs in the Australian market. It began as a small start-up seeking to disrupt traditional norms in the highly competitive travel industry and has grown today to be the leading OTA in Australia and New Zealand. Since its founding, Webjet OTA has led the way in online travel tools and technology – Webjet OTA brought to market one of the world's first Travel Services Aggregation technology, bringing together multiple travel products for distribution to consumers, and also developed an industry first domestic matrix presentation, allowing customers to mix and match fares across different airlines. Webjet OTA's brand has always been underpinned by market leading customer service as the company continually seeks to innovate and provide outstanding experiences.

GoSee (previously Online Republic) was acquired in 2016, adding to Webjet's consumer offering. The acquisition was highly complementary to Webjet's existing portfolio and represented a unique opportunity to leverage Webjet's core capabilities into the attractive online cruise, car rental and motorhome segments. The cruise business was subsequently closed in 2020 during the COVID-19 pandemic.

Trip Ninja was acquired in 2021 with the aim of integrating its products into Webjet OTA to provide the ability to offer unique, highly competitive content to propel additional international sales, as well as selling the technology to other travel intermediaries.

Figure 2a: **Webjet B2C History** 1998–2017

1998

Webjet OTA was founded as one of the first OTAs in the Australian market

2004

- Webjet OTA went to market with one of the world's first Travel Services Aggregation technology, bringing together multiple travel products for distribution to consumers
- Webjet OTA developed an industry first domestic matrix presentation
- Webjet OTA integrated Jetstar as a low-cost carrier via application programming interface (**API**)

2005

- Webjet OTA launched an industry first knowledge engine, allowing customers to self-serve and resolve queries

2006

- Webjet OTA developed an industry first international matrix, allowing mix and match of fares for international short haul routes

2009

- Webjet OTA created the iOS App
- Webjet OTA invested in Taguchi Marketing

2010

- Webjet OTA became the #1 OTA in Australia and New Zealand

2011

- Webjet OTA commenced migration to the cloud
- Webjet OTA launched gift cards

2012

- Webjet OTA launched points earn and burn partnership with Flybuys

2014

- Webjet OTA completed migration to the cloud for the front-end transactional website

2015

- Webjet OTA integrated Scoot and AirAsia as low-cost carriers via API

2016

- Webjet Limited acquired GoSee (previously Online Republic)

2017

- Webjet OTA launched Points Burn partnership with NAB Rewards

Figure 2b: **Webjet B2C History** 2018–2024

2018

- Webjet OTA completed migration to cloud for all back-end systems and CMS
- Webjet OTA introduced the first machine learning algorithms and set of APIs to capitalise on rich data points and personalise opportunities for customers
- Webjet OTA integrated Cebu as a low-cost carrier via API

2019

- Webjet OTA became a key agency partner for the Qantas NDC program[5]

2020

- Webjet OTA delivered self-serve flight changes, enabling customers to view pricing and real-time confirmation for flight changes
- Webjet OTA launched the Sustainable Traveller Program, enabling carbon offsets for flights, shortly followed by hotels
- Webjet OTA integrated Apple Pay and Google Pay
- Webjet OTA integrated status-based seat selection options for Qantas and Velocity Frequent Flyer members
- Webjet OTA leveraged its 100% cloud-enabled platform to reduce operational costs during COVID-19
- GoSee closed the cruise division during COVID-19 amid the loss of international travel

2021

- Webjet OTA integrated AfterPay to help customers manage payments
- Webjet OTA acquired Trip Ninja
- Online Republic rebranded to became GoSee, operating the consumer brands of Airport Rentals and Motorhome Republic
- GoSee awarded the industry sector CRM Award for Online Support Services
- GoSee migrated its contact centre to the Amazon Connect IP telephony system to facilitate greater automation and customisation for customers and affiliates

2022

- Trip Ninja went live on Webjet OTA delivering real price advantages for customers booking multi-stop international itineraries
- GoSee redesigned its booking flow experience for customers on a new technology stack, enabling faster innovation and better performance
- Webjet OTA and GoSee deployed TravelOperations and Dynamics365 for streamlined financial workflows across the Webjet B2C Group
- GoSee migrated all workloads to AWS Cloud, increasing platform security, governance and scalability

2023

- Webjet OTA completed migration to AWS Connect platform, further enhancing customer service capabilities
- Webjet OTA launched Klook partnership to offer customers further choices to book experiences and activities
- Webjet OTA added Zip as a payment option, making a total of 15 payment methods available to customers
- Webjet OTA launched domestic flights on Qantas Airlines via NDC channel

2024

- Webjet OTA launched Singapore Airlines via NDC channel

5 NDC refers to New Distribution Capability, a travel industry-supported program launched by IATA (International Air Transport Association) for the development and market adoption of a new data transmission standard that enhances the capability of communications between airlines and travel agents. It is open to any third-party, intermediary, IT provider or non-IATA member to implement and use. It aims to enhance communication and data exchange between airlines and airfare sellers, allowing for more personalised and dynamic airfare and ancillary service offerings.

2.2 Key strengths

2.2.1 Industry leadership

Webjet OTA is the #1 OTA in Australia and New Zealand

Webjet OTA is the #1 OTA in Australia and New Zealand and has more than 50% of the entire OTA domestic flights market in the region. Since the COVID-19 pandemic, Webjet OTA has experienced significant market share gains. In FY24 Webjet OTA had an average market share of 8.2% across all GDS bookings in Australia[6], 4.0% of international bookings, and 11.1% of domestic bookings representing an increase of 46%, 33% and 19% respectively compared to pre-pandemic levels. Webjet OTA has significant customer followership reaching more than 5.5 million people per month, with a database of 3 million and 2.5 million unique visitors to its website each month.

Highly valuable and iconic Webjet OTA brand with strong heritage

Founded more than 25 years ago, Webjet OTA is an iconic and highly trusted brand. Webjet OTA's long term investment in its brand and customer engagement has resulted in multiple awards. Most recently Webjet OTA was awarded the Leading Online Travel Agency in Australia, New Zealand and Oceania (2023 World Travel Awards) and Most Outstanding Online Travel Agency (2023 National Travel Industry Association Awards). Webjet OTA also has a long history of delivering exceptional customer service consistently ranking #1 in industry wide customer service benchmarking studies prior to the COVID-19 pandemic. Customer service levels were impacted by the COVID-19 pandemic given the significant increase in customer interactions due to flight cancellations and changing schedules. Webjet OTA took significant steps to drive customer service improvements and FY24 saw Webjet OTA's Net Promotor and Customer Engagement Scores increase materially. Webjet OTA recently migrated to the AWS Connect platform which will deliver the next wave of customer experience improvements in servicing and self-serve capabilities.

2.2.2 Demonstrated technology expertise and innovation

Track record of unique content from disparate and complex sources and delivering it to consumers in an easy-to-use format

Webjet B2C has a significant history of successfully connecting disparate and complex technology and seamlessly delivering it for customers and each of Webjet B2C's businesses have made focused investments to establish stable connectivity to a vast array of travel product suppliers, payment partners, ancillary product partners and other dynamic content sources. Each Webjet B2C business is hosted in the cloud either in AWS or Microsoft Azure, ensuring scalable availability for consumers at all times. Connecting to more than 360 sources of supply, Webjet B2C provides a market-leading breadth and depth of content for its customers.

Webjet OTA has a long track history of technology innovation

Webjet OTA developed its unique bespoke Travel Services Aggregator (**TSA**) matrix to offer customers the greatest convenience and choice when booking their travel. This TSA matrix design has evolved to cater for legacy airline connects, direct API connections to Low Cost Carriers (**LCCs**) and the modern retailing framework of New Distribution Capability (**NDC** – see below). This unique matrix design allows consumers to "mix and match" by selecting the airline that best suits them for each leg of their journey.

Webjet OTA started its agile journey in 2012 and has evolved into a truly agile organisation. Over the years, Webjet OTA has moulded its technology teams to work hand-in-hand with commercial partners and redesign the codebase to allow Webjet OTA to keep pace with the demands of the travel sector. Webjet OTA has gone from releasing code every three months to now releasing on average 15 times a day, allowing Webjet OTA to sustainably deliver high quality innovations and features at a fast pace.

Webjet OTA is committed to offering its customers the greatest convenience and choice and has introduced a range of technology innovations over the years:

- Webjet OTA currently offers more than 15 different payment choices.
- RouteHappy integration helps airlines differentiate their product by visually showcasing comprehensive product features which allows customers to compare offerings and make more informed decisions.
- Webjet OTA was the first OTA in Australia to offer carbon offsets for consumers.

6 FY24 average GDS market share based on GDS bookings from 1 April 2023 to 31 March 2024. Pre-pandemic levels based on GDS bookings from 1 January 2019 to 31 December 2019.

- Webjet OTA introduced a self-service cancellation functionality during the COVID-19 pandemic allowing customers to make their own changes, winning the Australian Business Award for Innovation in 2021.
- Trip Ninja technology was integrated into the Webjet OTA platform in 2022, allowing Webjet OTA to find better fares to help customers save money when booking multi-stop itineraries.

NDC first mover advantage in the flights marketplace

In 2023 Webjet OTA established a first-mover advantage in adopting the NDC standard in the Australian and New Zealand market. By leveraging NDC, Webjet OTA gained direct access to richer flight inventory, allowing for more competitive pricing and enhanced customer experience. Furthermore, strong partnerships with airlines have provided Webjet OTA with unique content and collaborative opportunities, setting it apart from competitors and strengthening its position as an innovative leader in the online travel industry.

Whilst Webjet OTA secures NDC content through Travelport's GDS, launching each airline requires bespoke development to ensure the highest quality of inventory, best pricing and retaining Webjet OTA's exceptional level of customer service. NDC is adding complexity to the distribution landscape globally, however Webjet OTA has made the investments to date to be at the leading edge of NDC's adoption. Webjet OTA recently launched Singapore Airlines NDC content and has seen incremental bookings and revenue growth because of the investment to access this unique content.

2.2.3
Attractive growth opportunities

Webjet OTA has a number of attractive opportunities to drive profitable growth

Revenue optimisation initiatives – Webjet OTA's sophisticated revenue optimisation initiatives have consistently driven profitable growth by leveraging advanced technology and data analytics. Webjet OTA's strategic approach to upselling and cross-selling ancillary services further boosts revenue and delivers significant value to both customers and Webjet OTA's supply partners. These capabilities, including the integration of sophisticated technology like Trip Ninja, underpin Webjet OTA's robust financial performance and sustainable profitable growth in the highly competitive online travel industry.

The integration of Trip Ninja's FareStructure technology into Webjet OTA for complex multi-city itineraries has improved revenue per search by 125%[7] and created cheaper fares than the Global Distribution System (**GDS**) in 67% of trips.[7] Average fares on these itineraries have also decreased by 30% on average[7], offering Webjet OTA both a revenue management opportunity and an increase in customer conversion rates. In FY24, the integration of Trip Ninja delivered c.$4 million in EBITDA contribution to the Webjet OTA business. Further positive results are expected as Trip Ninja's phased roll out will include more content, for example LCCs mixed with full service GDS airlines.

Significant opportunity to increase international market share – International flight bookings are more profitable than domestic bookings however Webjet OTA has historically been underrepresented in international. Domestic flights were the first area consumers came to the internet to book with confidence. As consumers became more comfortable booking online, that moved to trans-Tasman and Webjet OTA is now seeing that move to international flight bookings. Webjet OTA has significantly increased its international market share through a combination of strategic initiatives and technological advancements such as the integration of Trip Ninja, enabling a seamless user experience and efficient handling of complex travel itineraries. By continuing to innovate and prioritise customer needs, Webjet OTA is well-positioned to maintain its growth trajectory and further increase its international market share.

Hotel bookings growth – Webjet OTA's hotel innovations catering to evolving consumer habits have significantly propelled hotel bookings growth, with FY24 bookings up more than 50% on pre-pandemic levels. The introduction of mobile-optimised bookings has made it easier for customers to book, while flexible payment options such as pay-at-hotel, partial deposit and buy-now-pay-later offerings such as AfterPay have enhanced convenience and affordability. Enhancements in mapping and location services have improved user experience, ensuring customers find the best-suited hotels. Additionally, features like refundability merchandising and exclusive member deals have boosted customer satisfaction and loyalty, driving Webjet OTA's performance. Webjet OTA's focus on revenue optimisation initiatives and higher margin ancillary offerings has helped diversify revenue streams and provided resilience against changes in airline commission structures.

7 Over October 2022 to March 2023.

International expansion opportunities for GoSee

GoSee has expanded its international reach into the US, Canadian and European markets with new supplier partnerships and local performance marketing strategies. Further growth opportunities exist in the US given the significant size of the rental car market and GoSee's current small booking volumes. The opportunity is also supported with a local industry specialist appointment in the US. Further reach into other regions is also expected with new supplier partnership agreements in the pipeline that will further expand GoSee's broader global opportunity.

GoSee is also focused on increasing ancillary revenue and travel protection products to ensure optimal return and an increase in attachment rates.

New customer opportunities for Trip Ninja

As Webjet B2C is the owner of Trip Ninja, Webjet OTA is the only entity in Australia and New Zealand with the ability to use its technology. Webjet B2C believes Trip Ninja technology will be game-changing technology for OTAs and travel agents and Trip Ninja is now making the technology available to external parties in other markets. Three parties have now implemented the technology with a strong new customer pipeline being progressed.

2.2.4
Strong underlying industry fundamentals

Both Webjet OTA and GoSee are well placed to benefit from expected growth in domestic and international travel. Growth in Webjet OTA and GoSee is underpinned by growth in the broader travel industry in Australia and New Zealand, especially as the industry returns to pre-pandemic levels. Phocuswright estimates total travel bookings via OTAs in Australia and New Zealand in 2024 to be US$5.3bn which is estimated to grow at 6% over in 2025.[8] The COVID-19 pandemic saw an acceleration of the consumer shift to OTAs away from traditional bricks-and-mortar retail travel agents and this is expected to continue. See Section 2.3 for more information.

2.2.5
Scalable business with a strong balance sheet

Following the Demerger, Webjet B2C will have a strong balance sheet with a positive net cash position and access to a $20 million revolving credit facility, providing sufficient funding capacity to support the business' strategic, growth and operational objectives.

Webjet OTA in particular is a highly scalable business. Its highly variable cost base allows it to effectively manage costs through demand fluctuations and Webjet OTA has a history of generating strong consistent cashflow. Webjet OTA is one of the most profitable OTAs in the world with FY24 EBITDA margins of 44.7%.

2.2.6
Highly experienced leadership team

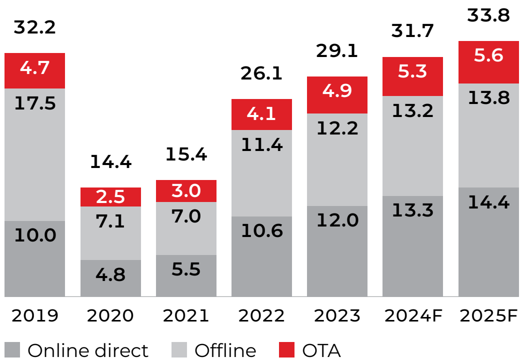
As set out in Section 2.9, Webjet B2C is led by a dedicated Board and management team who bring more than 130 years of combined experience in the travel industry. Webjet OTA's senior management team have worked closely together for more than 10 years and bring extensive experience and deep institutional knowledge of Webjet OTA's airline partners, technology and customer service. The GoSee management team have been together since the COVID-19 pandemic and are well-placed to drive growth in the business. The management teams are further supported by talented team of more than 400 people who will continue to work closely with management to deliver continued success for the Webjet B2C Group.

8 Australia-New Zealand Market Report 2022-2026 (Phocuswright, September 2023); 2023-2025 reflect forecasts.

2.3
Industry overview

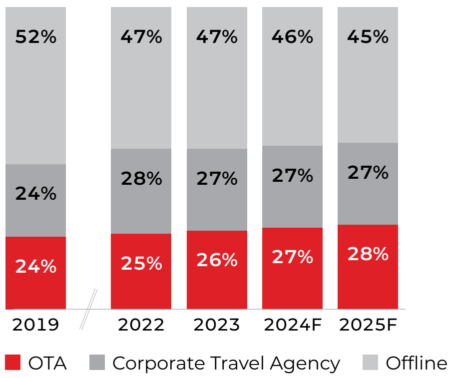
The OTA industry in Australia and New Zealand comprises travel intermediaries who provide online travel reservation and booking services to consumers across flights, accommodation, cars, cruises, travel packages and other travel services. In addition to Webjet B2C, other pure-play OTAs who operate in the Australian and New Zealand market are Expedia and Booking.com. Flight Centre is another market operator, albeit primarily with a bricks-and-mortar presence. In addition to travel intermediaries, direct travel suppliers, including airlines and car rental companies, also compete with Webjet B2C.

Figure 3: **Australia and New Zealand total travel bookings (US$bn)**[9]



The broader travel market in Australia and New Zealand has nearly recovered and normalised since the COVID-19 pandemic with Phocuswright estimating total travel bookings in 2024 to be US$31.7bn.[9] Total travel bookings are expected to grow 6% in 2025, reflecting the strength and stability of travel in Australia and New Zealand.[9]

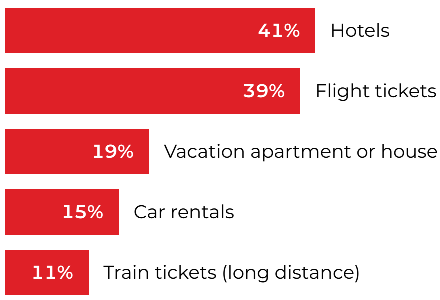
Figure 4: **Australia and New Zealand GDS passenger bookings by channel**[10]



Travel bookings through OTA channels have also recovered in a post-pandemic environment with Phocuswright estimating total travel bookings via OTAs in 2024 to be US$5.3bn which is expected to grow by 6% in 2025.[9] OTAs are also expected to continue gaining share of airline GDS passenger bookings.[10]

Webjet B2C through its Webjet OTA and GoSee businesses offers strong coverage across key travel products booked online. According to a consumer survey conducted by Statista,[11] flight tickets, hotels and car rentals were among the top five travel products booked online by consumers in Australia.

Figure 5: **Travel product online bookings in Australia (% respondents who have booked travel products online in the past 12 months)**[11]



9 Australia-New Zealand Market Report 2022-2026 (Phocuswright, September 2023); 2023-2025 reflect forecasts. Phocuswright is a leading authority in travel, tourism and hospitality market research (https://www.phocuswright.com/About-Us).
10 MIDT data as at 30 June 2024.
11 Statista (https://www.statista.com/forecasts/1288381/travel-product-online-bookings-in-australia); Survey of 2,022 respondents.

2.4
Overview of Webjet B2C's business and capabilities

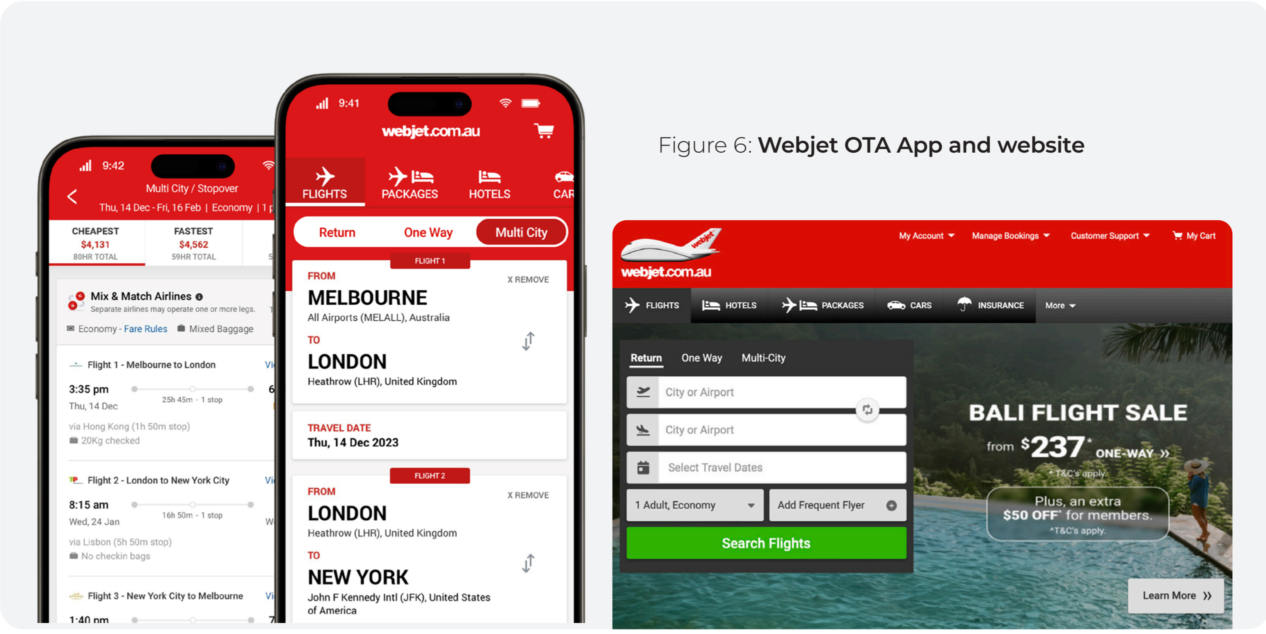


Figure 6: **Webjet OTA App and website**

2.4.1
Webjet OTA

Through the Webjet App or website, Webjet OTA enables customers to compare, combine and book domestic and international travel flight deals to and from almost every destination around the world across eight domestic airlines and 140 global airlines. Webjet OTA also connects customers with car hire, thousands of flexible holiday packages, world-wide hotels and accommodation with over one million hotel rooms on sale every day, motorhomes, travel insurance and in-destination activities.

In FY24, Webjet OTA had 1.3 million bookings on its platform, with total transaction value of $1.4 billion, representing a year-on-year increase of 5% and 6% respectively, largely underpinned by a return of international airline capacity.

Since its founding over 25 years ago, Webjet OTA has been at the forefront of online innovation, leading the way in online travel tools and technology. In 2004, Webjet OTA was the first to develop the Domestic Matrix presentation, allowing customers to mix and match airlines and fares on domestic routes. The International Matrix was subsequently introduced in 2006, further enabling mix and match capabilities on international routes. More recently, Webjet OTA introduced Trip Ninja technology to its platform (see Section 2.4.3) and the NDC rollout is well underway, enabling delivery of the best content to customers.[12]

12 New Distribution Capability refers to a travel industry-supported program launched by IATA (International Air Transport Association) for the development and market adoption of a new data transmission standard that enhances the capability of communications between airlines and travel agents. It is open to any third-party, intermediary, IT provider or non-IATA member to implement and use. It aims to enhance communication and data exchange between airlines and airfare sellers, allowing for more personalised and dynamic airfare and ancillary service offerings.

Figure 7: **Matrix presentation**

Results departing: Friday, 6th September 2024 - Melbourne (MELALL) to Denpasar (DPS)

Advertised prices* exclude additional Webjet Fees which are payable per booking and are shown during checkout. Learn More

Departing Flight Prices From*:
Prices displayed one-way per passenger
Fares with carry-on baggage only

Airline	Departure	Arrival	Jetstar $464 ON SALE! Starter	Batik Air $547 ON SALE! Economy	Garuda Indonesia $553 ON SALE! Economy	Jetstar $569 Starter Plus	Jetstar $572 Flex	Jetstar $629 Flex Plus	QANTAS $660 ON SALE! Economy	Virgin australia $739 Flex	Virgin australia $1,352 Business
Jetstar	6:25 am	10:35 am	$574 $626			$649	$652 $704	$709			
Garuda Indonesia	7:00 am	11:05 am			$553						
Batik Air	7:00 am	11:25 am		$547							
Jetstar	9:15 am	1:25 pm	$574 $626			$649	$652 $704	$709			
Virgin australia	10:20 am	2:45 pm								$1,257	$1,823
Virgin australia	5:30 pm	9:55 pm								$850	$1,352
Jetstar	5:40 pm	9:50 pm	$464 $546			$569	$572 $624	$629			
QANTAS	5:45 pm	10:00 pm							$660		

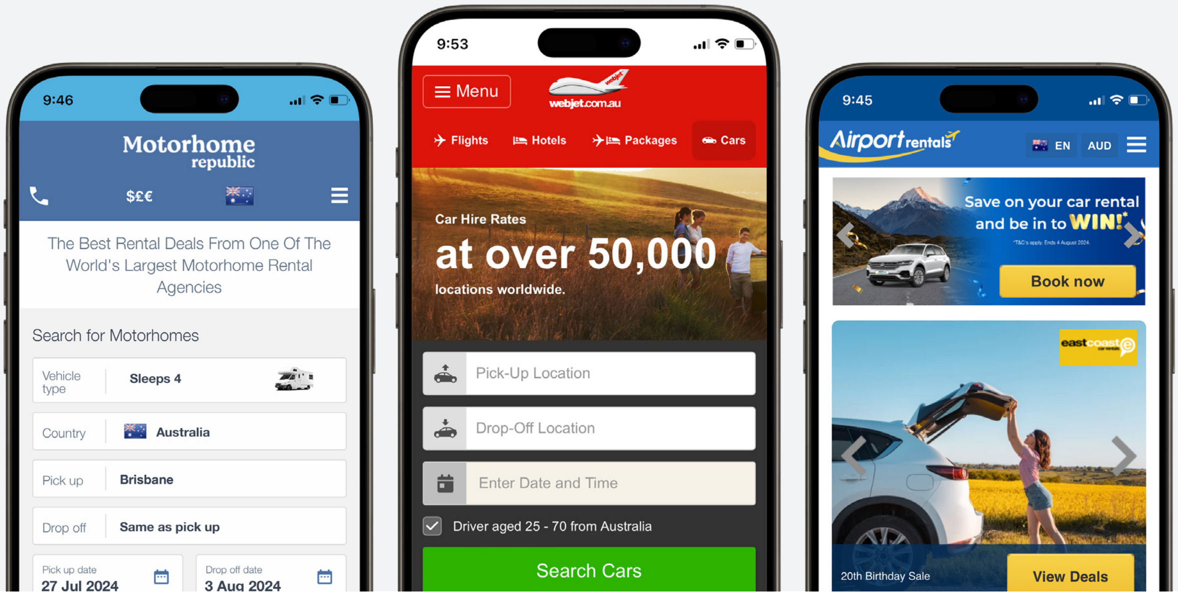
In addition to a focus on offering the greatest convenience and choice to customers, Webjet OTA is also focused on continuously improving its award-winning customer service capabilities. Following the impact of the COVID-19 pandemic on customer service, in FY24, Webjet achieved significant improvements to Net Promotor Scores (47% improvement vs. FY23) and Customer Engagement Scores (21% improvement vs. FY23). This was aided by enhancing customer technology platforms and increasing automation, including an innovative self-service flight change function. Webjet OTA also offers a wide choice in payment options across 15 alternatives, providing customers with added flexibility.

Over the last few years, Webjet OTA has earned several awards, further solidifying its position as an industry leader in providing exceptional travel services and experiences.

Figure 8: **Webjet OTA awards**

- **Most Outstanding Online Travel Agency**: National Travel Industry Awards 2023
- **World Travel Awards**: Australia's Leading Online Travel Agency 2021, 2022 & 2023
- **World Travel Awards**: Oceania's Leading Online Travel Agency 2021, 2022 & 2023
- **World Travel Awards**: World's Leading Online Travel Agency 2022
- **ABA100®** Winner for Business Sustainability 2021
- **ABA100®** Winner for Business Innovation 2021.

Figure 9: **Motorhome Republic, Airport Rentals and Webjet OTA's car offering**



2.4.2
GoSee

GoSee is a global travel ecommerce group that specialises in car and motorhome rental through the Airport Rentals and Motorhome Republic brands. Through the GoSee Group websites or Airport Rentals App, customers have access to 1,300+ car rental suppliers in 190+ countries with 34,000+ pickup locations, and 166 motorhome suppliers in 50+ countries with 1,550+ locations. Both Airport Rentals and Motorhome Republic websites are translated into eight languages.

GoSee has a strong portfolio of rental partners ranging from international brands to regional suppliers and strives to offer the best range of vehicles in as many global markets as possible for its customers. GoSee also provides rental products to affiliate partners who sell inventory on their behalf, the largest of which is Webjet OTA. In total, GoSee has 129 active affiliate partners, including most major airports in New Zealand, seven Australian airports and Pittsburgh Airport in the USA.

In FY24, the GoSee Group had 300,000 bookings completed on its platforms, with TTV of $211 million. Travel protection was attached to 57% of bookings. 44% of car bookings and 46% of motorhome bookings came from affiliates.

GoSee operates an agile product development framework releasing code every week, allowing the company to innovate, optimise and deliver features with speed. GoSee is also the majority shareholder in Search Republic, a New Zealand-based Performance Marketing agency working with some of New Zealand's leading brands.

2.4.3
Trip Ninja

Trip Ninja provides complex travel itinerary automation technology for travel intermediaries globally. Trip Ninja's product suite is accessed through a straightforward API integration and its technology currently offers two key features:

- **FareStructure**: The sophisticated technology empowers travel intermediaries to use their existing content sources in a smarter, more profitable way, through the use of advanced machine-learning algorithms to identify the most efficient queries and configurations of the content to deliver the best prices to consumers.
- **Virtual Interlining**: Creates connections between airlines without code-share or interlining agreements to increase flight options and decrease itinerary costs. Virtual Interlining takes two or more shorter, individual flights and combines them into an itinerary that is, in aggregate, cheaper than what a traveller might otherwise find on offer from Full-Service Carriers.

Webjet Limited acquired Trip Ninja in 2021 and Webjet OTA is the only travel intermediary in Australia and New Zealand with exclusive use of Trip Ninja technology, allowing it to find better fares to help save customers money when booking multi-stop itineraries. Trip Ninja is being made commercially available to travel intermediaries in other markets with a strong customer pipeline being progressed.

2.5
Webjet B2C strategy

Following the Demerger, Webjet B2C should be well-positioned to pursue its strategic objectives for its two key businesses and technology company:

- **Webjet OTA** – increase market share leadership as the #1 OTA in Australia and New Zealand.
- **GoSee** – become the industry leader in Australia and New Zealand and pursue growth in key international markets by leveraging GoSee's foundations.
- **Trip Ninja** – achieve profitability by leveraging its innovative technology to provide unparalleled value to the travel industry by rapidly solving complex flight related challenges.

With a dedicated and focused Board and leadership team, Webjet B2C should also be optimally positioned to leverage its strong balance sheet to pursue attractive inorganic growth opportunities that enhance and broaden its offerings and provide opportunity to increase value.

Webjet OTA

Webjet OTA's strategy to increase its market share leadership is underpinned by the following key elements:

- **Drive profitable growth** – continue leveraging Webjet OTA's key strengths to target opportunities to increase international market share, expand ancillary offerings and revenue optimisation opportunities, and further enhance its superior customer service experience.
- **Leverage Webjet OTA's significant customer reach to drive greater loyalty and repeat business through a membership program** – Webjet OTA has significant customer reach of more than 5.5 million customers per month (including 2.5 million unique visitors to its website) across its databases and other channels. Webjet OTA plans to enhance its relationship with these customers through enhancing its membership program. Webjet OTA also has significant data capabilities for customer segmentation and optimisation with plans to leverage these capabilities to deliver unique content and offers to drive loyalty and repeat business.
- **Continue to extend Webjet OTA's superior technical capabilities** – Webjet OTA has a long history of technological innovation and integrating complex systems and intends to expand and develop its capabilities to further enhance customer experience and make it easier for customers to book, change and cancel travel.
- **Drive brand awareness through refreshed brand and marketing campaigns** – Webjet OTA has high brand awareness and iconic heritage. Following the Demerger, Webjet OTA will have the opportunity to refresh and refocus its branding and marketing efforts to drive customer acquisition and traffic to its websites and Apps.

GoSee

GoSee is well-positioned to capitalise on the recovery of inbound tourism, in particular from and to Australia and New Zealand. GoSee is committed to building on its foundations with ongoing investment in the team and platform capabilities to enable product innovation and improve customer experiences. Key priorities include improving customer acquisition cost, strengthening and expanding commercial partnerships, expanding ancillary offerings and new product features. International expansion into key markets is also a priority providing opportunity to drive revenue growth. Simplification and automation of customer service is also expected to deliver cost efficiencies.

Trip Ninja

Trip Ninja is focused on further building out its customer pipeline. Trip Ninja's dedicated team will continue to expand its technology and commercialise this by further developing its new customer pipeline to implement its product across more travel intermediaries globally.

2.6 Webjet B2C Group Pro Forma Historical Financial Information

This Section 2.6 contains pro forma historical information in relation to Webjet B2C Group (**Webjet B2C Group Pro Forma Historical Financial Information**), comprising the:

- Webjet B2C Group pro forma historical income statements for the years ended 31 March 2022 (**FY22**), 31 March 2023 (**FY23**), and 31 March 2024 (**FY24**);
- Webjet B2C Group pro forma historical cash flow information for FY22, FY23 and FY24; and
- Webjet B2C Group pro forma historical statement of financial position as at 31 March 2024.

References to Webjet B2C Group Pro Forma Historical Financial Information refers to Webjet B2C on a consolidated basis.

2.6.1 Basis of preparation

The Webjet B2C Group Pro Forma Historical Financial Information has been prepared for illustrative purposes, to assist Webjet Shareholders to understand the financial position, financial performance and cash flow information of Webjet B2C Group on a pro forma basis reflecting the adjustments described below. By its nature, pro forma historical financial information is illustrative only. Consequently, the pro forma historical financial information does not purport to reflect the actual financial performance, financial position and cash flows that would have occurred if Webjet B2C Group had operated as a standalone entity for the relevant periods.

The Webjet B2C Group Pro Forma Historical Financial Information has been derived from the historical financial information directly related to Webjet B2C Group in Webjet's accounting records and adjusted for the effects of the pro forma adjustments described below. These accounting records were used to generate Webjet's financial statements for FY22, FY23 and FY24. The Webjet financial statements for these periods are available from Webjet's website (www.webjetlimited.com) or the ASX website (www.asx.com.au).

The Webjet financial statements for FY22, FY23 and FY24 have been audited by Deloitte Touche Tohmatsu in accordance with Australian Auditing Standards (**AUS**). Deloitte Touche Tohmatsu issued unqualified audit opinions on these financial statements.

The Webjet B2C Group Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards (**AAS**), which are consistent with IFRS, unless otherwise stated.

The accounting policies used in the preparation of the Webjet B2C Group Pro Forma Historical Financial Information are consistent with those set out in Webjet's annual report for the FY22, FY23 and FY24.

Pro forma adjustments have been made to the Webjet B2C Group pro forma historical income statements and cash flow information to reflect the additional standalone corporate costs of Webjet B2C Group:

- Additional standalone corporate costs of Webjet B2C Group include corporate staff, company secretarial costs, ASX listing fees, share registry costs, audit fees, insurance and the costs of maintaining a board of directors; and
- Additional operating costs previously incurred by Webjet (and not charged to Webjet B2C Group) will be incurred by Webjet B2C Group following the Demerger and relate to corporate staff, IT costs, and other functions including audit and tax.

The transaction costs relating to the Demerger will be borne by WEB Travel Group.

The Webjet B2C Group historical statement of financial position represents the assets and liabilities held by Webjet B2C Group as at 31 March 2024, prior to Demerger occurring, as derived from the historical financial information directly related to Webjet B2C from the accounting records of Webjet.

Pro forma adjustments have been made in the Webjet B2C Group pro forma historical statement of financial position to reflect the accounting for the Demerger and the settlement of intercompany loans.

The financial information in this Section 2.6 is presented in an abbreviated form and does not contain all presentation, comparatives and disclosures that are usually provided in an annual financial report prepared in accordance with the Corporations Act.

The Investigating Accountant has prepared an Independent Limited Assurance Report in respect of the Webjet B2C Group Pro Forma Historical Financial Information, a copy of which is included in Section 7.

Figures, amounts, percentages, estimates and calculations are subject to the effect of rounding. Accordingly, totals in tables may not add due to rounding.

The financial information in this Section 2.6 should be read in conjunction with the risk factors set out in Section 2.14

2.6.2
Explanation of certain non-IFRS financial measures

Webjet B2C Group uses certain measures to manage and report on its businesses that are not recognised under AAS or IFRS. These measures are collectively referred to in this section as non-IFRS financial measures pursuant to Regulatory Guide 230 *Disclosing non-IFRS financial information* published by ASIC. Management uses these non-IFRS financial measures to evaluate the performance and profitability of the overall business, and they are commonly used performance measures by the investor community.

The principal non-IFRS financial measures referred to in this Section 2.6 are as follows:

- **EBIT** is earnings before the following:
  - interest revenue, interest expense or financing costs; and
  - income tax expense.
- **EBITDA** is earnings before the following:
  - interest revenue, interest expense or financing costs;
  - income tax expense; and
  - depreciation and amortisation.
- **Underlying EBITDA** is earnings before the following:
  - interest revenue, interest expense or financing costs;
  - income tax expense;
  - depreciation and amortisation;
  - share-based payment expenses; and
  - non-operating income/(expenses).
- **Underlying NPAT** is net profit after pro forma income tax and before the following:
  - share-based payment expenses;
  - non-operating income/(expenses);
  - acquired amortisation;
  - impairment; and
  - convertible notes interest (amortisation from discount value to par using effective interest rate method) and remeasurement.
- **Net operating cash flows before financing costs and tax** represents pro forma underlying EBITDA and movement in working capital, but excluding financing costs and tax.
- **Operating cash flows before income tax paid** represents net operating cash flows before financing costs and tax, plus net interest and finance costs.
- **Operating and investing cash flows before income tax paid and financing activities** represents operating cash flows before income tax paid, less net payments for property,
- **Total transaction value** (**TTV**) represents the total invoiced value payable by the customer.
- **Working capital** represents trade debtors and other current receivables, and trade payables and other current liabilities.

2.6.3 Webjet B2C Group pro forma historical income statements

Set out below are the Webjet B2C Group pro forma historical income statements for FY22, FY23 and FY24.

Table 1: **Webjet B2C Group pro forma historical income statement**

	Notes	FY22 $ m	FY23 $ m	FY24 $ m
Revenue	1	**52.4**	**127.7**	**143.6**
Operating costs	1	(47.1)	(85.1)	(90.1)
Corporate overheads	2	(10.1)	(12.9)	(14.4)
Underlying EBITDA	3	**(4.8)**	**29.7**	**39.1**
Share Based Payments		(3.3)	(2.8)	(2.9)
Non-operating expenses		0.3	–	–
Statutory EBITDA		**(7.8)**	**26.9**	**36.2**
Depreciation and amortisation (excl. AA)		(6.6)	(6.5)	(8.6)
Acquired Amortisation		–	–	–
Accelerated amortisation and Impairment	4	(14.1)	(5.3)	(30.6)
Net interest and finance costs		(1.9)	(2.8)	(2.9)
Profit/(loss) before tax		**(30.4)**	**12.3**	**(5.9)**
Income tax benefit/(expense)	5	4.9	(3.7)	(6.7)
Net profit/(loss) after tax		**(25.5)**	**8.6**	**(12.6)**
Underlying NPAT	6	**(9.3)**	**10.6**	**17.7**

Notes:

1. Revenue and operating costs have been extracted from the Webjet Limited financial statements and includes the revenue and associated costs for the historical Webjet B2C and Trip Ninja businesses.
2. Represents an allocation of Corporate costs previously included in the Corporate costs segment of the financial statements of Webjet Limited to Webjet B2C, largely reflecting headcount and other operating costs. Following the Demerger, Webjet B2C will be a standalone entity, listed on the ASX. As a standalone entity, Webjet B2C will incur net additional corporate costs of $2.6 million per annum relative to its position as a segment of Webjet. These costs include the corporate functions required to support a standalone listed entity, the cost of maintaining a board of directors, company secretarial costs, ASX listing fees, share registry costs, insurance and other incremental costs.
3. A reconciliation from reported Segment Underlying EBITDA for Webjet B2C extracted from the Webjet Limited financial records to the underlying EBITDA has been included in Table 2.
4. Includes impairment of the historical Online Republic brand in FY22 of $14.1 million and impairment of GoSee goodwill of $28.3 million in FY24. Accelerated amortisation was recognised in FY23 and FY24 following the reassessment of the useful life of capitalised development intangible assets – booking platforms. Management expects to recognise further accelerated amortisation of $1.6 million in FY25 and $0.9 million in FY26.
5. The pro forma income tax expense is based on the pro forma profit before tax adjusted for permanent differences, and the weighted average corporate tax rate of 30%. Historical tax expense for the Webjet B2C business would have taken into consideration the utilisation of tax losses within the Webjet Limited Group. As Webjet B2C will exit the tax consolidated group on Demerger, it will not inherit any of the tax losses and therefore the income tax benefit/(expense) reflects the tax on a standalone basis.
6. Underlying NPAT excludes share-based payments, non-operating expenses, acquired amortisation and impairment. Underlying NPAT includes accelerated amortisation of $5.3 million for FY23 and $2.3 million for FY24 and is calculated using an effective tax rate as outlined in Note 5.

Table 2: **Reconciliation of Webjet B2C Group historical Underlying EBITDA, as derived from the financial statements of Webjet Limited, to Webjet B2C Group pro forma historical Underlying EBITDA**

	Notes	FY22 $ m	FY23 $ m	FY24 $ m
Reported Underlying EBITDA	1	**6.3**	**45.0**	**55.9**
Trip Ninja	2	(1.0)	(2.4)	(2.4)
Corporate costs transferred from Webjet	3	(7.5)	(10.3)	(11.8)
Net additional standalone corporate costs	4	(2.6)	(2.6)	(2.6)
Pro forma Underlying EBITDA		**(4.8)**	**29.7**	**39.1**

Notes:

1. Represents the Underlying EBITDA of Webjet B2C prior to the Demerger occurring, as derived from the segment information contained within the financial statements of Webjet. The B2C business divisions included in that segment are the same as the business divisions that will be held by Webjet B2C following the Demerger.
2. Represents Trip Ninja revenue and operating costs which are historically included in the Corporate costs segment of the financial statements of Webjet Limited.
3. Represents an allocation of Corporate costs previously included in the Corporate costs segment of the financial statements of Webjet Limited to Webjet B2C, largely reflecting headcount and other operating costs.
4. Following the Demerger, Webjet B2C will be a standalone entity, listed on the ASX. As a standalone entity, Webjet B2C will incur estimated net additional corporate costs of $2.6 million per annum relative to its position as a segment of Webjet. These costs include the corporate functions required to support a standalone listed entity, the cost of maintaining a board of directors, company secretarial costs, ASX listing fees, share registry costs, insurance and other incremental costs.

2.6.4
Webjet B2C Group pro forma segment information

Set out below is the Webjet B2C Group pro forma historical segment information for FY22, FY23 and FY24.

Webjet B2C Group segments are organised and managed according to the nature of the product and service provided. The Webjet B2C Board and management team (the chief operating decision makers) monitor the operating results of the segments separately for the purpose of making decisions about resource allocation and performance assessment.

Table 3: **Webjet B2C Group pro forma historical revenue and Underlying EBITDA (segment information)**

	Notes	FY22 $ m	FY23 $ m	FY24 $ m
Revenue				
Webjet OTA		42.0	107.8	121.2
GoSee		10.4	19.5	21.6
Corporate	1	–	0.4	0.8
Total		**52.4**	**127.7**	**143.6**
Underlying EBITDA				
Webjet OTA		9.4	43.4	54.2
GoSee		(3.0)	1.6	1.7
Corporate	1	(11.2)	(15.3)	(16.8)
Total		**(4.8)**	**29.7**	**39.1**

Notes:

1. Corporate revenue and EBITDA, including Trip Ninja and dissynergies, represents Webjet B2C portion only.

2.6.5

Management commentary on Webjet B2C Group pro forma historical performance

Commentary on Webjet B2C Group pro forma historical performance for FY22, FY23 and FY24 is outlined below. Additional information can be found in Webjet's annual reports and half yearly reports. These reports are available from Webjet's website (www.webjetlimited.com), or the ASX website (www.asx.com.au).

FY24

Webjet OTA delivered pro forma historical revenue and pro forma historical underlying EBITDA of $121.2 million (up 12% vs. the prior comparable period (**pcp**)) and $54.2 million (up 25% vs. pcp) respectively. Webjet OTA's focus on growing share in the international market saw growth in its key bookings and TTV metrics, and Webjet OTA's increased focus on higher margin revenue opportunities helped to offset lower commission and overrides on international fares. Webjet OTA's 45% underlying EBITDA margin reflects the business' continued focus on cost efficiencies and Webjet OTA's brand strength has enabled the business to maintain marketing costs at 1.5% of TTV, lower than pre-pandemic levels of c.2% of TTV. The integration of Trip Ninja's technology and unique content into the Webjet OTA business also delivered c.$4 million of underlying EBITDA improvement to Webjet OTA.

GoSee delivered pro forma historical revenue and pro forma historical underlying EBITDA of $21.6 million (up 11% vs pcp) and $1.7 million (up 6% vs pcp) respectively. Revenue growth in the business was largely driven by performance in the Cars business, with domestic demand returning, and improved stock levels and TTV margins. Motorhomes remains negatively impacted by New Zealand inbound tourism and supply chain challenges, with supply levels remaining depressed and prices remaining high. Underlying EBITDA margins in GoSee reflect the business' investment in upskilling the team and enhancing technology.

FY23

Webjet OTA delivered pro forma historical revenue and pro forma historical underlying EBITDA of $107.8 million and $43.4 million respectively. In FY23, Webjet OTA remained impacted by COVID-19, with FY23 bookings at 81% of pre-pandemic[13] levels – despite the opening of borders and a rebound in international capacity, high ticket prices and capacity constraints continued to subdue overall bookings. While there was significant travel demand and a strong recovery in domestic travel, capacity reductions and wide-spread flight cancellations impacted domestic bookings from 2Q23. Webjet OTA achieved an underlying EBITDA margin of 40% despite inflationary wage pressures, reflecting a highly scalable cost base and continued cost discipline post-COVID-19, with marketing costs at 1.5% of TTV.

GoSee delivered pro forma historical revenue and pro forma historical underlying EBITDA of $19.5 million and $1.6 million. Similar to Webjet OTA, the business remained impacted by COVID-19, with FY23 bookings at 55% of pre-pandemic levels with a lack of inbound tourism into GoSee's largest markets of Australia and New Zealand, as well as a lack of supply (particularly Motorhomes) into major markets. Profitability is highly linked to the return of inbound tourism and GoSee's underlying EBITDA is reflective of this.

FY22

Webjet OTA delivered pro forma historical revenue and pro forma historical underlying EBITDA of $42.0 million and $9.4 million respectively. In FY22, Webjet OTA remained highly impacted by COVID-19, with FY22 bookings at 42% of pre-pandemic[13] levels. The first half of FY22 was impacted by ongoing lockdowns and border closures, and the second half of FY22 was impacted by the outbreak of the Omicron variant of COVID-19. Notwithstanding these pressures, Webjet OTA regained underlying EBITDA profitability in FY22, aided by the scalable nature of Webjet OTA's cost base as well as the recovery of domestic flight bookings in the second half of FY22.

GoSee delivered pro forma historical revenue and pro forma historical underlying EBITDA loss of $10.4 million and $3.0 million respectively. FY22 bookings for the GoSee business were 41% of pre-pandemic levels with state and international border closures in place for most of the year. Cars saw demand increase as borders opened, although the lack of inbound tourism continued to impact Motorhomes.

13 Refers to the 12 months ending 31 December 2019.

2.6.6
Webjet B2C Group pro forma historical cash flow information

Set out below are the Webjet B2C Group pro forma historical cash flow information for FY22, FY23 and FY24.

Table 4: **Webjet B2C Group pro forma historical cash flow information**

	Notes	FY22 $ m	FY23 $ m	FY24 $ m
Underlying EBITDA		**(4.8)**	**29.7**	**39.1**
Movement in working capital		19.8	7.9	(6.5)
Net operating cash flows before financing costs and tax		**15.0**	**37.6**	**32.6**
Net interest and finance costs		(0.9)	0.1	0.3
Operating cash flows before income tax paid	**1**	**14.0**	**37.7**	**32.9**
Net payments for PPE and intangible assets		(9.3)	(11.3)	(11.2)
Other investing activities		(3.4)	0.1	0.1
Operating and investing cash flows before income tax paid and financing activities	**1**	**1.4**	**26.5**	**21.9**

Notes:

1. Excludes income tax paid of $0.2 million in FY24.

2.6.7
Management commentary on Webjet B2C Group pro forma historical cash flow information

The Webjet B2C Group pro forma historical cash flow information presents the pro forma operating and investing cash flows before income tax paid and financing activities as if Webjet B2C Group had operated as a standalone group for the periods presented.

Working capital movements in Webjet B2C are largely driven by year-on-year movements in TTV. Cash inflow in FY22 was largely driven by an increase in trade payables due to the increase in trade as compared with the COVID-19 impacted results in FY21. This also drove working capital movements in FY23 and FY24, albeit FY24 was offset by a decrease in trade creditors for GoSee.

Pro forma net financing costs reflect the pro forma net interest earned on the cash for Webjet B2C Group.

Net payments for PPE and intangible assets largely relate to ongoing capitalised development costs associated with the design and development of Webjet B2C Group's travel booking systems and software.

2.6.8
Webjet B2C Group pro forma historical statement of financial position

Set out below is the Webjet B2C Group pro forma statement of financial position as at 31 March 2024.

For the purpose of presenting the pro forma historical statement of financial position, it has been assumed that the Demerger was effected and completed on 31 March 2024.

The Webjet B2C Group pro forma historical statement of financial position has been prepared in order to give Webjet Shareholders an indication of the Webjet B2C Group historical statement of financial position in the circumstances noted in this section, and does not reflect the actual or prospective financial position of Webjet B2C Group at the time of the Demerger. No adjustments have been made to reflect the trading of the Webjet B2C Group business since 31 March 2024.

Table 5: **Webjet B2C Group pro forma statement of financial position**

	Notes	Statutory as at 31 March 2024 $ m	Repayment of intercompany debt $ m	Other adjustments $ m	Pro forma historical as at 31 March 2024 $ m
	Notes	1	2	3	
Current assets					
Cash and cash equivalents	4	100.5	(10.0)	–	90.5
Trade receivables and other assets		16.5	–	–	16.5
Total current assets		**117.0**	**(10.0)**	**–**	**107.0**
Non-current assets					
Intangible assets		77.9	–	–	77.9
Property, plant and equipment	5	2.1	–	–	2.1
Deferred tax assets		2.7	–	(1.6)	1.1
Other non-current assets		0.3	–	–	0.3
Total non-current assets		**83.0**	**–**	**(1.6)**	**81.4**
Total assets		**200.0**	**(10.0)**	**(1.6)**	**188.4**
Current liabilities					
Trade Payables and other liabilities		66.3	–	–	66.3
Other current liabilities	6	16.4	–	–	16.4
Total current liabilities		**82.7**	**–**	**–**	**82.7**
Non-current liabilities					
Intercompany loans		92.4	(10.0)	(82.4)	–
Other non-current liabilities	6	0.9	–	–	0.9
Total non-current liabilities		**93.3**	**(10.0)**	**(82.4)**	**0.9**
Total liabilities		**176.0**	**(10.0)**	**(82.4)**	**83.6**
Net assets		**24.0**	**–**	**80.8**	**104.8**
Equity and reserves		**24.0**	**–**	**80.8**	**104.8**

Notes:

1. Represents the assets, liabilities and equity of Webjet B2C as at 31 March 2024 prior to the Demerger occurring, as derived from the historical financial information directly related to Webjet B2C from the accounting records of Webjet Limited.
2. Represents the repayment of intercompany loans between Webjet B2C and WEB Travel Group as part of the Demerger.
3. Represents the settlement of intercompany loans between Webjet B2C and WEB Travel Group as part of the Demerger of $82.4 million, as well as the derecognition of carried forward tax losses that are not expected to be utilised in the near future.
4. Includes restricted cash of $42.9 million relating to cash held within legal entities of Webjet B2C for payment to product and service suppliers or cash held for supplier guarantees where contractually required with an equal obligation recognised as a liability. Restricted cash includes monies received from customers which is due to be paid to airlines in accordance with International Air Transport Association (**IATA**) requirements.
5. Includes right-of-use assets.
6. Includes lease liabilities.

2.7 Webjet B2C capital structure

2.7.1 Share capital

Based on Webjet's fully paid ordinary shares on issue as at the Demerger Booklet Date, Webjet B2C will have approximately 392 million fully paid ordinary shares on issue on the Implementation Date.

Following the Implementation Date, Webjet B2C intends to issue securities under the proposed Webjet B2C LTIP, see Section 2.12.4 for further details.

2.7.2 Debt facilities and cash

If the Demerger is implemented, it is expected that Webjet B2C will have net cash in the range of $80 million to $100 million, excluding restricted cash.[14] Webjet B2C will have no drawn debt. The actual balances will be subject to variances in actual cash flows in Webjet B2C prior to the Implementation Date, including movements in working capital.

Webjet B2C will also be supported by a three-year $20 million revolving credit facility and a bank guarantee facility of $50 million for the first 12 months post-Demerger, which is intended to revert to $25 million over the longer term.

As at the Demerger Booklet Date, Webjet B2C has in place legally binding commitments from two major banks to provide the facilities subject to various conditions being satisfied which are customary for facilities of this nature, and that relate to the implementation of the Demerger and listing of Webjet B2C on the ASX. At the Implementation Date, Webjet B2C will have access to the revolving credit facility, albeit that is expected to remain undrawn, as well as the bank guarantee facility. The revolving credit and bank guarantee facilities contain market standard terms and conditions for facilities of this nature.

2.8 Webjet B2C dividend policy

Webjet B2C's dividend policy will be determined by and at the discretion of the Webjet B2C Board and may change from time to time. Webjet B2C does not expect to declare a dividend in respect of FY25, but it does anticipate paying dividends in FY26 and in subsequent years. All dividends will be dependent on earnings, cash flows, investment opportunities and available franking credits. Further details are expected to be provided with the release of Webjet B2C's FY25 results in May 2025.

14 Restricted cash relates to cash held within legal entities of Webjet B2C for payment to product and service suppliers or cash held for supplier guarantees where contractually required with an equal obligation recognised as a liability. Restricted cash includes monies received from customers which is due to be paid to airlines in accordance with IATA requirements. Based on the Webjet B2C Group pro forma statement of financial position as at 31 March 2024, Webjet B2C had restricted cash of $42.9 million (see Table 5).

2.9
Webjet B2C Board and Senior Management

2.9.1
Webjet B2C Board

The Webjet B2C Directors bring to the Webjet B2C Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance expertise. Biographies of the Webjet B2C Board members are provided below.

	Executive	Expertise, experience and qualifications
	**Don Clarke** Independent, Non-Executive Chair	Don is a lawyer and company director. Don has been a Non-Executive Director of Webjet since January 2008, and will retire from the Webjet Board on implementation of the Demerger. 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, MinterEllison (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.
	**Katrina Barry** Managing Director[15]	Katrina has 15 years' experience as a non-executive director across the tourism, fintech and financial services sectors, including serving on the Board of the Australian Federation of Travel Agents (AFTA) until March 2022. Katrina is also a Non-Executive Director of PetSure and was the Global CEO of me&u until January 2024. After an early career at McKinsey & Co, her previous roles have included the Non-Executive Chair of Hollard Insurance Australia/New Zealand, Managing Director of Contiki Holidays and Trafalgar Tours Australasia, Head of Digital & Direct Businesses at BT Financial Group, and various strategy and investment roles over a long tenure with the Virgin Group, including Co-Founder of the gym chain, Virgin Active.
	**Brad Holman** Independent, Non-Executive Director	Brad has over 30 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 is also a Non-Executive Director of Webjet (to be renamed WEB Travel Group post-Demerger). Brad was the President for International Markets for Blackbaud, a NASDAQ listed software and services company specifically focussed 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 a Non-Executive Director of ATI Business Group, a business process management and technology company providing services to the travel and aviation sector, after serving as its Executive Director until 26 June 2024.
	**Shelley Beasley** Non-Executive Director	With over 30 years of global experience across a diverse range of companies in the travel and travel technology industry in multiple geographies, Shelley brings extensive strategic, commercial and operational experience. Shelley is also currently Global Chief Operating Officer of Webjet (to be renamed WEB Travel Group post-Demerger). Shelley has a Bachelor of Arts in Communications and Business Administration from the University of Richmond and a Graduate Diploma in Business, International Strategy and Leadership from the University of Auckland. She is also a member of the AICD (Australian institute of Company Directors) and serves as a non-executive Director for ATIA (the Australia Travel Industry Association).

15 On the Demerger Booklet Date, Katrina Barry's title is Chief Executive Officer and Executive Director. Katrina's title will change to Managing Director on the Implementation Date.

Webjet B2C has assessed the independence of its directors having regard to the requirements for independence which are set out in Principle 2 of the Recommendations and have concluded that Don Clarke and Brad Holman will be independent directors, on the basis that, following the Demerger, Webjet will not retain a shareholding in Webjet B2C and Webjet B2C and Webjet will be separate independent companies.

Following the Demerger, the Webjet B2C Board will comprise two independent Non-Executive Directors including the Chair, one non-independent Non-Executive Director and one Executive Director. It is proposed that one additional independent Non-Executive Director will be appointed to the Webjet B2C Board in the near future.

Each Webjet B2C Director has confirmed to Webjet B2C that they anticipate being available to perform their duties as Non-Executive or Executive Director, as the case may be, without constraints from other commitments with effect from the Demerger.

The composition of the Webjet B2C Board committees and a summary of the Webjet B2C Board's key corporate governance policies are set out in Section 2.10.

2.9.2 Webjet B2C Senior Management

Profiles of the key members of Webjet B2C's senior management team are set out below.

Further information on the terms of the employment of the Managing Director and the Chief Financial Officer are set out in Section 2.12.1 and Section 2.12.2, respectively.

	Executive	Expertise, experience and qualifications
	**Katrina Barry** Managing Director	See Section 2.9.1 above.
	**Layton Shannos** Chief Financial Officer	Layton has over 10 years of leadership experience across a range of senior finance and corporate roles in the Webjet OTA business, including as CFO of Webjet OTA. Prior to joining Webjet in 2013, Layton spent over four years at KPMG. Layton is a Chartered Accountant and has a Bachelor of Commerce as well as an MBA from Melbourne Business School.
	**David Galt** CEO – Webjet OTA	David has contributed over 15 years of service at Webjet OTA. With extensive experience across all facets of the Australian and New Zealand Webjet OTA business, he brings a wealth of experience and industry knowledge to Webjet B2C. Previously David led a niche Digital Marketing agency with clients across Telco, Travel and Technology verticals. David has a Bachelor of Business from Swinburne University, majoring in Marketing and Management. As the CEO of the Webjet OTA business, David drives Webjet OTA's strategy along with his senior leadership team to constantly evolve the market leading online travel tools available to Webjet OTA's customers.
	**Darren Linton** CEO – GoSee	Darren has more than 25 years of international experience working for entrepreneurial and multinational organisations. This includes Johnson & Johnson, The Walt Disney Company, and NBCUniversal, located in NZ, Australia, Singapore, and Europe. He has led multi-functional teams through digital and business transformations, business cycles and across many geographies. Alongside his senior leadership team, Darren is responsible for GoSee's strategy, operations, international growth, people and culture, customer experiences and partnerships with suppliers and affiliates.

2.10 Webjet B2C corporate governance

2.10.1 Overview

The Webjet B2C Board monitors the operational and financial position and performance of Webjet B2C and oversees its business strategy including approving the strategy and performance objectives of Webjet B2C.

The Webjet B2C Board is committed to maximising performance and generating value and financial returns for Webjet B2C Shareholders. To further these objectives, the Webjet B2C Board has created a framework for managing Webjet B2C, including by adopting relevant controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the business and which are designed to promote responsible management and conduct.

2.10.2 ASX Corporate Governance Council's Corporate Governance Principles and Recommendations

The ASX Corporate Governance Council has developed the 4th edition of the Corporate Governance Principles and Recommendations (**Recommendations**) to promote investor confidence and to assist companies in meeting stakeholder expectations. The Recommendations are not prescriptive, but guidelines. Under the ASX Listing Rules, Webjet B2C will be required to provide an annual statement disclosing the extent to which it has followed the Recommendations in the reporting period. Where Webjet B2C does not follow a recommendation it must identify the recommendation that it has not followed and provide reasons for not following it.

The main policies and practices adopted by Webjet B2C, which will take effect from listing on the ASX, are summarised below. Copies of Webjet B2C's key policies and charters for the board and each of its committees will be available from listing on Webjet B2C's website.

2.10.3 Webjet B2C Board charter

The Webjet B2C Board has adopted a written charter, having regard to the Recommendations to provide a framework for the effective operation of the Webjet B2C Board. The charter outlines the Webjet B2C Board's role and responsibilities, the relationship and interaction between the Webjet B2C Board and management and the authority delegated by Webjet B2C to management and Webjet B2C Board committees.

2.10.4 Webjet B2C Board's role in risk oversight

The Webjet B2C Board's role in risk oversight includes receiving reports from management and the Audit and Risk Committee on a regular basis (and when appropriate the Remuneration and Nomination Committee) regarding material risks faced by Webjet B2C and applicable mitigation strategies and activities. Those reports detail the effectiveness of the risk management program and identify and address material business risks such as technological, strategic, business, operational, financial, human resources and legal/regulatory risks. The Webjet B2C Board and its committees consider these reports, discuss matters with management and identify and evaluate any potential strategic or operational risks including appropriate activity to address those risks.

2.10.5 Webjet B2C Board committees

The Webjet B2C Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Webjet B2C Board has established an Audit and Risk Committee and a Remuneration and Nomination Committee. The Webjet B2C Board may also establish other committees from time to time to assist in the discharge of its responsibilities.

2.10.6 Audit and Risk Committee

The Webjet B2C Audit and Risk Committee oversees Webjet B2C's corporate accounting and financial reporting, as well as monitoring and advising on Webjet B2C's risk management policies and procedures.

In relation to corporate accounting and financial reporting, the Audit and Risk Committee is responsible for overseeing the auditing of Webjet B2C's financial statements, the effectiveness of Webjet B2C's financial compliance processes, and the qualifications, independence, performance and terms of engagement of Webjet B2C's external auditor.

In relation to the risk management policies and procedures, the Audit and Risk Committee is responsible for overseeing Webjet B2C's adherence to its risk management policies and procedures, Webjet B2C's legal, licensing and regulatory compliance processes, and the development and review of Webjet B2C's environmental, social and governance strategy.

Under its charter, the Audit and Risk Committee must consist of a minimum of three members of the Webjet B2C Board, only Non-Executive Directors, a majority of independent directors and an independent chair who is not the chair of the Webjet B2C Board. The members of the Audit and Risk Committee are Brad Holman, Don Clarke and Shelley Beasley. The composition of the Audit and Risk Committee will change when an additional independent Non-Executive Director is appointed to the Webjet B2C Board.

2.10.7
Remuneration and Nomination Committee

The Remuneration and Nomination Committee reviews and oversees the compensation and equity-based incentive plans with respect to senior management and employees of Webjet B2C including determining individual elements of total compensation of the Managing Director (or if no person holds that office, the Chief Executive Officer) and other members of senior management. The Remuneration and Nomination Committee is also responsible for reviewing the performance of Webjet B2C's executive officers with respect to these elements of compensation, and identifying and recommending the Webjet B2C Board suitable nominees for Webjet B2C Board membership and the position of Managing Director (or if no person holds that office, the Chief Executive Officer) and recommendation on the removal of any Webjet B2C Board members where necessary.

Under its charter, the Remuneration and Nomination Committee must consist of a minimum of three members of the Webjet B2C Board, only Non-Executive Directors, a majority of independent directors and an independent chair who is appointed by the Webjet B2C Board from the Remuneration and Nomination Committee's members. The members of the Remuneration and Nomination Committee will be Brad Holman, Don Clarke and Shelley Beasley. The composition of the Remuneration and Nomination Committee will change when an additional independent Non-Executive Director is appointed to the Webjet B2C Board.

2.10.8
Corporate governance policies

Webjet B2C has adopted the following policies, each of which has been prepared having regard to the Recommendations.

- **Code of Conduct** – This policy sets out the standards of ethical behaviour that Webjet B2C expects from its directors, officers, contractors and employees.
- **Market Disclosure and Communications Policy** – Once listed on ASX, Webjet B2C will need to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act to ensure Webjet B2C discloses to ASX any information concerning Webjet B2C which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Webjet B2C Shares. As such, this policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations. This policy further sets out practices which Webjet B2C will implement to ensure effective and timely communication of market sensitive information, including Webjet B2C's financial position, performance, and governance, with its shareholders.
- **Share Trading and Conflicts Policy** – This policy is designed to maintain investor confidence in the integrity of Webjet B2C's internal controls and procedures and to provide guidance on avoiding any breach of the insider trading laws. This policy provides that Directors, senior management and other employees must not deal in Webjet B2C's securities during any of the following blackout periods:
  - 1 October and the date of the release of the Company's half year results to ASX;
  - 1 April and the date of the announcement of the Company's full year results to ASX; and
  - 12.01am on the preceding day and one hour after each of the following events:
    - publication by ASX (on the Company Announcement Platform) of the Company's half year results;
    - publication by ASX (on the Company Announcement Platform) of the Company's full year results; and
    - the formal convening of each annual general meeting of the Company; and
  - any other period specifically designated by the Webjet B2C Board to be a 'Blackout Period'.

  Directors and certain restricted employees must receive prior approval for any proposed dealing in Webjet B2C's securities outside the above blackout periods (including any proposed dealing by one of their connected persons).

  Further, this policy provides that Directors, senior management and certain other employees of Webjet B2C must not deal in Webjet B2C's securities:
  - if he or she has information that he or she knows, or ought reasonably to know, is inside information in relation to Webjet B2C's securities;
  - at any time that the Chair gives notice to the person that they are temporarily halted or restricted from dealing in Webjet B2C's securities; and
  - outside of Webjet B2C's executive trading windows (without prior approval) which is defined to mean each six week period after the date of:
    - the release of Webjet B2C's half year results to ASX;
    - the announcement of Webjet B2C's full year results to ASX; and
    - Webjet B2C's annual general meeting.
- **Diversity Policy** – This policy sets out Webjet B2C's objectives for achieving diversity amongst its board, management and employees.
- **Whistleblower Policy** – This policy sets out the practices which Webjet B2C will implement to promote a cultural of honesty and ethical behaviour, and to ensure that employees are encouraged to raise any concerns and report instances of illegal, fraudulent or undesirable behaviour involving staff or business partners, without fear of reprisal.

- **Anti-Fraud and Corruption Policy** – This policy sets out the practices which Webjet B2C will implement to ensure fraud and corruption control and to initiate any disciplinary action for non-compliance with the policy. This policy provides a framework for the conduct of investigations to ensure all suspected fraudulent and corrupt activity is dealt with appropriately.
- **Independence of Directors Policy** – This policy sets out the process for assessing the independence of Webjet B2C's directors and the disclosure to shareholders of any assessment of independence of Webjet B2C's directors.

2.11 Webjet B2C Directors' interests and remuneration

2.11.1 Non-Executive Director remuneration

Under the Webjet B2C Constitution, the Webjet B2C Board may decide the total amount paid to each Webjet B2C Director as remuneration for their services as a director. However, under the ASX Listing Rules, the total amount paid to all Webjet B2C Directors (excluding the salary of any Executive Director) must not exceed in aggregate in any financial year the amount fixed by the Company in general meeting.

This amount has been fixed at $2 million per annum. As at the Demerger Booklet Date, the Non-Executive Directors' fees agreed to be paid by Webjet B2C to the Chair is $190,000 per annum and each of the other Non-Executive Directors is $120,000 per annum. The Chair of the Audit and Risk Committee and the Remuneration and Nomination Committee will each be paid $15,000 per annum. All Non-Executive Directors' fees are inclusive of any superannuation contributions required by law to be made by Webjet B2C. The Webjet B2C Board may in its discretion approve that Webjet B2C Directors may receive Securities as part of their remuneration.

2.11.2 Indemnification of Directors and Officers

Webjet B2C has entered into deeds of indemnity, access and insurance (**Deed**) in favour of each Webjet B2C Director. The Deed entitles each Webjet B2C Director to access certain books and records of Webjet B2C on a timely basis for the purposes of defending any claim or proceeding brought or threatened to be brought against that Webjet B2C Director arising out of their appointment and/or role as a Webjet B2C Director.

Pursuant to the Webjet B2C Constitution, Webjet B2C must indemnify all the Webjet B2C Directors, past and present, against all liabilities that arise from their position as an officer of the company to the extent permitted by law.

Under the Deed, Webjet B2C indemnifies, to the extent permitted by law, each Webjet B2C Director against any liability that may arise from their position as an officer of the Company. The Deed provides that Webjet B2C must pay or advance sufficient funds to pay all reasonable costs incurred by a Webjet B2C Director in relation to any indemnified claim or proceeding including reasonable legal costs and expenses. Pursuant to the Deed, Webjet B2C has also agreed to maintain directors' and officers' insurance for the Webjet B2C Directors of an amount and on terms and conditions that are appropriate (including premium, insuring clauses, exclusions and excess amounts) and available in the market for a reasonably prudent company in Webjet B2C's circumstances.

2.11.3 Other information

Webjet B2C Directors will be reimbursed for properly documented and incurred reasonable expenses in discharging their obligations as Directors. Webjet B2C Directors may be paid additional remuneration where they perform extra processional services which are in addition to their ordinary duties as a Webjet B2C Director.

There are no retirement benefit schemes for Webjet B2C Directors.

Other interests of directors and senior managers are set out in Section 2.12 and Section 6.1.

2.12
Executive remuneration

2.12.1
Managing Director[16]

Term	Details
Name	Katrina Barry
Fixed annual remuneration (FAR)	$650,000, which is inclusive of base salary and compulsory superannuation.
Short term incentive (STI)	Ms Barry is eligible to participate in the Webjet B2C STI Plan with the following opportunity levels: • Target: 50% of FAR; and • Maximum: 75% of FAR. STI outcomes will be subject to the achievement of both financial and non-financial measures, and paid in cash.
Long term incentive (LTI)	Ms Barry will be eligible to participate in the Webjet B2C LTI Plan proposed to be adopted by Webjet B2C under the terms specified in Section 2.12.4. Under the Webjet B2C LTI Plan, Ms Barry will be offered a number of Webjet B2C Rights calculated by dividing the LTI maximum opportunity amount (being 140% of the FAR) by the 20-day VWAP of Webjet B2C's shares commencing on 1 October 2024, being the first day of trading of Webjet B2C following Implementation. Example:

	Number of Webjet B2C Rights
Based on 20 day VWAP of $1.20	758,000
Based on 20 day VWAP of $1.40	650,000
Based on 20 day VWAP of $1.60	568,750

Each Webjet B2C Right will give Ms Barry a right to acquire one Webjet B2C Share at nil cost if the applicable performance conditions are satisfied. The Webjet B2C Rights will not be quoted.

Given that the accounting for the fair value of the Webjet B2C Rights is calculated on the date of issue of the Webjet B2C Rights, the ultimate fair value of the Webjet B2C Rights to be accounted for in Webjet B2C's financial statements will not be known until the issue of the Webjet B2C Rights.

The realised value of the Webjet Shares allocated to Ms Barry following exercise of the Webjet B2C Rights will depend on the price of the Webjet B2C Shares on that date.

Date of grant

Subject to the ASX granting a waiver of ASX Listing Rule 10.14, the Webjet B2C Rights will be granted to Ms Barry as soon as practical after implementation (see Section 6.5.2 for further details). In any event, they will not be granted more than 1 year after the Implementation Date.

Why Webjet B2C Rights are used for Ms Barry's LTI

Webjet B2C will use Webjet B2C Rights because they ensure alignment with long-term shareholder outcomes and reward strong outperformance but do not provide the full benefits of share ownership (such as dividend and voting rights) unless and until the Webjet B2C Rights vest.

The use of Webjet B2C Rights is aligned with typical market practice.

16 On the Demerger Booklet Date, Katrina Barry's title is Chief Executive Officer and Executive Director. Katrina's title will change to Managing Director on the Implementation Date.

Term	Details
Long term incentive (LTI) (continued)	**Performance conditions**

Performance conditions

The vesting conditions for the Webjet B2C Rights will comprise the following two metrics each with a weighting of 50%:

- a relative total shareholder return (**TSR**) metric tested over the applicable vesting period compared to ASX 300 listed entities excluding banks, resource companies, listed property trusts and ETF/index-based companies; and
- an underlying diluted earnings per share (**EPS**) growth metric tested over the applicable vesting period.

The vesting scales to be used for each vesting condition metric are:

TSR Metric

Webjet B2C's TSR ranking	Percentage of TSR metric achievement	Percentage of Webjet B2C Rights that will vest
Below the 40th percentile	0%	0%
At the 40th percentile	25%	12.5%
Above the 40th percentile and below the 50th percentile	25% plus an additional 1% for each 1 percentile increase above the 40th percentile	12.5% plus an additional 0.5% increase for each 1 percentile increase above the 40th percentile
At the 50th percentile	35%	17.5%
Above the 50th percentile and below the 75th percentile	35% plus an additional 2.6% for each 1 percentile increase above the 50th percentile	17.5% plus an additional 1.3% increase for each 1 percentile increase above the 50th percentile
At or above the 75th percentile	100%	50%

EPS Metric

Webjet B2C's scaling 2.5 year underlying diluted EPS	Percentage of EPS metric achievement	Percentage of Webjet B2C Rights that will vest
Less than 5%	0%	0%
At 5%	30%	15%
Above 5% and below 7.5%	30% plus an additional 0.12% for each 1 bps above 5%	15% plus an additional 0.06% for each 1 bps above 5%
At 7.5%	60%	30%
Above 7.5% and below 10%	60% plus an additional 0.08% for each 1 bps above 7.5%	30% plus an additional 0.04% for each 1 bps above 7.5%
At 10%	80%	40%
Above 10% and below 12.5%	80% plus an additional 0.08% for each 1 bps above 10%	40% plus an additional 0.04% for each 1 bps above 10%
At or above 12.5%	100%	50%

Performance period and vesting

The performance conditions for the Webjet B2C Rights will be tested over a 2.5-year period from 1 October 2024 until 31 March 2027.

Subject to satisfaction of the performance conditions, the Webjet B2C Rights will vest following testing of the performance conditions expected to occur after the release of Webjet B2C's results for FY27 at the end of May 2027.

Once vested, the Webjet B2C Rights may be exercised (into ordinary Webjet B2C Shares) at any time within five years of the vesting date.

Term	Details
Long term incentive (LTI) (continued)	**Dividend and voting rights** The Webjet B2C Rights to be granted to Ms Barry will not carry any dividend or voting rights prior to vesting. Once vested, if Webjet B2C determines to pay a dividend to its shareholders, Ms Barry may be entitled to, by way of cash or Webjet B2C Shares, a payment equivalent to the value of dividends that would have been payable to her had she been the holder of the underlying Webjet B2C Shares over which the Webjet B2C Right is exercisable during a period determined by the Webjet B2C Board. **Adjustments** Webjet B2C reserves the right to adjust the outcome where appropriate for acquisitions and/or disposals or other events/circumstances which may unreasonably skew the outcome. **Trading restrictions** Ms Barry will not be permitted to dispose of, or otherwise deal with, the Webjet B2C Rights. Subject to compliance with applicable laws and Webjet B2C's Share Trading Policy, Ms Barry will not be prevented from dealing with any Webjet B2C Shares acquired by her upon the vesting of the Webjet B2C Rights. **Cessation of employment** If Ms Barry's employment is terminated for cause, the clawback provisions (described below) will apply. Where Ms Barry's employment contract terminates because of redundancy, death, serious illness or disability, the Webjet B2C Board retains a residual discretion to permit retention and/or exercise of unvested Webjet B2C Rights. In all other circumstances, subject to the clawback provisions, Ms Barry will retain a pro-rata proportion (based on the portion of FY25 which has elapsed) of the number of Ms Barry's unvested Webjet B2C Rights which will be retained for testing at the end of the performance period. **Clawback** The Webjet B2C Rights are subject to customary clawback provisions under which, subject to the discretion of the Webjet B2C Board, will lapse if, among other things, Ms Barry materially breaches her obligations to Webjet B2C or has acted fraudulently in relation to the affairs of Webjet B2C. **Change in control** If a "change in control event" occurs, the Webjet B2C Board will have discretion including to determine whether to waive or modify (but not add to) some or all of the performance conditions, determine that the Webjet B2C Rights must be exercised and to take any other actions, or determine that Ms Barry must take any other actions, as the Webjet B2C Board determines, provided that the actions or determinations of the Webjet B2C Board do not, in the Webjet B2C Board's opinion, materially disadvantage Ms Barry. A "change in control event" will be defined to include a takeover bid that has become unconditional and has delivered voting power of more than 50% of Webjet B2C to a bidder, a scheme of arrangement or acquisition of shares in Webjet B2C that has been approved by Webjet B2C Shareholders delivering control of Webjet B2C to any person or Webjet B2C Shareholders having approved the sale of a majority in value of Webjet B2C's business or assets.

Term	Details
	Other information Ms Barry is the only director of Webjet B2C who is eligible to participate in the Webjet B2C LTI Plan. No securities have been issued under the Webjet B2C LTI Plan as at the Demerger Booklet Date. Details of any securities issued under the LTI Plan will be published in Webjet B2C's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14 or that a waiver from the requirement in ASX Listing Rule 10.14 has been obtained. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the LTI Plan after Webjet B2C Listing will not participate in the LTI Plan until shareholder approval is obtained under ASX Listing Rule 10.14.
Termination	A mutual requirement of 6 months' notice plus, if a Change of Control Event occurs in respect of Webjet B2C at any time before 1 October 2026 and Ms Barry's employment by Webjet B2C is terminated within 6 months of that Change of Control Event occurring, Webjet B2C must provide an additional 6 months' notice to Ms Barry. Webjet B2C may elect to make a payment in lieu of all or any part of the notice period. Webjet B2C may terminate Ms Barry's employment for serious misconduct, dishonesty, fraud, engaging in acts injurious to Webjet B2C's reputation, a breach of the employment agreement, or being unable to satisfactorily perform her duties, without notice or any payment in lieu of notice. Ms Barry may be subject to a restraint period of up to 12 months after termination.

2.12.2
Chief Financial Officer

Term	Details
Name	Layton Shannos
Fixed annual remuneration (FAR)	$468,000, which is inclusive of base salary and compulsory superannuation.
Short term incentive (STI)	Mr Shannos is eligible to participate in the Webjet B2C STI Plan with the following opportunity levels: • Target: 40% of FAR; and • Maximum: 50% of FAR. STI outcomes will be subject to the achievement of both financial and non-financial measures, and paid in cash.
Long term incentive (LTI)	Mr Shannos will be eligible to participate in the Webjet B2C LTI Plan on the same terms and conditions as Ms Barry (outlined above). Mr Shannos will be offered a number of Webjet B2C Rights calculated by dividing the LTI maximum opportunity amount (being 60% of the FAR) by the 20-day VWAP of Webjet B2C's shares commencing on 1 October 2024, being the first day of trading of Webjet B2C following Implementation.

	Number of Webjet B2C Rights
Based on 20 day VWAP of $1.20	234,000
Based on 20 day VWAP of $1.40	200,571
Based on 20 day VWAP of $1.60	175,500

Date of grant

Webjet B2C Rights will be granted to Mr Shannos as soon as practical after implementation. In any event, they will not be granted more than 1 year after the Implementation Date.

Term	Details
Long term incentive (LTI) (continued)	**Why Webjet B2C Rights are used for Mr Shannos' LTI** Webjet B2C will use Webjet B2C Rights because they ensure alignment with long-term shareholder outcomes and reward strong outperformance but do not provide the full benefits of share ownership (such as dividend and voting rights) unless and until the Webjet B2C Rights vest. The use of Webjet B2C Rights is aligned with typical market practice.
Termination	A mutual requirement of 6 months' notice plus, if a Change of Control Event occurs in respect of Webjet B2C at any time before 1 October 2026 and Mr Shannos' employment by Webjet B2C is terminated within 6 months of that Change of Control Event occurring, Webjet B2C must provide an additional 6 months' notice to Mr Shannos. Webjet B2C may elect to make a payment in lieu of all or any part of the notice period. Webjet B2C may terminate Mr Shannos' employment for serious misconduct, dishonesty, fraud, engaging in acts injurious to Mr Shannos' reputation, a breach of the employment agreement, or being unable to satisfactorily perform his duties, without notice or any payment in lieu of notice. Layton may be subject to a restraint period of up to 12 months after termination.
Webjet Performance Rights	Mr Shannos holds 13,000 FY23 Performance Rights and 11,000 FY24 Performance Rights. Details of how the FY23 Performance Rights and FY24 Performance Rights will be dealt with on Demerger are set out in Section 4.6.

2.12.3
Webjet B2C senior management

Senior management is employed under individual employment agreements.

The key terms and conditions of their employment include:

- remuneration packages and participation in the LTI Plan;
- express provisions protecting Webjet B2C's confidential information and intellectual property;
- notice of termination and employment provisions; and
- post-employment restrictions covering non-competition, non-soliciting of clients and non-poaching of employees. Payments made to senior management on termination of employment may be subject to the termination benefits cap under the Corporations Act.

2.12.4
Webjet B2C Long Term Incentive Plan

Webjet B2C is proposing to adopt a long term incentive plan (**Webjet B2C LTIP)** to assist in the motivation, retention and reward of KMP and other employees. The Webjet LTIP will be designed to align the interests of employees with the interests of Webjet B2C's shareholders by providing an opportunity for employees to receive an equity interest in Webjet B2C.

The Webjet B2C LTIP will provide flexibility for the Webjet B2C Board to offer options or rights as incentives, subject to the terms of the individual offers and the satisfaction of performance and/or service conditions determined by the Webjet B2C Board from time to time.

The maximum aggregate number of Plan Securities proposed to be issued under the Webjet B2C LTIP in the three years following the Implementation Date will be 20 million. Each Plan Security will, if the applicable vesting conditions are satisfied, convert into one Webjet B2C Share. If a Plan Security is not converted into a Webjet B2C Share by the relevant expiry date, then the Plan Security will lapse. The maximum number of Plan Securities which may be issued under the Webjet B2C LTIP over the next three years is not intended to be a prediction of the actual number of Plan Securities to be issued under the Webjet B2C LTIP.

The key terms of the proposed Webjet B2C LTIP are set out in the below table.

Key terms of the Webjet B2C LTIP	
Eligibility to participate in offers	The Webjet B2C Board will be able from time to time to invite full-time or part-time employees of the Webjet B2C Group (or directors who hold a salaried employment or other salaried office) to participate in the Webjet B2C LTIP (**Participant**) by offering them the opportunity to acquire options or performance rights. The Webjet B2C Board will set the terms and conditions on which it will offer equity-based incentive grants (in the form of options or performance rights (together **Plan Securities**)) in an individual offer document (**Offer Letter**). Each option and performance right will vest on the date specified in the Offer Letter sent to the relevant Participant as the date on which the relevant option or performance right vests, subject to satisfaction or waiver of any vesting conditions that may apply to the relevant option or performance right.
Restrictions on dealing	Participants will not be able to transfer, encumber, or otherwise deal with Plan Securities prior to vesting or while restricted unless the dealing is required by law. Dealings with Plan Securities will also be subject to the terms of the Share Trading and Conflicts Policy (see Section 2.10.8), which restricts dealings with Webjet B2C Shares (or Plan Securities) during 'blackout periods' or while a Participant has insider information.
Cessation of employment	The Webjet B2C Board will have discretion to determine, subject to compliance with any applicable laws, the treatment of a Participant's Plan Securities if the Participant ceases to be employed within the Webjet B2C Group for any reason or in any circumstances prior to the vesting or exercise of the Plan Securities. Subject to the clawback provisions (below), it is intended that if the Participant's remuneration for a particular period includes Plan Securities, and the Participant ceases to be an employee during the first year of a Performance Period, unvested Plan Securities for that Performance Period will lapse on a pro-rata basis to time, based on the proportion of the first year of the Performance Period that remains on the date of cessation. Where a Participant ceases to be an employee after the expiration of the first year of the relevant Performance Period, Unvested Plan Securities will not lapse when the Participant ceases to be employed.
Change in control	If a "change in control" occurs, the Webjet B2C Board has discretion including to determine whether to waive or modify (but not add to) some or all of the performance conditions, determine that the Plan Securities must be exercised and to take any other actions, or determine that the Participant must take any other actions, as the Webjet B2C Board determines provided that the actions or determinations of the Webjet B2C Board do not, in the Webjet B2C Board's opinion, materially disadvantage Participants. A "change in control event" will be defined to include a takeover bid that has become unconditional and has delivered voting power of more than 50% of Webjet, a scheme of arrangement or acquisition of shares in Webjet B2C that has been approved by Webjet B2C Shareholders delivering control of Webjet B2C to any person or Webjet B2C Shareholders having approved the sale of a majority in value of Webjet B2C's business or assets.
Clawback	Vested and unvested Plan Securities issued under the Webjet B2C LTIP will be subject to customary clawback provisions, under which vested and unvested Plan Securities will lapse if, among other things, the Participant materially breaches his or her obligations to Webjet B2C or has acted fraudulently in relation to the affairs of Webjet B2C.
Discretions regarding vesting	The Webjet B2C Board will have discretion to: • reduce or waive the vesting conditions that apply to a Plan Security held by a Participant (in whole or in part); and • reduce the Performance Period (if any) that applies to any Plan Security held by the Participant.
Rights, bonus issues, rights issues, reorganisations of capital and winding up	A Participant cannot participate in new issues of securities (such as bonus issues or entitlement issues) in relation to their unvested rights or options, nor may they participate in any return of capital (whether in winding up, upon a reduction of capital or otherwise) or surplus profits or assets of Webjet B2C upon winding up. However, the Webjet B2C LTIP will include rules dealing with rights issues, bonus issues, corporate actions and other capital reconstructions that enable or require certain adjustments to be made to awards of Plan Securities.

Key terms of the Webjet B2C LTIP	
Dividends	Where a Participant holds vested rights and Webjet B2C declares a dividend, the Participant may, at the Webjet B2C Board's election be entitled to receive by way of cash or shares a payment equivalent to the value of dividends that would have been payable to the Participant had they been the holder of the underlying Webjet B2C Shares over which the right is exercisable during a period determined by the Webjet B2C Board.
Voting	The Webjet B2C LTIP will not confer any rights to vote in respect of the Plan Securities except as otherwise required by law.

2.13 Regulatory framework for Webjet B2C

Webjet B2C is required to comply with the laws and regulations in each jurisdiction in which it conducts business including without limitation competition and consumer, data protection and privacy and employment laws. The regulatory landscape is complex and multi-faceted and continues to evolve.

2.13.1 Competition and consumer law

Webjet B2C must comply with consumer protection laws including the Competition and Consumer Act 2010 (Cth), which includes the Australian Consumer Law, and corresponding legislation in New Zealand. Areas covered by these laws include misleading and deceptive conduct, unconscionable conduct, unfair market practices, unfair contract terms, consumer guarantees, restrictive trade practices and mergers and acquisitions. Webjet B2C is from time to time the subject of investigations and inquiries in relation to these matters. Refer to Section 2.14.2(b) for further details.

2.13.2 Data protection and privacy

The Office of the Australian Information Commissioner enforces the Australian privacy protection regime. Webjet B2C seeks to ensure (through contractual obligations) that third parties who manage Webjet B2C's data ensure adequate data protections. Webjet B2C will adopt processes to respond to any data breaches and to ensure compliance.

2.14 Risk factors associated with an investment in Webjet B2C

2.14.1 Overview

This Section 2.14 outlines the risks that may affect the future operating or financial performance or prospects of Webjet B2C, and the investment returns or value of Webjet B2C Shares. While some of these risks can be mitigated by appropriate actions, controls and systems, others are outside of Webjet B2C's control.

Webjet Shareholders are currently exposed to a number of these risks through their shareholding in Webjet, but some risks may arise, increase or become more significant as a result of Webjet B2C becoming a standalone ASX-listed entity following the Demerger.

This Section 2.14 should be read in conjunction with Section 1, which sets out the advantages, disadvantages and risks of the Demerger.

The selection of risks relating to Webjet B2C included below has been based on a combined assessment of the probability of the risk occurring, and the impact of the risk if it did occur. There is no guarantee or assurance that the importance of risks will not change or other risks will not emerge.

2.14.2
Webjet B2C specific risks

(a) Competition

Webjet B2C's business operates in the travel industry which is highly competitive. Webjet B2C competes with a range of direct and indirect competitors comprising established and emerging online and traditional sellers of travel-related services including:

- other OTAs;
- travel suppliers, such as airlines, hotel companies and rental car companies, many of which have their own branded websites, in addition to their physical office locations;
- internet companies such as Google who seek to commercialise the sale of travel products; and
- traditional travel agencies and tour operators.

Some of Webjet B2C's current and potential competitors, including large traditional travel service providers, may have longer operating histories, larger customer bases, greater brand recognition, greater access to travel inventories and/or significantly greater financial, marketing, personnel, technical and other resources. Such competitors could have the ability to increase their product offering or value proposition to compete with Webjet B2C on a larger scale.

Webjet B2C's business faces competition from other OTAs, which in some cases may offer more attractive products for both travellers and suppliers, offer products on more favourable terms, including lower prices (including as a result of accepting lower operating margins), increased or exclusive product availability, all-in offers combining airline, hotel and/or car rental products, absence of fees or unique access to proprietary loyalty programs, such as points and miles, or more favourable connectivity and inventory. These more favourable terms could make the offerings of other OTAs more attractive to consumers than those of Webjet B2C, in particular if Webjet B2C is not able to match their all-in prices.

Many airline operators, tour operators, hotel and rental car suppliers, including suppliers with which Webjet B2C conducts business, have been steadily focusing on increasing online demand on their own websites and mobile applications in lieu of third-party distributors such as the various websites of Webjet B2C, and the travel industry partners who are customers of Webjet B2C.

In addition, travel suppliers may seek to discourage customers to book through other websites by imposing additional costs on such bookings. Moreover, some air travel suppliers deliberately do not make available a part of their products via global distribution systems (**GDS**), which generally makes distribution of such products by Webjet B2C more challenging and expensive. Other travel suppliers may seek to limit Webjet B2C's access to their products in order to create, distribute and promote on specific distribution channels custom-made offers based on their own products.

Suppliers who sell on their own websites or mobile applications may also offer products and services on more favourable terms, including lower prices, increased or exclusive product and service availability, all-in offers combining airline, hotel and/or car rental products, absence of fees or unique access to proprietary loyalty programs, such as points and miles, which could make their offerings more attractive to consumers than those of Webjet B2C.

If Webjet B2C does not continue to offer attractive deals to its customers, customers may choose to deal with Webjet B2C's competitors and this may in turn result in a material adverse effect on Webjet B2C's business performance and results of operations. If the actions of competitors or potential competitors become more effective, or if new competitors enter the market and Webjet B2C is unable to appropriately respond to or counter these actions, the financial performance or operating margins of Webjet B2C could be adversely affected, which may have a material adverse effect on Webjet B2C's business, prospects, financial condition and results of operations.

(b) Regulatory investigation and litigation

Webjet B2C is from time to time the subject of complaints, investigations, litigation, inquiries and audits (**Claims**) initiated by customers, employees, government agencies, regulators or other third parties in relation to matters including misleading or deceptive conduct, statements or disclosure, unfair contract terms, workplace health and safety claims and ordinary contractual disputes. Such Claims may give rise to financial exposure, including damages, pecuniary penalties and costs which could be material. Even if such Claims are disposed of without material financial impact, the costs (including opportunity costs) associated with the distraction of senior management's time and the divergence of their resources and attention as well as reputational damage from Claims may be significant which could still have a material adverse effect on Webjet B2C's financial performance and prospects. The financial impact of, and reputational damage from, Claims may impact Webjet B2C's financial position and results. Claims where Webjet B2C is found liable may have a material adverse effect on Webjet B2C's business, prospects, financial condition and results of operations.

(c) Technology and IT systems interruption/failure

Webjet B2C's ability to provide its services to its customers and to effectively operate its services depend to a great extent on the reliability and security of the information technology systems and third-party networks it uses. Information technology systems and the networks used by Webjet B2C are potentially subject to damage and interruption caused by human error, problems relating to telecommunications networks, natural disasters, sabotage, viruses and similar events. An interruption, loss of or delay of Webjet B2C's internet or communication facilities or transaction processing facilities, loss or corruption of data, failure of backup and restoration procedures (including as a result of a cyber-attack, malicious damage to Webjet B2C's IT systems or fraudulent use of Webjet B2C's data or information or breach of privacy of consumer data) or failure of back up and disaster recovery systems and plans may impact Webjet B2C's financial position and may have an impact on customer and supplier satisfaction.

Webjet B2C's disaster recovery planning may not sufficiently anticipate all eventualities. Webjet B2C's platforms utilise data processing and storage capabilities provided by third-party suppliers. If the relevant service provider in a hosting region ever becomes unavailable, customers may not be able to access some or all of Webjet B2C's platforms which may have a material adverse effect on Webjet B2C's business, prospects, financial condition and results of operations.

(d) Data security and protection of personal information

Webjet B2C's systems contain large amounts of customer data (including name, address and financial data details), as well as the data of employees, end customers, and suppliers. Webjet B2C must comply with strict data protection and privacy laws in jurisdictions in which it operates. While Webjet B2C uses security technologies and processes to limit access to such data, and places a strong focus on developing processes to protect such data, such measures cannot guarantee absolute security.

As with all businesses operating e-commerce websites, Webjet B2C is heavily reliant on the security of its websites, information technology systems and associated payment systems to ensure that customers and suppliers are confident of conducting online transactions. Webjet B2C's systems may be the target of various forms of cyber-attacks that could result in a data breach or temporary unavailability of Webjet B2C's platforms and payment systems.

Data breaches including unauthorised access to, successful cyber attacks on, or disclosure of, confidential information including customer and supplier information may have a negative impact on the operation and reputation of Webjet B2C and could cause Webjet B2C to suffer financial loss and/or be subject to regulatory impositions or litigation, and may have a material adverse effect on Webjet B2C's business, prospects, financial condition and results of operations.

(e) Impact of economic conditions on the travel and tourism industry

Webjet B2C's operations are primarily concentrated in Australia and New Zealand, and Australia is the most important market to these operations. The travel and tourism industry is sensitive to general economic conditions and trends, including, but not limited to, trends in consumer and business confidence, the availability and cost of consumer finance, interest and exchange rates, fuel prices, unemployment levels and the cost of travel. A downturn in the economy in Australia, New Zealand or globally may impact the demand for Webjet B2C's offerings and could have a material adverse effect on Webjet B2C's business, prospects, financial condition and results of operations.

(f) Retention of key personnel

Most of Webjet B2C's senior management team, in particular the Webjet OTA senior team, have been working together for more than 10 years and bring significant institutional knowledge of the business. The Webjet B2C businesses are highly automated businesses and the majority of Webjet B2C's employees are skilled workers. Webjet B2C's operating and financial performance is therefore largely dependent on its ability to attract and retain talent, in particular key personnel. High turnover and loss of key staff could impact operating and financial performance and may have a material adverse effect on Webjet B2C's business, prospects, financial condition and results of operations.

(g) Global health or pandemics

Global health risks or pandemics, or the potential for these events, could have a negative impact on Webjet B2C. Such events (most recently the COVID-19 pandemic) could cause material declines in demand within the travel, hospitality and leisure industry, including as a result of travel bans or increased governmental restrictions and mandates that dampen demand for Webjet B2C's products and services, and could have a material adverse effect on Webjet B2C's business, prospects, financial condition and results of operations.

(h) Reputation

Webjet B2C's reputation and brands are important in attracting and retaining customers. Webjet B2C considers its reputation for trustworthiness and integrity as important in maintaining customer goodwill and confidence for its operations and products, and to achieve ongoing growth. Unforeseen issues or events which place Webjet B2C's reputation at risk may impact on its future growth and profitability, its ability to compete successfully and result in adverse effects on its future business plans. A range of events, including a material non-compliance with regulations or licence terms, significant litigation, a significant outage, a breach of its information systems, or other disclosure of customers' personal information could have an adverse impact on Webjet B2C's reputation and the value of its brands. This could also increase expenditure due to additional security costs and/or potential claims for compensatory damages, fines and pecuniary penalties. Damage to Webjet B2C's reputation and reduction in brand equity may reduce customer demand and could have a material adverse effect on Webjet B2C's business, prospects, financial condition and results of operations.

(i) Breaches of laws and regulations

Webjet B2C's business is subject to various laws and regulations. Any material breach of the relevant obligations or failure to meet legal, regulatory, compliance and conduct requirements or regulatory expectations may have a material adverse impact on Webjet B2C's business, prospects, financial condition and results of operations.

(j) Supplier relationships

Webjet B2C's growth is supported by its ability to develop and maintain business relationships with suppliers including airlines and providers of hotel beds, rental cars, motorhomes and insurance. The retention of existing suppliers and the sourcing of new suppliers is a key factor that underpins Webjet B2C's business model. A number of Webjet B2C's supplier contracts are for a fixed 12 month term, and provide the supplier with a right to terminate the contract for convenience or in the event of a change of control of the Webjet B2C contract party. A key selling point for consumers is Webjet OTA's ability to provide consumers with tickets for all major airlines on its search and booking engine. The flight-centric nature of Webjet OTA's business makes the relationships with key airlines of particular importance. Loss of any major airline as a supplier may significantly diminish the attractiveness of Webjet OTA's search and booking engine to consumers and thereby reduce Webjet OTA's sales.

In many cases, the suppliers of Webjet OTA (including airlines) are also direct competitors to Webjet OTA's business. These suppliers may develop ways to direct consumer traffic to their websites and other sales points. A change in the relationship with Webjet OTA's suppliers may adversely impact on the financial performance and position of Webjet OTA.

Any change in commission, rebates or other incentive rates payable could significantly impact margins. The quantum, compositions and proportion of commissions and incentives from airlines and other suppliers may change over time, impacting Webjet B2C's business model and profitability, if it is unable to adapt. Webjet B2C also relies on third-party business relationships to support business operations. The failure of these third parties to provide acceptable and sufficiently high-quality products, services and technologies or to update their products, services and technologies could result in a disruption to Webjet B2C's business operations and its customers, which may reduce Webjet B2C's revenues and profits, cause it to lose customers and damage its reputation, and may have a material adverse effect on Webjet B2C's business, prospects, financial condition and results of operations.

(k) Innovation risk

Webjet B2C operates in a predominantly online environment and faces competition from existing and/or new competitors and business models. Webjet B2C's success depends on its continued innovation and ability to provide features that make Webjet B2C's websites, application programming interfaces (APIs) and mobile apps more user-friendly for travellers and suppliers.

Webjet B2C's competitors are constantly developing innovations in online travel-related products and features, including by introducing mobile booking applications which is a risk to Webjet B2C's market share. There is the potential for new technology to change the way people book and supply travel, which could reduce revenue streams of Webjet B2C.

Webjet B2C must continually adapt its technology to be compatible with both developments in existing platforms and emerging platforms. The rapid growth of technology creates an environment where unforeseen change can occur quickly, making it difficult for Webjet B2C to adapt its services to cope. There is a risk of Webjet B2C's services having reduced effectiveness if it is unable to maintain progression with the market generally, cannot adapt to accommodate changes in existing technological platforms or cannot integrate with new technology, which could have a material adverse effect on Webjet B2C's business, prospects, financial condition and results of operations.

(l) Changes to government policies and regulations

Webjet B2C faces ongoing legal risk arising from its exposure to a wide range of laws and regulatory requirements in various jurisdictions as part of conducting its business. Any new or altered laws or regulations which affect Webjet B2C's business could require Webjet B2C to increase spending on regulatory compliance and/or change or restrict Webjet B2C's business practices, and may have a material adverse effect on Webjet B2C's business, prospects, financial condition and results of operations.

(m) Counterparty credit risk

Credit risk is the risk that a customer or counterparty fails to meet its contractual obligations under a financial instrument and this results in a loss to Webjet B2C. Webjet B2C may be exposed to counterparty credit risk arising from its operating activities as its current cashflow and ability to generate revenue is heavily reliant on arrangements with customers and suppliers.

Webjet B2C's customers predominantly pay for bookings in advance, and these may be subject to refunds. Changes in government restrictions, consumer sentiment and supplier policies in respect of travel may result in increased refund requests for bookings. Generally, if a customer seeks a refund for a booking paid in advance, Webjet B2C can seek payment of a corresponding amount from the relevant supplier (for example, from the relevant airline in respect of an airfare). There is a risk that Webjet may be required to refund the customer even if the supplier does not make the payment to Webjet B2C. The incurrence of higher than normal cash outlays to refund customers for monies paid to Webjet B2C would have a material adverse effect on Webjet B2C's cash flow, results of operations and financial condition.

(n) Intellectual property

Webjet B2C has significant intellectual property rights which are important to its business, and regards its copyright, trade marks, domain names, trade secrets, customer databases and similar intellectual property as critical to its success. Webjet B2C's ability to leverage its innovation and expertise depends upon its ability to protect its intellectual property and any improvements to it. Webjet B2C relies on a combination of copyright and trade mark laws, trade secret protection, confidentiality and non-disclosure agreements and other contractual provisions in order to protect its intellectual property. A material failure to obtain or protect Webjet B2C's intellectual property rights could damage Webjet B2C's business and result in increased expenses and lost revenues, which may have a material adverse effect on Webjet B2C's business, prospects, financial condition and results of operations.

(o) Climate Change

Webjet B2C recognises the increasing risks associated with a changing climate and the impact this could have on Webjet B2C's business and implications for its strategy. Natural disasters, impacts to tourism infrastructure, extreme weather events and longer term changes to weather could all impact customer travel preferences regarding tourism destinations. Being unable to quickly pivot and provide alternative travel destination options could impact bookings. Customers may seek broader sustainable travel products and if competitors are able to better cater for these changing preferences, Webjet B2C bookings could be impacted. Increasing costs of airline fuel could also lead to higher ticket prices and reduced demand for flying, which may have a material adverse effect on Webjet B2C's business, prospects, financial condition and results of operations.

(p) Search engine risk

As Webjet B2C relies on internet search engines to generate traffic to its websites, it is vulnerable to variations in search engine recommendations. There is a risk that Webjet B2C will become excluded from or ranked lower in search engine results due to changes to a search engine's algorithms or other ranking criteria that are outside Webjet B2C's control. If Webjet B2C's search engine optimisation activities become less effective, traffic to Webjet B2C's websites could decrease, which could have a material adverse effect on Webjet B2C's business, prospects, financial condition and results of operations.

2.14.3 General investment risks

(a) Price of Webjet B2C's Shares

Following its listing on the ASX, Webjet B2C will be subject to the market forces and risks which apply to the securities of all listed companies. This could cause movements in Webjet B2C's share price which are not related to the performance of Webjet B2C. Some factors which may influence the share price of Webjet B2C include:

- movements in both domestic and international markets for listed shares;
- general economic conditions as affected by inflation, interest rates, commodity prices, exchange rates and government policy;
- variations in industry performance which can influence investor decision making;
- the impact of general business or operational risks; and
- the sale of large amounts of Webjet B2C Shares by third-parties.

In addition to general economic conditions, the travel and tourism industry (especially air travel) is highly susceptible to other factors that are entirely outside Webjet B2C's control, including global security issues, political and social instability, acts or threats of terrorism, hostilities or war, and other political issues (such as increased security measures at ports of travel that reduce the convenience of certain modes of transport), all of which could have a material adverse effect on Webjet B2C's business, prospects, financial condition and results of operations.

(b) Changes to accounting policies/standards

Changes to the accounting or financial reporting standards may adversely impact the business, prospects, financial condition and results of operations of Webjet B2C. In addition, Webjet B2C's financial performance may be impacted by changes to accounting policies after the Demerger or as a result of differences in interpretations of accounting standards.

(c) Taxation

Variations in taxation laws could affect Webjet B2C's financial performance. The interpretation of taxation laws could also change, leading to a change in taxation treatment of investments or activities. Webjet B2C may be subject to reviews, audits or investigations from tax authorities, which could have a material adverse effect on Webjet B2C's business, prospects, financial condition and results of operations.

(d) Foreign exchange

Webjet B2C's financial statements are presented in Australian dollars. However, a portion of Webjet B2C's expenses are denominated in other currencies. As a result, these expenses are sensitive to movements in the exchange rate between foreign currencies and the Australian dollar where currency translation effects occur.

While Webjet B2C hedges a portion of its foreign currency exchange rate, Webjet B2C does not seek to hedge all of its foreign currency exchange rate exposure.

Information on Webjet Group (Post-Demerger).

3.1
Overview of Webjet Group (Post-Demerger) (to be renamed WEB Travel Group)

Following the Demerger, WEB Travel Group, through its ownership of WebBeds, will continue to be a leading global online marketplace for the travel trade, an intermediary connecting hotels and other travel suppliers to a distribution network of travel buyers worldwide.

WebBeds sources accommodation inventory from travel suppliers, connects, aggregates and merchandises that content on the WebBeds Marketplace platform, and distributes it to WebBeds' global network of travel trade buyers (distribution partners), where it is eventually sold to the travelling public.

Figure 10: **WebBeds overview**

Figure 11: **WebBeds connect travel sellers with travel buyers**

500,000+
worldwide hotels

across

39,000+
locations

in

190+
countries

Connected global chain brands & independent hotels sold 17m+ room nights in FY24 through our marketplace

50,000+
travel buyers

across

140
source markets

generating

7 million+
bookings in FY24

Connected travel buyers are (on average) making a new booking every 4.5 seconds through our marketplace

including...

62,000+ directly contracted chain properties

31,000+ directly contracted independent hotels

70+ integrated 3rd-party wholesalers

that is...

558,000+ bookings per month in FY24 (avg)

17million+ room nights booked

1.4million+ room nights per month in FY24 (avg)

WebBeds is one of the few truly global B2B providers. Through the WebBeds Marketplace platform, WebBeds connects over 500,000 hotels in more than 39,000 locations across 190 countries. WebBeds' global network services over 50,000 travel buyers in more than 140 source markets who are looking to find rooms for their travelling customers. WebBeds' hotel supply partners include over 31,000 directly contracted independent properties, over 62,000 directly contracted chain properties and over 70 integrated third-party wholesalers. WebBeds also offers a wide range of ground and transfer services.

For travel suppliers such as global and regional hotel chains, independent hotels, apartments and resorts, the WebBeds Marketplace platform offers robust solutions that provide greater inventory control to simplify distribution management. Travel suppliers also have access to WebBeds' enhanced analytics tools which can be leveraged to help inform inventory optimisation decisions, reducing costs and increasing revenue.

For travel buyers such as OTAs, retail travel agents, corporate travel managers, tour operators, wholesalers, tourism boards and Super-Apps, the WebBeds Marketplace platform offers access to competitively priced hotel room inventory and ground services worldwide through simple and seamless API connectivity or through WebBeds' trade only online booking websites.

Figure 12: **Specialist brands**

JacTravel

A WebBeds Specialist brand

A multi-award-winning operator providing tailor-made travel arrangements for groups of all sizes covering corporate and leisure, special interest, education and meetings, incentives, conferencing and exhibitions (MICE) – with a particular focus on the UK, Ireland and European destinations

UmrahHolidays INTERNATIONAL

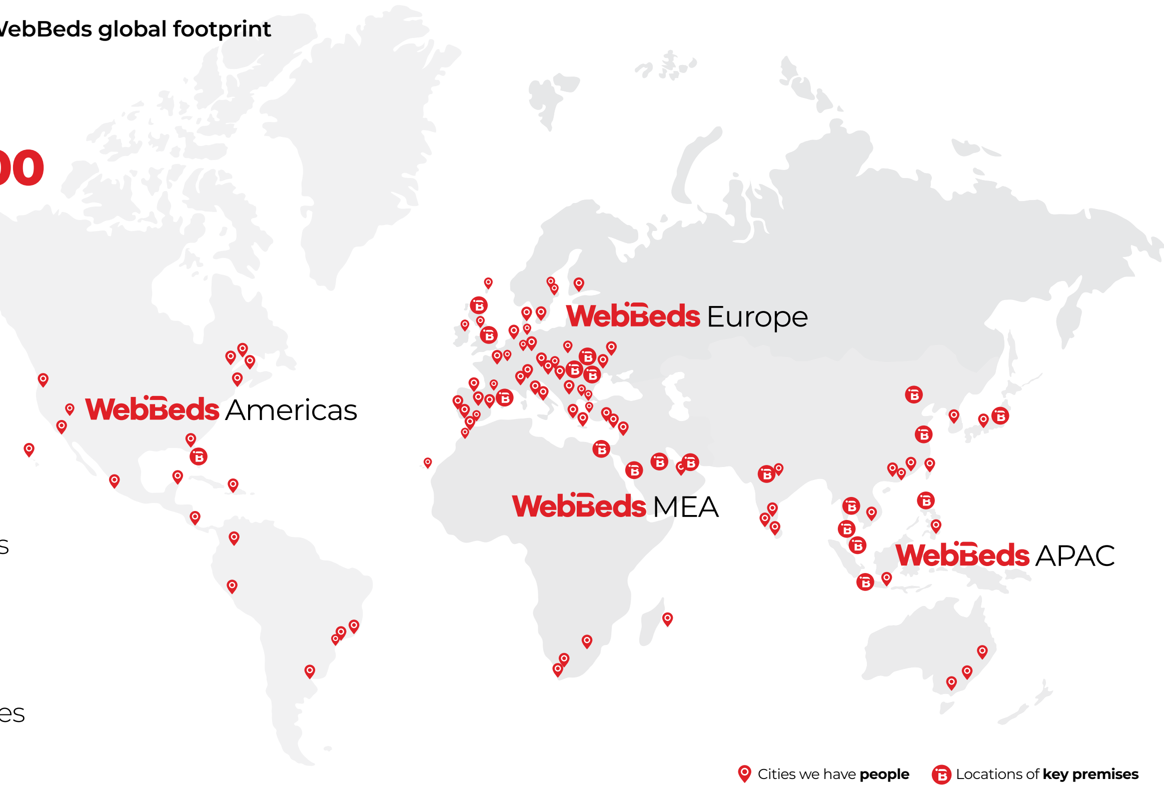
A WebBeds Specialist brand

A genuine pioneer in providing a unique Umrah experience to travel agencies worldwide. Maintains strong partnerships with local operators and suppliers in the Kingdom of Saudi Arabia and works directly with more than 1,000 hotels in Makkah, Medinah, Jeddah and other nearby cities

WebBeds also operates specialist brands JacTravel and UmrahHolidays International, providing niche service offerings to the travel trade.

Figure 13: **WebBeds global footprint**

c.**2000**
people
in
120+
cities
across
50+
countries
speaking
50+
languages



WebBeds has a truly global footprint, with operations in key travel markets across the Americas, Europe, Middle East, Africa and Asia Pacific. With a team of c. 2,000 professionals in more than 120 cities across 50+ countries, WebBeds is able to provide real-time support to travel suppliers and travel buyers around the world. WebBeds' network of regional offices and team of experienced travel professionals on the ground around the world enables a unique understanding of and relationship with each of WebBeds' markets.

The strength of WebBeds' offering is underpinned by its historical and ongoing investment in technology and innovation, focusing on API connectivity, advanced booking platforms, AI-driven initiatives and business-tailored customer relationship management systems. WebBeds also leverages its extensive data repository to improve processes as well as provide partners with real-time data to build engagement and trust.

3.2
Key strengths of Webjet Group (Post-Demerger) (to be renamed WEB Travel Group)

3.2.1
One of the largest global players in the wholesale travel market

WEB Travel Group, through its ownership of WebBeds, is one of the largest global players in the wholesale market with notable scale and presence across Europe, the Americas, Asia Pacific and the Middle East and Africa. Following a period of significant M&A over FY14-FY18, WebBeds has strengthened its position and delivered organic growth in recent years through:

- Building a world-class management team with strong relationships in their respective markets;
- Significant geographic expansion across the Americas and Asia Pacific;
- Channel expansion beyond retail and tour operators into OTA, Super-Apps and corporate; and
- Leveraging the network effect and increasing relevance for both travel buyers and suppliers as the business has scaled. See Section 3.2.3.

WebBeds is focused on targeting $10 billion TTV in FY30. Set out in Section 3.3 is the strategy underpinning this target.

3.2.2
Compelling proposition within an increasingly complex travel ecosystem

WebBeds provides a valuable marketplace solution for travel suppliers and travel buyers. As the travel ecosystem continues to evolve, intermediaries such as WebBeds will play an increasingly vital role in connecting travel sellers with travel buyers, providing each with global reach and scope as they look to fill and find rooms, respectively, in a cost-effective and time-efficient manner.

3.2.3
Flywheel effect benefits

WebBeds benefits from a flywheel effect that expands its existing portfolio with new customers, markets and supply. As WebBeds scales its network of travel buyers, it becomes increasingly meaningful to travel suppliers as a means of distribution. This, in turn, enables deeper room allocations at more attractive prices from travel suppliers, and also attracts new suppliers to the platform. The improved inventory and content offering further fuels demand from travel buyers, and also attracts new buyers to the platform.

3.2.4
Large and growing wholesale travel market underpinned by encouraging trends in travel

The global hotel wholesale market is forecast to grow at a 7.7% CAGR over 2023-2027, with total sales growing from US$59 billion in 2022 to US$97 billion in 2027.[17] With WebBeds representing just 0.65% of the total global hotel market, this represents a significant runway for organic growth for WebBeds.[18] Growth in the market is underpinned by an expected acceleration in global travel, fuelled by the return of international large-scale events, business travel, and leisure travel.

3.2.5
Track record of organic growth and M&A

WebBeds has achieved significant organic growth by building a management team with extensive experience and strong market relationships, expanding into new regions and channels, and increasing relevance for both hotel buyers and suppliers as the business has scaled. WebBeds has also demonstrated a track record of M&A with the successful acquisition and integration of a number of targets including Sunhotels, JacTravel, and Destinations of the World.

3.2.6
Strong balance sheet

Following the Demerger, WEB Travel Group will continue to have a strong balance sheet, positioning WEB Travel Group for future growth and delivering significant flexibility to pursue M&A in a fragmented market with attractive consolidation opportunities.

3.2.7
Experienced Board and management

WEB Travel Group will continue to be led by a highly experienced and credentialed Board and management team with a track record in building high-growth digital travel businesses (see Section 3.4).

17 "Global outlook on travel and deep dive into hotel wholesale industry" – Euromonitor International Nov 2023.
18 Assumes A$5bn TTV in FY25 for WebBeds.

3.3
Company strategy (post-Demerger)

Following the Demerger, WebBeds' strategic objective will be to continue targeting $10 billion of TTV by FY30.

Underpinning this strategic objective are three growth pillars:

- **Nurturing and growing the existing portfolio of travel buyers, hotel partners and suppliers**: WebBeds is leveraging its existing global network to continue connecting supply and demand to create a frictionless marketplace and sell more to its existing travel buyers. As WebBeds has scaled, it has become an increasingly meaningful and valuable partner in the global travel industry and it is supported by a global presence and team.
- **Expanding into new customers, supply and markets**: As WebBeds continues its outsized market share growth, it is focused on further building out its access to hotel supply through chain inventory, direct contracts and third-party connectivity. Directly contracting with independent hotels continues to represent the most attractive supply channel, as the top 10 global hotel chains only make up about 11% of the total global hotel booking revenue. By engaging WebBeds' partnership model, independent hotels benefit from WebBeds acting as their sales, marketing, and distribution partner, leading to lower guest acquisition costs.

  Similarly, WebBeds is focused on expanding its presence in the retail channel where online booking platforms are an important supply connectivity point. To this end, WebBeds is seeking to continually upgrade its trade booking website to provide improved marketing capabilities, enhanced shopping features, and empower travel buyers. The new booking site is expected to deliver:

  - An enhanced user experience delivered using a modern tech stack and a responsive user interface;
  - A more robust search engine to deliver results at industry-leading performance levels;
  - Improved hotel content, including room types, descriptions and images; and
  - A built-in AI-powered travel advisor to deliver an interactive, personable interaction for the buyer.
- **Continuing a long-term commitment to improve conversion**: To improve the conversion rate, WebBeds prioritises leveraging machine learning and artificial intelligence to drive efficiency improvements across the group. Other key levers to improve conversion are:

  - **Pricing**: ensuring WebBeds' offering is priced competitively vs. the market;
  - **Technology**: including improving response time and look-to-book ratios;
  - **Mapping**: enhancing the quality and relevance of content;
  - **Rate plans**: allowing for more choices to suit travellers' preferences and budgets by offering rates and conditions tailored to different booking scenarios such as early bird discounts, last-minute deals, non-refundable rates, flexible cancellation policies, meal plans and package deals; and
  - **Accuracy**: a concerted effort to minimising technical errors.

  WebBeds' dedicated Business Transformation team is also expected to further drive conversion for the business.

3.4
WEB Travel Group Board and Senior Management following the Demerger

3.4.1
WEB Travel Group Board

In connection with the Demerger, Katrina Barry retired from the Webjet Board on 24 June 2024 to join Webjet B2C. Upon implementation of the Demerger, Don Clarke will also retire from the Webjet Board to join the Webjet B2C Board as Chair.

No other changes have been made to the Webjet Board as a result of the Demerger. Additional appointments to the WEB Travel Group Board will be made in due course.

Profiles of the WEB Travel Group's Board are set out below.

WEB Travel Group's Board

	Executive	Expertise, experience and qualifications
	**Roger Sharp** Independent, Non-Executive Chair	Roger has more than 30 years' experience building and governing technology and growth companies in global markets. He currently chairs Iress Limited (ASX: IRE), Lotto New Zealand (Government owned, term ends on 31 August 2024) and North Ridge Partners, a technology investment bank based in Singapore. He is also a Non-Executive Director of Geo Limited (a software company that was delisted from the NZX in February 2024) and chairs a not-for-profit, Technology Queenstown Limited, which is charged with building out the local technology ecosystem in Queenstown, New Zealand. Previous roles include chairing travel.com.au Limited (ASX: TVL) until its sale to Wotif Holdings Limited in 2008, and CEO of ABN AMRO Asia Pacific Securities and Global Head of Technology for ABN AMRO Bank.
	**John Guscic** Managing Director	John was appointed as Managing Director in February 2011, after serving on the Webjet Board since 2006. 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. Previous to that John was Managing Director, Galileo South Pacific and Flairview Travel.
	**Brad Holman** Independent, Non-Executive Director	Brad has over 30 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 is also currently a Non-Executive Director of Webjet B2C. Brad was the President for International Markets for Blackbaud, a NASDAQ listed software and services company specifically focussed 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 a Non-Executive Director of ATI Business Group, a business process management and technology company providing services to the travel and aviation sector, after serving as its Executive Director until 26 June 2024.
	**Denise McComish** Independent, Non-Executive Director	Denise has extensive strategy, financial, corporate and board experience across multiple sectors. She is also a Non-Executive Director of ASX listed companies Mineral Resources, Macmahon Holdings and Gold Road Resources, and of WA electricity gentailer Synergy and not-for-profit mental health organisation Beyond Blue. Denise is a member of the Australian Takeovers Panel, a WA Division Councillor at AICD and Chair of the Advisory Board for the School of Business and Law at Edith Cowan University. She is a member of Chief Executive Women and AICD. 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 6 years.

3.4.2
WEB Travel Group Senior Management

Profiles of the key members of WEB Travel Group's senior management team are set out below.

	Executive	Expertise, experience and qualifications
	**John Guscic** Managing Director	See Section 3.4.1 above.
	**Shelley Beasley** Global Chief Operating Officer	With over 30 years' of global experience across a diverse range of companies in the travel and travel technology industry in multiple geographies, Shelley brings extensive strategic, commercial and operational experience. Shelley is also currently a Non-Executive Director of Webjet B2C. Shelley has a Bachelor of Arts in Communications and Business Administration from the University of Richmond and a Graduate Diploma in Business, International Strategy and Leadership from the University of Auckland. She is also a member of the AICD (Australian institute of Company Directors), and serves as a non-executive Director for ATIA (the Australia Travel Industry Association).
	**Tony Ristevski** Chief Financial Officer & Company Secretary	Tony has more than 20 years of experience working in a range of executive finance and corporate roles in Australia and overseas, most recently as CFO of ASX listed TechnologyOne Limited. He is experienced working with companies undergoing growth, both organically as well as through acquisitions, and has considerable international experience having worked in Europe, Asia and the United States, previously with ASX listed Computershare Limited. Tony is a Chartered Accountant, has a Bachelor of Commerce (Honours) as well as an Executive MBA from Melbourne Business School.

3.5
Expected impact of the Demerger on WEB Travel Group dividends

The WEB Travel Group Board will revisit WEB Travel Group's dividend policy following the maturity date of the Convertible Notes in April 2026.

3.6
Webjet Historical Financial Information and WEB Travel Group Pro Forma Historical Financial Information

This Section 3.6 contains historical information of Webjet Group (**Webjet Historical Financial Information**), comprising the:

- Historical income statements for FY22, FY23 and FY24;
- Historical cash flow information for FY22, FY23 and FY24; and
- Historical statement of financial position as at 31 March 2024;

This Section 3.6 also contains pro forma historical information in relation to Webjet post-Demerger (to be renamed WEB Travel Group) (**WEB Travel Group Pro Forma Historical Financial Information**), comprising the:

- WEB Travel Group pro forma historical income statements for FY22, FY23 and FY24;
- WEB Travel Group pro forma historical statement of financial position as at 31 March 2024; and
- WEB Travel Group pro forma historical cash flow information for FY22, FY23 and FY24.

3.6.1
Basis of preparation

Webjet Historical Financial Information

The Webjet Historical Financial Information has been derived from the financial statements of Webjet Group for FY22, FY23 and FY24, which were audited by Deloitte Touche Tohmatsu in accordance with Australian Auditing Standards (**AAS**). Deloitte Touche Tohmatsu issued unqualified audit opinions on these financial statements. The financial statements for these periods are available from Webjet's website (www.webjetlimited.com) or the ASX website (www.asx.com.au).

The Webjet Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS, which are consistent with IFRS.

WEB Travel Group Pro Forma Historical Financial Information

The WEB Travel Group Pro Forma Historical Financial Information has been prepared for illustrative purposes, to assist Webjet's Shareholders to understand the impact of the Demerger and the financial performance, financial position and cash flows of WEB Travel Group (Webjet post-Demerger). By its nature, pro forma historical financial information is illustrative only. Consequently, the WEB Travel Group Pro Forma Historical Financial Information does not purport to reflect the actual or future financial performance or cash flows for the relevant period, nor does it reflect the actual financial position of WEB Travel Group at the relevant time.

The WEB Travel Group Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS, which are consistent with IFRS, other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect (i) the recognition of certain items in periods different from the applicable period under AAS, (ii) the exclusion of certain transactions that occurred in the relevant periods and (iii) the impact of certain transactions as if they occurred as at 31 March 2024 in the pro forma historical statement of financial position and from 1 April 2021 in the pro forma historical income statements and pro forma historical cash flow information.

The WEB Travel Group Pro Forma Historical Financial Information has been prepared on a consistent basis to the accounting policies set out in Webjet's annual reports for FY22, FY23 and FY24. The WEB Travel Group Pro Forma Historical Financial Information has been derived from the Webjet Historical Financial Information, and adjusted for the effects of pro forma adjustments described below.

Pro forma adjustments have been made to the WEB Travel Group pro forma historical income statements and cash flow information to reflect the additional standalone corporate costs of WEB Travel Group, including certain additional costs that will be incurred in relation to corporate staff, IT costs, and other functions including audit and tax.

Pro forma adjustments have been made in the WEB Travel Group pro forma historical statement of financial position to reflect the settlement of intercompany loans, the accounting for the Restructure and Demerger and the payment of transaction costs associated with the Demerger.

The financial information in this Section 3.6 is presented in an abbreviated form and does not contain all of the presentation, comparatives and disclosures that are usually provided in an annual financial report prepared in accordance with the Corporations Act.

The Investigating Accountant has prepared an Independent Limited Assurance Report in respect of the Webjet Historical Financial Information and WEB Travel Group Pro Forma Historical Financial Information, a copy of which is included in Section 7.

Figures, amounts, percentages, estimates and calculations are subject to the effect of rounding. Accordingly, totals in tables may not add due to rounding. The financial information in this Section 3.6 should be read in conjunction with the risk factors set out in Section 3.9.

3.6.2
Explanation of certain non-IFRS financial measures

Please refer to Section 2.6.2 for an explanation of the principal non-IFRS financial measures referred to in this Section 3.6.

3.6.3
Webjet historical income statements

Set out below are the Webjet historical income statements for FY22, FY23 and FY24.

Table 6: **Webjet historical income statements**

	Notes	FY22 $ m	FY23 $ m	FY24 $ m
Revenue		138.0	364.4	471.5
Operating costs		(153.1)	(229.6)	(283.4)
Underlying EBITDA		**(15.1)**	**134.8**	**188.1**
Share based payment expense		(9.6)	(7.6)	(6.7)
Other non-operating (expenses)/income	1	(4.1)	(12.2)	9.5
Statutory EBITDA		**(28.8)**	**115.0**	**190.9**
Depreciation and amortisation (excl. AA)		(25.3)	(24.4)	(25.4)
Acquired Amortisation		(18.0)	(14.6)	(15.2)
Accelerated amortisation and Impairment		(14.1)	(35.5)	(43.7)
Net interest and finance costs		(18.7)	(21.7)	(23.2)
Remeasurement of convertible notes		–	–	25.3
Profit/(loss) before tax		**(104.9)**	**18.8**	**108.7**
Income tax benefit/(expense)		23.3	(4.3)	(36.0)
Net (loss)/profit after tax		**(81.6)**	**14.5**	**72.7**
Underlying NPAT	2	**(35.0)**	**69.9**	**128.4**

Notes:

1. Includes SaaS implementation costs of $8.8 million in FY22 and $12.2 million in FY23, and gain on equity linked financial assets of $9.5 million (net of transaction costs of $0.5 million) in FY24.
2. Underlying NPAT excludes share-based payments, non-operating expenses, acquired amortisation, impairment, convertible note interest (amortisation from discount value to par using effective interest rate method (FY22: $11.6 million, FY23: $12.2 million, FY24: $13.0 million)) and remeasurement of convertible notes. Underlying NPAT includes accelerated amortisation of $20.1 million in FY23 and $4.3 million in FY24 and is calculated using an effective tax rate of (FY22: 26.3%, FY23: 13.5%, FY24: 13.4%).

Commentary on Webjet's historical financial performance can be found in the Webjet Annual Reports available from Webjet's website (www.webjetlimited.com) or the ASX website (www.asx.com.au).

3.6.4
WEB Travel Group pro forma historical income statements

Set out below are the WEB Travel Group (Webjet post-Demerger) pro forma historical income statements for FY22, FY23 and FY24.

Table 7: **WEB Travel Group pro forma historical income statements**

	Notes	FY22 $ m	FY23 $ m	FY24 $ m
Revenue	1	**85.6**	**236.7**	**327.9**
Operating costs	1	(90.2)	(119.6)	(165.5)
Corporate overheads	2	(13.7)	(18.0)	(20.7)
Share of net loss from associates		(0.1)	(2.0)	(0.9)
Underlying EBITDA	3	**(18.4)**	**97.1**	**140.8**
Share Based Payments		(6.2)	(4.8)	(3.7)
Non-operating expenses	4	(4.4)	(12.2)	9.5
Statutory EBITDA		**(29.0)**	**80.1**	**146.6**
Depreciation and amortisation (excl. AA)		(18.7)	(17.9)	(16.8)
Acquired Amortisation		(18.0)	(14.6)	(15.2)
Accelerated amortisation and Impairment	5	–	(30.2)	(13.1)
Net interest and finance costs	6	(16.8)	(18.9)	(20.3)
Remeasurement of convertible notes		–	–	25.3
Profit/(loss) before tax		**(82.5)**	**(1.5)**	**106.5**
Income tax benefit/(expense)	7	13.2	(0.7)	(18.7)
Net profit/(loss) after tax		**(69.3)**	**(2.2)**	**87.8**
Underlying NPAT	8	**(35.5)**	**48.5**	**96.3**

Notes:

1. Revenue and operating costs have been extracted from the Webjet Limited financial statements.
2. Represents an allocation of Corporate costs previously included in the Corporate costs segment of the financial statements of Webjet Limited to WEB Travel Group, largely reflecting headcount and other operating costs. Following the Demerger, WEB Travel Group will be a standalone entity, listed on the ASX. As a standalone entity, WEB Travel Group will incur net additional operating costs of $5.5 million per annum relative to its position as a segment of Webjet. These costs include the corporate functions required to support a standalone listed entity, the cost of maintaining a board of directors, company secretarial costs, ASX listing fees, share registry costs, insurance and other incremental costs.
3. A reconciliation from reported Segment Underlying EBITDA for WEB Travel Group extracted from the Webjet Limited financial records to the underlying EBITDA has been included in Table 9.
4. Includes SaaS implementation costs of $8.8 million in FY22 and $12.2 million in FY23, and gain on equity linked financial assets of $9.5 million (net of transaction costs of $0.5 million) in FY24.
5. Includes impairment of investment in associates of $5.9 million in FY23 and $10.5 million in FY24. Accelerated amortisation was recognised in FY23 and FY24 following the reassessment of the useful life of capitalised development intangible assets – booking platforms.
6. Includes interest income (FY24: $17.1 million, FY23: $7.5 million, FY22: $1.6 million), bank interest expense (FY24: $9.1 million, FY23: $4.2 million, FY22: $0.0 million), transaction costs on derivatives (FY24: $12.3 million, FY23: $7.6 million, FY22: $4.0 million), borrowing facility costs (FY24: $2.2 million, FY23: $2.2 million, FY22: $2.6 million) and convertible notes interest – amortisation from discount value to par using effective interest rate method (FY24: $13.0 million, FY23: $12.2 million, FY22: $11.6 million).
7. The pro forma income tax expense is based on the pro forma profit before tax adjusted for permanent differences, and the weighted average corporate tax rate of 16%. Historical tax expense for the Webjet B2B business would have taken into consideration the utilisation of tax losses within the Webjet Limited Group.
8. Underlying NPAT excludes share-based payments, non-operating expenses, acquired amortisation, impairment, convertible notes interest (amortisation from discount value to par using effective interest rate method (FY22: $11.6 million, FY23: $12.2 million, FY24: $13.0 million)) and remeasurement of convertible notes. Underlying NPAT includes accelerated amortisation of $14.9 million in FY23 and $2.0 million in FY24 and is calculated using an effective tax rate as outlined in Note 7.

Table 8: **Reconciliation of Webjet historical revenue, as derived from the financial statements of Webjet Limited, to WEB Travel Group pro forma historical revenue**

	FY22 $m	FY23 $m	FY24 $m
Reported Revenue	**138.0**	**364.4**	**471.5**
Less: Reported Webjet B2C revenue	(52.4)	(127.3)	(142.8)
Less: Reported Corporate revenue	–	(0.4)	(0.8)
Pro forma revenue	**85.6**	**236.7**	**327.9**

Table 9: **Reconciliation of WEB Travel Group historical Underlying EBITDA, as derived from the financial statements of Webjet Limited, to WEB Travel Group pro forma historical Underlying EBITDA**

	Notes	FY22 $m	FY23 $m	FY24 $m
Reported Underlying EBITDA	1	**(4.6)**	**117.1**	**162.4**
Corporate costs transferred from Webjet	2	(8.2)	(12.5)	(15.2)
Net additional standalone corporate costs	3	(5.5)	(5.5)	(5.5)
Share of net loss from associates		(0.1)	(2.0)	(0.9)
Pro forma Underlying EBITDA		**(18.4)**	**97.1**	**140.8**

Notes:

1. Represents the Underlying EBITDA of WEB Travel Group prior to the Demerger occurring, as derived from the segment information contained within the financial statements of Webjet. The B2B business divisions included in that segment are the same as the business divisions that will be held by WEB Travel Group post-Demerger.
2. Represents an allocation of Corporate costs previously included in the Corporate costs segment of the financial statements of Webjet Limited to WEB Travel Group, largely reflecting headcount and other operating costs.
3. Following the Demerger, WEB Travel Group will be a standalone entity, listed on the ASX. As a standalone entity, WEB Travel Group will incur net additional operating costs of $5.5 million per annum relative to its position as a segment of Webjet. These costs include the corporate functions required to support a standalone listed entity, the cost of maintaining a board of directors, company secretarial costs, ASX listing fees, share registry costs, insurance and other incremental costs.

3.6.5 WEB Travel Group pro forma segment information

As an integrated provider of hotel beds across geographies, WEB Travel Group is considered to be a single operating segment.

The secondary segment disclosures by geography are set out below for WEB Travel Group for FY22, FY23 and FY24.

Table 10: **WEB Travel Group pro forma secondary segment information**

	FY22 $m	FY23 $m	FY24 $m
TTV			
American Region	218.0	673.5	1,004.1
Asia Pacific Region	279.5	645.1	1,097.0
Europe Region	397.3	1,074.7	1,472.0
MEA Region	205.8	425.0	420.9
Total	**1,100.6**	**2,818.3**	**3,994.0**

3.6.6

Management commentary on WEB Travel Group pro forma historical performance

Commentary on WEB Travel Group pro forma historical performance for FY22, FY23 and FY24 is outlined below. Additional information can be found in Webjet's annual reports and half yearly reports. These reports are available from Webjet's website (www.webjetlimited.com), or the ASX website (www.asx.com.au).

FY24

WEB Travel Group delivered pro forma historical revenue and pro forma historical underlying EBITDA of $327.9 million (up 39% vs. pcp) and $140.8 million (up 45% vs. pcp) respectively. Growth in bookings was driven by accelerating growth in Asia Pacific and North America throughout the period, with the increasing relevance of these regions likewise driving an increase in TTV margins. Strong growth in TTV over the period was driven by an improvement in average booking values and exchange tailwinds, and reflect the increasing relevance of Asia Pacific and North American markets. WEB Travel Group's pro forma underlying EBITDA margin was 43% (up 2 percentage points vs. pcp), driven by the realisation of scale benefits in the business as management continued to target absolute EBITDA growth, offset by increased investment in headcount to enable the business to effectively scale going forward.

FY23

WEB Travel Group delivered pro forma historical revenue and pro forma historical underlying EBITDA of $236.7 million and $97.1 million respectively. In FY23, WEB Travel Group benefited from the various transformation initiatives put in place during the COVID-19 pandemic as well as market share growth. Bookings were ahead of pre-pandemic levels[19] as a result of a broader client mix and strong organic growth, particularly in North America and Asia Pacific. TTV was likewise ahead of pre-pandemic levels, despite lower average booking values due to a changing business mix. A continued focus on driving efficiencies during the year was reflected in WEB Travel Group's pro forma underlying EBITDA margin of 41%, with the business significantly more efficient on a booking per FTE basis than pre-pandemic.

FY22

WEB Travel Group delivered pro forma historical revenue and pro forma historical underlying EBITDA losses of $85.6 million and $18.4 million respectively. In FY22, WEB Travel Group remained highly impacted by COVID-19, with FY22 bookings reflecting 60% of pre-pandemic levels,[19] as several key markets in Asia Pacific remained closed to international tourism. Despite the continued impact of the COVID-19 pandemic, there was a recovery as travel markets increasingly opened globally, with bookings and TTV both increasing, and TTV margins improving driven by an increasing contribution from Europe in 2H22. WEB Travel Group's pro forma underlying EBITDA margin of (21)% reflect the overarching macroeconomic conditions lingering from COVID-19 and increases in staff costs. All regions were profitable in 2H22 except Asia Pacific as several large markets remained closed to international tourism.

19 Refers to the 12 months ending 31 December 2019.

3.6.7
Webjet historical cash flow information

Set out below are the Webjet historical cash flow information for FY22, FY23 and FY24.

Table 11: **Webjet historical cash flow information**

	Notes	FY22 $ m	FY23 $ m	FY24 $ m
Underlying EBITDA		**(15.1)**	**134.8**	**188.1**
Movement in working capital		94.9	45.8	7.9
Net operating cash flows before financing costs and tax		**79.8**	**180.6**	**196.0**
Net interest and finance costs		(7.8)	(4.4)	(8.5)
Operating cash flows before income tax paid	1	**72.0**	**176.2**	**187.5**
Net payments for PPE and intangible assets		(21.4)	(34.1)	(41.4)
Other investing activities	2	(27.0)	0.1	(35.4)
Operating and investing cash flows before income tax paid and financing activities	1	**23.6**	**142.2**	**110.7**

Notes:

1. Excludes income tax paid of $0.3 million in FY22 and $3.7 million in FY24.
2. Includes investments in associates of $19.2 million and earn-out payment of $4.4 million for FY22, as well as settlement of deferred consideration of $2.2 million and investment in financial assets of $33.3 million in FY24.

3.6.8
WEB Travel Group pro forma historical cash flow information

Set out below are the WEB Travel Group pro forma historical cash flow information for FY22, FY23 and FY24.

Table 12: **WEB Travel Group pro forma historical cash flow information**

	Notes	FY22 $ m	FY23 $ m	FY24 $ m
Underlying EBITDA		**(18.4)**	**97.1**	**140.8**
Movement in working capital		75.1	37.9	14.4
Net operating cash flows before financing costs and tax		**56.8**	**135.0**	**155.2**
Net interest and finance costs		(6.9)	(4.5)	(8.8)
Operating cash flows before income tax paid	1	**50.0**	**130.5**	**146.4**
Net payments for PPE and intangible assets		(12.1)	(22.8)	(30.3)
Other investing activities	2	(23.6)	-	(35.5)
Operating and investing cash flows before income tax paid and financing activities	1	**14.2**	**107.7**	**80.6**

Notes:

1. Excludes income tax paid of $3.7 million in FY24.
2. Represents investments in associates of $19.2 million and earn-out payment of $4.4 million for FY22, as well as settlement of deferred consideration of $2.2 million and investment in financial assets of $33.3 million in FY24.

Table 13: **Reconciliation of Webjet historical cash flow information to WEB Travel Group pro forma historical cash flow information**

	Notes	FY22 $ m	FY23 $ m	FY24 $ m
Operating and investing cash flows before income tax paid and financing activities		**23.6**	**142.2**	**110.7**
Less: Pro forma Webjet B2C operating and investing cash flows before income tax paid and financing activities	1	(1.4)	(26.5)	(21.9)
Net additional standalone corporate costs	2	(8.0)	(8.0)	(8.0)
Pro forma operating and investing cash flows before income tax paid and financing activities		**14.2**	**107.7**	**80.6**

Notes:

1. Represents the Webjet B2C reported operating and investing cashflows before income tax paid and financing activities, as derived from the financial information directly related to Webjet B2C from the accounting records of Webjet.
2. Represents net additional standalone corporate costs incurred by WEB Travel Group and Webjet B2C following the demerger as two standalone entities.

3.6.9
Management commentary on WEB Travel Group pro forma historical cash flows

The WEB Travel Group pro forma historical cash flow information presents the pro forma operating and investing cash flows before income tax paid and financing activities as if WEB Travel Group had operated as a standalone group for the periods presented.

Working capital movements in WEB Travel Group are largely driven by year-on-year movements in TTV. Cash inflow in FY22 was largely driven by an increase in trade payables due to the significant increase in trade as compared with the COVID-19 impacted results in FY21, updates to various creditor payment terms and improved customer collections. FY23 and FY24 movements in working capital were also driven by the same factors, albeit less pronounced as year-on-year growth in TTV normalised in a post-COVID-19 environment.

Pro forma net financing costs reflect the pro forma net interest earned on the cash for WEB Travel Group based on an allocation of the existing Webjet cash as at 31 March 2024, as well as transaction costs on derivatives, borrowing facility costs and interest expense on the outstanding Convertible Note.

Net payments for PPE and intangible assets largely relate to ongoing capitalised development costs associated with the design and development of WebBeds' booking systems and software.

Other investing activities primarily relate to the Capital Management initiatives as announced to the ASX on 4 September 2023, which involved Webjet investing in equity linked notes.

3.6.10
Webjet historical and WEB Travel Group pro forma historical statement of financial position

Set out below is the Webjet Limited historical statement of financial position and the WEB Travel Group pro forma historical statement of financial position as at 31 March 2024.

For the purpose of presenting the pro forma historical statement of financial position, it has been assumed that the Demerger was effected and completed on 31 March 2024. The pro forma statement of financial position reflects the estimated impacts of the Demerger.

The WEB Travel Group pro forma historical statement of financial position has been prepared in order to give Webjet Shareholders an indication of the WEB Travel Group historical statement of financial position in the circumstances noted in this section, and does not reflect the actual or prospective financial position of Webjet at the time of the Demerger. No adjustments have been made to reflect the trading of the Webjet business since 31 March 2024.

Table 14: **Webjet historical and WEB Travel Group pro forma historical statement of financial position**

	Notes	Reported 31 March 2024 Webjet Limited $ m	Webjet B2C Group $ m	Repayment and settlement of inter-company loans $ m	Impacts of Restructure/ Demerger $ m	Transaction costs $ m	Pro forma historical WEB travel Group as at 31 March 2024 $ m
		1	2	3	4	5	
Current assets							
Cash and cash equivalents		630.1	(100.5)	10.0	–	(12.2)	527.4
Trade receivables and other assets		323.3	(16.5)	–	–	–	306.8
Total current assets		**953.4**	**(117.0)**	**10.0**	**–**	**(12.2)**	**834.2**
Non-current assets							
Intangible assets		790.6	(77.9)	–	–	–	712.7
Property, plant and equipment	6	28.9	(2.1)	–	–	–	26.8
Deferred tax assets		27.1	(2.7)	–	(12.3)	–	12.1
Other non-current assets		0.3	(0.3)	–	–	–	–
Total non-current assets		**846.9**	**(83.0)**	**–**	**(12.3)**	**–**	**751.6**
Total assets		**1,800.3**	**(200.0)**	**10.0**	**(12.3)**	**(12.2)**	**1,585.8**
Current liabilities							
Trade Payables and other liabilities		523.6	(66.3)	–	–	–	457.3
Other current liabilities	7	73.6	(16.4)	–	15.7	–	72.9
Total current liabilities		**597.2**	**(82.7)**	**–**	**15.7**	**–**	**530.2**
Non-current liabilities							
Convertible notes	8	224.3	0.0	–	–	–	224.3
Deferred tax liabilities		20.9	(0.0)	–	–	–	20.9
Intercompany loans		0.0	(92.4)	92.4	–	–	0.0
Other non-current liabilities	7	17.1	(0.9)	–	–	–	16.1
Total non-current liabilities		**262.3**	**(93.3)**	**92.4**	**–**	**–**	**261.4**
Total liabilities		**859.5**	**(176.0)**	**92.4**	**15.7**	**–**	**791.6**
Net assets		**940.8**	**(24.0)**	**(82.4)**	**(28.0)**	**(12.2)**	**794.2**
Equity and reserves		**940.8**	**(24.0)**	**(82.4)**	**(28.0)**	**(12.2)**	**794.2**

Notes:

1. Represents the Webjet Limited reported consolidated statement of financial position as at 31 March 2024 as reported in the Webjet Limited financial statements for FY24.
2. Represents the statement of financial position for Webjet B2C as at 31 March 2024.
3. Represents the repayment and settlement of intercompany loans between Webjet B2C and WEB Travel Group as part of the Demerger.
4. Represents derecognition of carried forward losses that are not expected to be utilised in the near future of $12.3 million, as well as the modification of existing long-term incentives that will be cash-settled as part of the demerger ($15.7 million).
5. Represents one-off transaction costs related to preparing for and implementing the Demerger.
6. Includes right-of-use assets.
7. Includes lease liabilities.
8. Represents convertible notes with a face value of $250 million which were remeasured in FY24 to $224.3 million as a result of the holders not exercising their put option. The notes mature on 12 April 2026 and have a coupon of 0.75% per annum, payable on a semi-annual basis. The notes have a conversion price of $6.35 per ordinary share which will be adjusted for the impact of the demerger.

3.7
Demerger accounting

Accounting for demerger transactions is addressed in AASB Interpretation 17 Distribution of Non-cash Assets to Owners. This interpretation requires that any obligation for distributions made by a company to its shareholders should be recognised and measured at the fair value of the assets to be distributed. The fair value of the assets to be distributed – the fair value of Webjet B2C Shares – will be determined by reference to the VWAP and the closing share price of the Webjet B2C Shares as traded on the ASX (whether on a deferred or ordinary settlement basis).

No guidance is provided in the AAS as to where a debit to equity should be recorded for the recognition of a distribution liability. Therefore, the fair value of Webjet B2C Shares will be allocated between the capital reduction and a demerger reserve. The value of the capital reduction will be determined in accordance with the tax allocation specified by an ATO ruling. The capital reduction will reduce the share capital of Webjet.

On the Implementation Date, Webjet will recognise a provision based on the fair value of Webjet B2C Shares, which is expected to exceed the Webjet B2C book value of its net assets. This provision will be settled through the transfer of Webjet B2C Shares to Shareholders under the Demerger. At that time, the difference between the book value of Webjet B2C's net assets transferred and the fair value of Webjet B2C Shares transferred to Shareholders, will be recognised as a gain on Demerger in the Webjet consolidated statement of profit or loss within discontinued operations. For illustrative purposes only, a range of fair values and the implied gain on Demerger amounts are set out in Table 15. These figures are neither a prediction nor a forecast of the Webjet B2C Share price following the Demerger and the Webjet B2C Share VWAP over the first five trading days may vary substantially from the range set out in Table 15.

Table 15: **WEB Travel Group gain on demerger**

Webjet B2C Share Price ($)	1.20	1.30	1.40	1.50	1.60
Number of Webjet B2C Shares (m), as at 31 March 2024	387.5	387.5	387.5	387.5	387.5
Implied market capitalisation ($m)	**465.0**	**503.8**	**542.5**	**581.3**	**620.0**
Webjet B2C pro forma historical net assets as at 31 March 2024	(104.8)	(104.8)	(104.8)	(104.8)	(104.8)
Gain on demerger ($m)	**360.2**	**399.0**	**437.7**	**476.5**	**515.2**

3.8 WEB Travel Group capital structure

If the Demerger is implemented, it is expected that WEB Travel Group will have net cash in the range of $300 million to $320 million. The actual balances will be subject to variances in actual cash flows in Webjet Group prior to the Implementation Date, including movements in working capital.

Webjet's $250 million Convertible Notes due April 2026 will remain with WEB Travel Group. The current conversion price of the Convertible Notes is $6.35. In accordance with the terms and conditions of the Convertible Notes, the conversion price will be adjusted as follows:

New conversion price = $6.35 x [(A-B) / A]

Where:

- **A** is the average of the daily VWAP of Webjet Shares on each of the 10 consecutive trading days ending on the trading day immediately before the Webjet Shares are traded on an ex-Demerger entitlement basis.
- **B** is the average of the daily VWAP of Webjet B2C Shares on each of the 5 consecutive trading days commencing on the date that Webjet B2C Shares commence trading on the ASX.

The effective date for the adjustment to the conversion price will be the date that Webjet B2C Shares commence trading on the ASX.

The full terms and conditions of the Convertible Notes are set out in the offering circular lodged on the ASX market announcement platform on 8 April 2021.

At the Implementation Date, WEB Travel Group will also be supported by a three-year $40 million revolving credit facility which will be undrawn, as well as a $20 million bank guarantee facility and a €25 million bank guarantee facility.

WEB Travel Group will continue to have fully paid ordinary shares on issue and will issue shares in accordance with the WEB Travel Group LTIP. WEB Travel Group has 391,152,405 fully paid ordinary shares on issue as at the date of this Demerger Booklet.

3.9
Risk factors associated with an investment in WEB Travel Group Shares (post-Demerger)

After the Demerger, WEB Travel Group will continue to be exposed to the same risks that it currently faces. Investors are already faced with these risks through their investment in Webjet and these risks are consistent with those each year in the annual report and sustainability report. Some of these risks may be altered due to the reduced diversification of activities, changed business and risk profile, and loss of Webjet B2C's revenues resulting from the Demerger.

A summary of the key risks is set out below:

- the potential impacts of a pandemic may negatively affect WEB Travel Group's businesses;
- disruptions to suppliers or discontinuation of supply from certain suppliers may impact the continuity of WEB Travel Group's supply and cause a loss in sales and/or customers;
- unexpected natural catastrophes or global events, including geopolitical conflicts, may adversely affect WEB Travel Group's business activities and performance;
- a data or information security breach may result in business and reputational damage, adverse regulatory and financial impacts, and legal proceedings;
- a significant increase in cloud access costs could adversely affect WEB Travel Group's financial performance;
- WEB Travel Group's financial performance could be adversely affected if it is unable to attract and retain team members or employees, including key management personnel, or if changes to labour laws and costs impact the cost of retaining team members, employees and management;
- reputational damage or negative publicity could adversely impact WEB Travel Group's relationships, partnerships, and financial performance;
- changes to legal and regulatory settings could increase compliance costs for WEB Travel Group or have other adverse impacts on its financial performance and/or reputation;
- WEB Travel Group may lose market share if it is unable to respond to competitive pressures in the consumer and wholesale markets, as well as any other markets it operates in;
- WEB Travel Group may be a party to regulatory intervention, litigation, claims and legal proceedings which may adversely affect Webjet's business, reputation and/or have financial impacts;
- non-compliance with laws, regulations and WEB Travel Group's policies may impact WEB Travel Group's reputation and financial position;
- insurance policies may not be adequate to fully compensate for losses suffered or liabilities to third parties incurred in the event they need to be relied on;
- WEB Travel Group may be adversely affected by the unsuccessful delivery of its business transformation policies and/or adjustment of its online service deliveries to meet the changing expectations of its customers;
- fluctuations in foreign exchange and interest rates may adversely affect WEB Travel Group's results;
- the longer-term impacts of climate change may adversely impact WEB Travel Group's business activities; and
- the price of WEB Travel Group's Shares may fluctuate for reasons beyond WEB Travel Group's control.

04.

Details of the Demerger.

4.1 Demerger Conditions Precedent

Implementation of the Demerger is subject to a number of conditions being satisfied or waived. The key conditions are summarised below:

- no change to the Webjet Directors' recommendation to vote in favour of the Demerger Resolution between the Demerger Booklet Date and the Extraordinary General Meeting;
- execution of the Transitional Services Agreement, Restructure Deed and Separation Deed;
- each of Webjet B2C and WEB Travel Group entering into documentation to obtain the financial accommodation described in Sections 2.7.2 and 3.8 respectively;
- the requisite majority of Webjet Shareholders passing the Demerger Resolution at the Extraordinary General Meeting;
- all regulatory approvals required for the Demerger being obtained (either unconditionally or on conditions reasonably satisfactory to Webjet and Webjet B2C);
- the ASX approving the admission of Webjet B2C to the Official List and granting permission for official quotation of Webjet B2C Shares on the ASX;
- no order or injunction being issued by any court of competent jurisdiction and no other legal restraining order or prohibition preventing the Demerger being in effect;
- the ATO issuing a draft Class Ruling before Implementation;
- the Independent Expert not changing its opinion before the Extraordinary General Meeting;
- Webjet B2C and its Australian subsidiaries obtaining a clear exit from the Webjet tax consolidated group;
- the Restructure being completed; and
- Webjet B2C being satisfied that it will have a net cash balance of at least $80 million excluding restricted cash.[20]

4.2 Separation and capitalisation of Webjet B2C

4.2.1 Restructure

To establish Webjet B2C as the owner of the Webjet B2C Business as described in Section 2, if the Demerger Resolution is passed at the Extraordinary General Meeting, Webjet will complete an internal restructure (the **Restructure**) to ensure that:

- the Webjet B2C Group is created as a separate corporate group, capable of operating on a standalone basis; and
- all subsidiaries, assets and liabilities which do not relate directly to the Webjet B2C Business will be held by WEB Travel Group.

The Restructure primarily involves the transfer of certain shares, assets and commercial agreements between the relevant Webjet Group and Webjet B2C Group members. Further details on the Restructure are in Section 4.8.

4.2.2 Capitalisation of Webjet B2C

As part of the implementation of the Demerger, it is necessary to establish an appropriate, standalone capital structure for Webjet B2C. Accordingly:

- all inter-company loans between members of the Webjet B2C Group and the Webjet Group (Post-Demerger) will be forgiven or discharged prior to the implementation of the Demerger; and
- WEB Travel Group and Webjet B2C will have separate debt financing facilities with effect from implementation of the Demerger, the key terms of which are summarised in Section 2.7.2 in respect of Webjet B2C and Section 3.8 in respect of WEB Travel Group.

Other than in connection with the capital restructuring of Webjet B2C required for the Demerger, Webjet B2C has not issued any capital for the three months before the Demerger Booklet Date and does not expect that it will need to raise any capital in the three months after the Demerger Booklet Date.

4.2.3 Creditors

In the opinion of the Webjet Directors, the Demerger will not, if implemented, materially prejudice Webjet's ability to pay its creditors.

The Independent Expert has concluded that the Demerger will not materially prejudice Webjet's ability to pay its creditors. Refer to Section 8 for the Independent Expert's Report.

20 Restricted cash relates to cash held within legal entities of Webjet B2C Group for payment to product and service suppliers or cash held for supplier guarantees where contractually required with an equal obligation recognised as a liability. Restricted cash includes monies received from customers which is due to be paid to airlines in accordance with IATA requirements. Based on the Webjet B2C Group pro forma statement of financial position as at 31 March 2024, Webjet B2C Group had restricted cash of $42.9 million (see Table 5).

4.3
Voting on the Demerger Resolution, the Change of Name Resolution and the Executive Incentive Resolution

The Webjet Board has convened the Extraordinary General Meeting to consider and, if thought fit, approve the Demerger Resolution, the Change of Name Resolution and the Executive Incentive Resolution. The terms of the Demerger Resolution, the Change of Name Resolution and the Executive Incentive Resolution are set out in the notice convening the Extraordinary General Meeting in Section 10.

Each Webjet Shareholder who is registered on the Webjet Share Register as at 7.00pm (AEST) on Sunday, 15 September 2024 is entitled to attend the Extraordinary General Meeting online and vote on the Demerger Resolution.

For the Demerger to proceed, the Demerger Resolution must be approved by a simple majority of votes cast by Webjet Shareholders on the Demerger Resolution at the Extraordinary General Meeting.

The Change of Name Resolution must be approved by 75% or more of the votes cast by Webjet Shareholders on the Change of Name Resolution at the Extraordinary General Meeting. The Executive Incentive Resolution must be approved by more than 50% of the votes cast by Webjet Shareholders on the Executive Incentive Resolution at the Extraordinary General Meeting. The Demerger is not conditional on the Change of Name Resolution or the Executive Incentive Resolution being approved.

4.4
Implementation of the Demerger

4.4.1
Summary of key steps to implement the Demerger

It is expected that the Demerger will be implemented on Monday, 30 September 2024 (**Implementation Date**).

On the Implementation Date:

- Webjet will undertake the Capital Reduction and pay the Demerger Dividend. The Capital Reduction and Demerger Dividend will be satisfied by the in-specie distribution of the Webjet B2C Shares to the Eligible Shareholders (and the Sale Agent in respect of Ineligible Shareholders and Selling Shareholders);
- each Eligible Shareholder (other than Selling Shareholders) will receive one Webjet B2C Share for each Webjet Share held on the Demerger Record Date.

4.4.2
Ineligible Shareholders and Selling Shareholders

In the case of Ineligible Shareholders and Selling Shareholders, the Webjet B2C Shares which those Shareholders would have otherwise received under the Demerger will be transferred to the Sale Agent to be sold. The proceeds of sale will be remitted to the Ineligible Shareholders and Selling Shareholders as set out in Section 4.7.

4.4.3
Confirmation of Webjet B2C shareholdings

The transfer and distribution of Webjet B2C Shares referred to above will be achieved by:

- in the case of the transfer of Webjet B2C Shares to Eligible Shareholders (other than Selling Shareholders) pursuant to the Demerger, Webjet procuring the execution of and the delivery to Webjet B2C of the transfers of the relevant Webjet B2C Shares, pursuant to Webjet's Constitution;
- entry in the Webjet B2C Share Register of the names of Eligible Shareholders (other than Selling Shareholders); and
- Webjet procuring the dispatch to Eligible Shareholders (other than Selling Shareholders) by prepaid post to the person's address as shown in the Webjet Share Register as at the Demerger Record Date (unless directed otherwise by an Eligible Shareholder), uncertificated holding statements for the Webjet B2C Shares transferred to them under the Demerger. In the case of joint Webjet Shareholders, uncertificated holding statements for Webjet B2C Shares will be sent to the address of the Webjet Shareholder whose name appears first in the Webjet Share Register.

Except for the Australian tax file numbers and Australian business numbers of Eligible Shareholders (other than Selling Shareholders), any binding instruction or notification between an Eligible Shareholder (other than a Selling Shareholder) and Webjet relating to Webjet Shares as at the Demerger Record Date (including any instruction relating to payment of dividends or to communications from Webjet, including bank account details, email addresses and communication preferences) will, unless otherwise determined by Webjet B2C, be deemed to be a similarly binding instruction or notification to Webjet B2C in respect of relevant Webjet B2C Shares until those instructions or notifications are, in each case, revoked or amended in writing addressed to Webjet B2C at its share registry, Automic Pty Ltd.

4.5
Entitlement to Participate in the Demerger

4.5.1
Dealings in Webjet Shares

Webjet Shareholders as at the Demerger Record Date will be eligible to participate in the Demerger (although the way in which an individual Webjet Shareholder participates will depend on whether that shareholder is an Eligible Shareholder or an Ineligible Shareholder).

For the purposes of determining which Webjet Shareholders are eligible to participate in the Demerger, dealings in Webjet Shares will be recognised only if:

- in the case of dealings of the type to be effected using CHESS, the transferee is registered as the holder of Webjet Shares on the Demerger Record Date (or registered before the Demerger Record Date and remains registered on that date); and
- in all other cases, registrable transmission applications or transfers in respect of those dealings are received by Webjet before the Demerger Record Date with sufficient time to allow for registration of the transferee on the Demerger Record Date (or registered before the Demerger Record Date and remains registered on that date).

For the purpose of determining entitlements under the Demerger, Webjet will not accept for registration or recognise any transfer or transmission application in respect of Webjet Shares received after the Demerger Record Date.

4.5.2
Eligible Shareholders

Webjet Shareholders whose addresses are shown in the Webjet Share Register on the Demerger Record Date as being in the following jurisdictions will be Eligible Shareholders and will receive Webjet B2C Shares (unless they are Selling Shareholders):

- Australia and its external territories;
- Hong Kong
- New Zealand;
- Singapore;
- United Kingdom;
- United States; or
- any other jurisdiction in which Webjet reasonably believes it is not prohibited or unduly onerous or impractical to implement the Demerger and to transfer Webjet B2C Shares to the Webjet Shareholder.

Certain Eligible Shareholders are entitled to participate in the Sale Facility – see Section 4.7.2.

4.5.3
Ineligible Shareholders

Ineligible Shareholders are Webjet Shareholders whose addresses are shown in the Webjet Share Register on the Demerger Record Date as being in a jurisdiction outside the other jurisdictions referred to in Section 4.5.2.

Webjet B2C Shares will not be transferred or distributed to Ineligible Shareholders. Instead, Webjet B2C Shares which the Ineligible Shareholders would otherwise have received will be transferred to the Sale Agent to be sold under the Sale Facility.

Refer to Section 4.7 for more information on how the Sale Facility will operate.

4.6
Webjet Long Term Incentive Plan (Webjet LTIP)

The Webjet LTIP provides full-time or part-time employees of Webjet (or one of its subsidiaries), and directors who hold a salaried office, with an opportunity to acquire performance rights which entitle the holder to one Webjet Share on vesting of the right (**Performance Rights**). Vesting of Performance Rights is subject to the satisfaction or waiver of applicable vesting conditions. Once vested, each Performance Right may be exercised during the applicable exercise period.

The Webjet Board has determined that, in the context of the Demerger, it is appropriate for it to exercise its discretion under the Webjet LTIP to amend the terms of the Performance Rights on issue on the Demerger Booklet Date. This Section 4.6 outlines the proposed treatment of those Performance Rights if the Demerger proceeds, and the proposed grant of FY25 Performance Rights to Webjet's Managing Director.

4.6.1
Impact of the Demerger on existing FY21 and FY22 Performance Rights

The FY21 and FY22 Performance Rights are fully vested.

The Trustee of the Webjet Employee Share Trust holds Webjet Shares for allocation (transfer) to holders when they exercise their FY21 or FY22 Performance Rights. As the Trustee is a Webjet Shareholder it will receive Webjet B2C Shares on Implementation of the Demerger. Following the Demerger, the Trustee will hold the Webjet B2C Shares it receives (in its capacity as a Webjet Shareholder) on trust for the holders of FY21 and FY22 Performance Rights.

The terms of the FY21 and FY22 Performance Rights will be amended with the effect that, on exercise of the Performance Right, the holder will receive one WEB Travel Group Share and one Webjet B2C Share. The amendments will be made to FY21 and

FY22 Performance Rights held by WEB Travel Group employees and Webjet B2C employees.

As at 29 July 2024, there were 326,000 FY21 Performance Rights on issue and 285,652 FY22 Performance Rights on issue.

4.6.2
Impact of the Demerger on existing FY23 Performance Rights

The FY23 Performance Rights are unvested and are subject to the following performance conditions:

- service condition – the FY23 Performance Rights will vest if the holder is employed by Webjet on the vesting date; and
- TSR condition – market comparative Total Shareholder Return (**TSR**) metric tested over the three-year period starting 1 April 2022 and ending on 31 March 2025 (being, the last day of the performance period) compared to the S&P/ASX 200 listed entities (excluding banks, resource companies, listed property trusts, ETF/index based companies).

Approximately two and a half years of the three-year performance period will have elapsed when the Demerger is implemented. Having regard to the nature of the performance conditions provided above, the performance period will end on 20 September 2024, and the FY23 Performance Rights will be tested prior to the Demerger Record Date and vest prior to Implementation.

The terms of the FY23 Performance Rights will be amended in the same manner as the FY21 and FY22 Performance Rights, with the effect that, on exercise of the Performance Right, the holder will receive one WEB Travel Group Share and one Webjet B2C Share. The amendments will be made to FY23 Performance Rights held by WEB Travel Group employees and Webjet B2C employees.

As at 29 July 2024, there were 1,451,758 FY23 Performance Rights on issue.

4.6.3
Impact of the Demerger on existing FY24 Performance Rights

The FY24 Performance Rights are unvested and are subject to the following conditions:

- TSR condition (50% weighting) – market comparative Total Shareholder Return (**TSR**) metric tested over the three-year period starting 1 April 2023 and ending on 31 March 2026 (being, the last day of the performance period) compared to the S&P/ASX 200 listed entities (excluding banks, resource companies, listed property trusts, ETF/index based companies); and
- absolute EBIT condition (50% weighting) – EBIT compound annual growth rate (**CAGR**) tested over the three-year period starting 1 April 2023 and ending on 31 March 2026 (being, the last day of the performance period).

Approximately one and a half years of the three-year performance period will have elapsed when the Demerger is implemented. Having regard to the nature of the performance conditions, the need to incentivise employees during the Demerger process, and the importance of employee retention following implementation of the Demerger, the performance period will end on 20 September 2024, and the FY24 Performance Rights will be tested prior to the Demerger Record Date and vest prior to Implementation.

Vested FY24 Performance Rights (other than Vested FY24 Performance Rights held by Mr Guscic, Mr Ristevski, and Ms Beasley (**Management Vested FY24 Performance Rights**)) will be cash settled by payment in four equal tranches in December 2024, March 2025, June 2025 and September 2025, subject to continued employment with either WEB Travel Group or Webjet B2C on the relevant payment date. The value of the cash payment will be determined using the 20-day VWAP of Webjet Shares prior to the date that Webjet Shares trade on an ex-Demerger entitlement basis.

Management Vested FY24 Performance Rights will be cash settled in two equal tranches in April 2025 and April 2026, subject to continued employment with WEB Travel Group on the relevant payment date. The value of the cash payment will be determined using the 20-day VWAP of Webjet Shares prior to the date that Webjet Shares trade on an ex-Demerger entitlement basis.

As at 29 July 2024, there were 1,734,715 FY24 Performance Rights on issue.

4.6.4
Impact of the Demerger on proposed grant of FY25 Performance Rights to Managing Director

Webjet Shareholder approval is being sought for the grant of FY25 Performance Rights to John Guscic, Webjet's Managing Director, at Webjet's AGM to be held on 29 August 2024 (**Proposed FY25 Grant**).

The performance conditions for the Proposed FY25 Grant were determined on a "business as usual" basis and did not consider the impact of the Demerger. If the Demerger proceeds, the Proposed FY25 Grant will not be made to John Guscic. Webjet Shareholder approval is being sought for a revised grant of FY25 Performance Rights to John Guscic at the Extraordinary General Meeting which is conditional on the Demerger being implemented.

Please refer to the Notice of Extraordinary General Meeting for further details regarding the Executive Incentive Resolution. The Demerger is not conditional on the Executive Incentive Resolution being approved.

4.7
Sale Facility

4.7.1
Ineligible Shareholders

Ineligible Shareholders are Webjet Shareholders whose addresses are registered on the Webjet Share Register as at the Demerger Record Date in a jurisdiction that is outside the following jurisdictions:

- Australia and its external territories;
- Hong Kong;
- New Zealand;
- Singapore;
- United Kingdom;
- United States; and
- any other jurisdiction in which Webjet reasonably believes it is not prohibited or unduly onerous or impracticable to implement the Demerger and to transfer Webjet B2C Shares to the Webjet Shareholder.

Webjet B2C Shares will not be transferred to Ineligible Shareholders. Instead, the Webjet B2C Shares which the Ineligible Shareholders would have otherwise received will be transferred to the Sale Agent and will be sold under the Sale Facility, in accordance with Section 4.7.3.

4.7.2
Small Shareholders

Small Shareholders refer to Eligible Shareholder who individually hold 500 or fewer Webjet Shares as at the Demerger Record Date. Small Shareholders may elect not to receive any Webjet B2C Shares under the Demerger and instead have the Webjet B2C Shares the Small Shareholder would have otherwise received sold under the Sale Facility, with the proceeds of sale to be remitted to the Small Shareholder.

Small Shareholders may elect not to receive Webjet B2C Shares by visiting www.computershare.com.au/websalefacility to complete the Sale Facility Form by 5:00pm (AEST) on Friday, 20 September 2024.

Sale Facility Forms must be received by the Webjet Share Registry by no later than 5:00pm (AEST), Friday, 20 September 2024.

Small Shareholders who do not validly lodge a Sale Facility Form will receive Webjet B2C Shares under the Demerger and may elect to keep, sell or otherwise deal with the Webjet B2C Shares the Small Shareholder receives under the Demerger.

If a Small Shareholder wishes to withdraw their election to participate in the Sale Facility, the Small Shareholder may do so by visiting www.computershare.com.au/websalefacility or by lodging a Sale Facility withdrawal form (which must be received by the Webjet Share Registry by no later than 5:00pm (AEST), Friday, 20 September 2024).

4.7.3
Operation of Sale Facility

The purpose of the Sale Facility is to sell the Webjet B2C Shares that would have otherwise been received by:

- Ineligible Shareholders; and
- Selling Shareholders.

The Webjet B2C Shares to be sold under the Sale Facility will be transferred to the Sale Agent. The Sale Agent will, as soon as reasonably practicable, sell the Webjet B2C Shares on the ASX and pay to the Ineligible Shareholders and Selling Shareholders the Sale Facility Proceeds (free of any brokerage costs or stamp duty).

The Sale Agent may sell the Webjet B2C Shares in such manner, at such price or prices, and on such terms as the Sale Agent determines, and at the risk of the Ineligible Foreign Shareholders and Selling Shareholders. The Sale Agent will sell the Webjet B2C Shares on the ASX following the issue of those shares to it. As the market price of Webjet B2C Shares will be subject to change from time to time, the sale price of the Webjet B2C Shares and the amount of proceeds on the sale cannot guaranteed. Ineligible Shareholders and Selling Shareholders may obtain information on the market price of Webjet B2C Shares at ASX's website (www.asx.com.au). Neither Webjet nor the Sale Agent gives any assurance as to the price that will be achieved for the sale of the Webjet B2C Shares by the Sale Agent.

The amount of money received by each Ineligible Shareholder and Selling Shareholder will be in Australian currency and calculated on an averaged basis so that all Ineligible Shareholders and Selling Shareholders will receive the same price per Webjet B2C Share, subject to rounding to the nearest whole cent. Consequently, the amount of money received by an Ineligible Shareholder and Selling Shareholder may be more or less than the actual amount received by the Sale Agent for the sale of that particular Webjet B2C Share under the Sale Facility.

The payment of the Sale Facility Proceeds to Ineligible Shareholders and Selling Shareholders will be in full satisfaction of the rights of Ineligible Shareholders and Selling Shareholders under the Demerger.

No interest is payable on the Sale Facility Proceeds for the period of time between the Implementation Date and the date of sale of the Webjet B2C Shares under the Sale Facility and the payment of the Sale Facility Proceeds to Ineligible Shareholders and Selling Shareholders.

The Sale Agent will be appointed by, and will provide the Sale Agent services to, Webjet. In acting as Sale Agent, the Sale Agent will not be acting as agent or sub-agent of any Ineligible Foreign Shareholder or Selling Shareholder, does not have duties or obligations (fiduciary or otherwise) to any Ineligible Foreign Shareholder or Selling Shareholder and does not underwrite the sale of the Webjet B2C Shares.

4.8 Demerger Agreements

The key transaction documents to give effect to the Demerger are summarised below.

Not all of the transactions underlying the Restructure have been, or will be, entered into or effected on the same terms as could have been obtained from third parties. In particular, agreements for the transactions underlying the Restructure will not include terms such as certain warranties that might have been obtained from third parties. This reflects the nature of the Demerger (which is unlike a sale to a third-party) and the desire of the Webjet Board to appropriately allocate the risks and benefits of these arrangements between the Webjet Group and the Webjet B2C Group.

4.8.1 Restructure Deed

Webjet and Webjet B2C have agreed the in-principle commercial and legal terms for the Restructure Deed to be executed by Webjet and Webjet B2C to procure that all steps necessary to effect the transfer of the Webjet B2C Business from the Webjet Group to the Webjet B2C Group are undertaken prior to the Implementation Date.

Under the in-principle terms agreed, Webjet and Webjet B2C have agreed that the Restructure Deed will reflect mechanisms to, prior to the Webjet B2C Listing:

- procure the transfer of the entities (or Webjet's investment in the entities) conducting the Webjet B2C Business (**B2C Entities**) from the Webjet Group to the Webjet B2C Group, prior to the Webjet B2C Listing;
- procure the transfer of certain assets, rights and obligations relating to the Webjet B2C Business from the Webjet Group to the Webjet B2C Group; and
- procure the transfer of certain employees.

On completion of the transaction contemplated by the Restructure Deed, each of the entities required to conduct the Webjet B2C Business, along with all assets, rights and obligations specified in the Restructure Deed relating to the Webjet B2C Business will be held by the Webjet B2C Group.

4.8.2
Demerger Implementation Deed

The Demerger Implementation Deed entered into on or about the Demerger Booklet Date between Webjet and Webjet B2C sets out certain steps required to be taken by each of them to give effect to the Demerger.

The key terms of the Demerger Implementation Deed are as follows:	
Conditions	The obligations of Webjet and Webjet B2C under the deed are subject to the conditions summarised in Section 4.1 being satisfied or waived by Webjet.
Joint obligations	Webjet and Webjet B2C have certain joint obligations in relation to the Demerger including to: • apply for all regulatory approvals required for the Demerger; • prepare the documents to be sent to Webjet Shareholders or required for the listing of Webjet B2C on the ASX, and use reasonable endeavours to ensure that those documents comply with applicable laws and regulations; and • use reasonable endeavours to effect the Demerger in accordance with an agreed timetable.
Webjet obligations	Webjet must take all reasonable steps within its control to implement the Demerger, including: • convening the Extraordinary General Meeting and declaring the Demerger Dividend; and • procuring the sale of Webjet B2C Shares by the Sale Agent for Ineligible Shareholders and Selling Shareholders.
Webjet B2C obligations	Webjet B2C must take all reasonable steps within its control to implement the Demerger, including: • registering the Webjet Shareholders as referred to in Section 4.4.3; and • issuing holding statements to holders of Webjet B2C Shares as contemplated in Section 4.4.3.
Webjet B2C Listing	Webjet B2C must apply for admission of Webjet B2C to the Official List and official quotation of Webjet B2C Shares on the ASX and Webjet must provide reasonable assistance to enable Webjet B2C to comply with these obligations.
Termination	The obligations of Webjet and Webjet B2C under the deed will automatically terminate if the conditions precedent (as summarised in Section 4.1) are not satisfied or waived.

4.8.3
Separation Deed

Webjet and Webjet B2C have agreed the in-principle commercial and legal terms for the Separation Deed to be entered into between Webjet and Webjet B2C on or before Implementation which will deal with certain issues arising in connection with the separation of Webjet B2C from the Webjet Group.

The key agreed terms of the Separation Deed are as follows:	
Demerger Principle	The fundamental underlying principle of the Demerger (**Demerger Principle**) is that: • the Webjet B2C Group will have the entire economic benefit and risk of the Webjet B2C Business, as if the Webjet B2C Group and not the WEB Travel Group had owned the Webjet B2C Business at all times; and • WEB Travel Group will have the entire economic benefit and risk of the WEB Travel Group Business, as if WEB Travel Group had owned the WEB Travel Group Business at all times.
Rights and obligations	To give effect to the Demerger Principle, Webjet and Webjet B2C agree that once the Demerger is implemented, no member of the WEB Travel Group will have any rights against, or obligations to, any member of the Webjet B2C Group and no member of the Webjet B2C Group will have any rights against, or obligations to, any member of the WEB Travel Group other than in respect of arrangements which the parties have agreed will continue after the implementation of the Demerger.
Inter-company loans	To the extent not addressed under the Demerger Implementation Deed, the Separation Deed will document arrangements regarding the settlement of all inter-company loans between one or more WEB Travel Group members and one or more Webjet B2C Group members.
Risk allocation	The Separation Deed will include customary risk allocation provisions (including releases) to give effect to the Demerger Principle. The Separation Deed will also document other risk allocation provisions agreed between WEB Travel Group and Webjet B2C relating to the Demerger transactions. WEB Travel Group will indemnify Webjet B2C in respect of any defective disclosure in this Demerger Booklet, other than in respect of information that Webjet B2C is responsible for. WEB Travel Group will indemnify Webjet B2C for Demerger transaction taxes and the Separation Deed will document responsibility for tax claims and liabilities relating to the period prior to Implementation.
Assets wrong pockets provisions	The Separation Deed will contain customary provisions in respect of: • the transfer (for no/nominal consideration) to the Webjet B2C Group of the Webjet B2C Business assets which are identified as remaining with WEB Travel Group after Implementation; and • the transfer (for no/nominal consideration) to WEB Travel Group of assets which are not Webjet B2C Business assets which are identified as remaining with the Webjet B2C Group after Implementation.
Demerger costs	Webjet is responsible for Demerger transaction costs and this will be reflected in the Separation Deed.

4.8.4
Transitional Services Agreement

WEB Travel Group and Webjet B2C operate as largely standalone businesses, with some support provided by corporate group functions primarily based out of Melbourne and London. WEB Travel Group and Webjet B2C will enter into a mutual two-way Transitional Services Agreement for the provision of historical group shared services, whereby WEB Travel Group will provide services to Webjet B2C and Webjet B2C will provide services to WEB Travel Group.

Webjet and Webjet B2C have agreed the in-principle commercial terms of the Transitional Services Agreement. The key agreed terms of the Transitional Services Agreement are as follows:

Services provided by WEB Travel Group to Webjet B2C	
Services	WEB Travel Group has agreed to provide certain services and support functions to Webjet B2C (and the B2C Entities) which have historically been provided by WEB Travel Group and its subsidiaries. WEB Travel Group and Webjet B2C may also agree certain additional transitional services which are required as a result of the Demerger. Where applicable, the services must be provided in substantially the same manner as the equivalent services that were provided by the B2B Entities to the B2C Entities in the 12 month period before the Implementation Date.
Commencement date	WEB Travel Group will commence providing the services to Webjet B2C on the Implementation Date, once Webjet B2C ceases to be a subsidiary of WEB Travel Group.
Term	WEB Travel Group must provide a service until the termination date specified in the Transitional Services Agreement, unless the termination date in respect of that service is extended by agreement between WEB Travel Group and Webjet B2C through good faith negotiation. The initial term during which WEB Travel Group must provide a service to Webjet B2C ranges from 3 months to 18 months (depending on the service).
Termination	Webjet B2C may terminate the provision of a service for convenience by giving WEB Travel Group at least 30 days' notice. Either party may terminate if the other commits a material breach (which is incapable of being remedied, is not remedied within 30 days of the party in breach receiving notice of the breach from the innocent party) or if an insolvency event occurs in respect of the other party.
Scope	The services to be provided by WEB Travel Group to Webjet B2C include: • information technology and infrastructure services; • cyber security, data and privacy services; • finance-related services including accounting, statutory and management reporting, financial control and audit support services; • taxation services (excluding the provision of taxation advice); • payroll services and general employment services; • property and facilities management; • governance and regulatory reporting support services; • customer service support for Webjet OTA and GoSee; and • services in respect of certain personnel on a transitional basis.
Cost	Webjet B2C must reimburse WEB Travel Group for the provision of these services, with the fee structure expected to vary across the services, generally in accordance with an "at cost" principle.

Services provided by Webjet B2C to WEB Travel Group	
Services	Webjet B2C has agreed to provide certain services and support functions to WEB Travel Group (and the B2B Entities) which have historically been provided by the B2C Entities. WEB Travel Group and Webjet B2C may also agree certain additional transitional services which are required as a result of the Demerger. Where applicable, the services must be provided in substantially the same manner as the equivalent services that were provided by the B2C Entities to the B2B Entities in the 12 month period before the Implementation Date.
Commencement date	Webjet B2C will commence providing the services to WEB Travel Group on the Implementation Date, once Webjet B2C ceases to be a subsidiary of WEB Travel Group.
Term	Webjet B2C must provide a service until the termination date specified in the Transitional Services Agreement, unless the termination date in respect of that service is extended by agreement between Webjet B2C and WEB Travel Group through good faith negotiation. The initial term during which Webjet B2C must provide a service to WEB Travel Group ranges from 3 months to 18 months (depending on the service).
Termination	WEB Travel Group may terminate the provision of a service for convenience by giving Webjet B2C at least 30 days' notice. Either party may terminate if the other commits a material breach (which is incapable of being remedied, is not remedied within 30 days of the party in breach receiving notice of the breach from the innocent party) or if an insolvency event occurs in respect of the other party.
Scope	The services to be provided by Webjet B2C to WEB Travel Group include: • information technology and infrastructure services; • cyber security, data and privacy services; • finance-related services including accounting, management reporting and FX hedging; • payroll services and general employment services; • property and facilities management; • governance and regulatory reporting support services; • sales and commercial support; and • services in respect of certain personnel on a transitional basis.
Cost	WEB Travel Group must reimburse Webjet B2C for the provision of these services, with the fee structure expected to vary across the services, generally in accordance with an "at cost" principle.

4.8.5
Implications if the Demerger does not proceed

If Webjet Shareholders do not approve the Demerger Resolution or any of the other conditions of the Demerger are not satisfied or waived, the Demerger will not proceed.

In that event:

- the Capital Reduction will not proceed and the Demerger Dividend will not be declared;
- Webjet Shareholders will not receive Webjet B2C Shares (or in the case of Selling Shareholders and Ineligible Shareholders, they will not receive the proceeds from the sale of Webjet B2C Shares);
- Webjet Shareholders will retain their current holding of Webjet Shares (unless they otherwise sell such shares);
- Webjet will continue to own Webjet B2C which will continue to hold the Webjet B2C Business referred to in Section 2;
- the advantages of the Demerger, as described in Section 1.3, may not eventuate;
- the disadvantages and risks of the Demerger described in Section 1.4 and Section 1.5 will not arise; and
- Webjet will incur transaction costs of approximately $1.7 million (pre-tax).

Taxation Implications for Shareholders.

5.1
General overview

This summary only applies to Webjet Shareholders who are registered holders of Webjet Shares on the Demerger Record Date, are Australian resident taxpayers and:

- hold their Webjet Shares on capital account for tax purposes (i.e. not on revenue account or as trading stock);
- are not subject to the Taxation of Financial Arrangements rules in Division 230 of the Income Tax Assessment Act 1997 (Cth) (**ITAA 1997**) in respect of their Webjet Shares; and
- did not acquire their Webjet Shares under an employee share scheme.

This Section 5 provides a general overview of the Australian tax consequences for investors who acquire shares in Webjet B2C as part of the Demerger. The comments in this Section are based on Australian taxation laws and administrative practice as at the Demerger Booklet Date, which may change.

This Section 5 is general in nature and is not intended to be an authoritative or a complete statement of the Australian taxation laws. It should be noted that the Australian taxation laws are complex and the investor's own circumstances will affect the taxation outcomes of acquiring Webjet B2C Shares. It is therefore recommended that investors seek independent professional advice, having regard to their own specific circumstances.

The comments in this Section 5 are made on the basis all Webjet Shareholders are Australian tax residents and acquired their Webjet Shares after 19 September 1985 (i.e. are post CGT shares).

However, where relevant, specific comments have been made regarding non-resident Webjet Shareholders who:

- do not hold their Webjet Shares in carrying on business through a permanent establishment in Australia; and
- did not make an election to treat their Webjet Shares as taxable Australian property under section 104-165 of the ITAA 1997 when they ceased to be an Australian resident (Residency Election).

Deloitte Tax Services Pty Ltd, a registered tax agent, has provided the tax comments below. Deloitte Tax Services Pty Ltd is not licensed under Chapter 7 of the Corporations Act to provide financial product advice. Taxation issues, such as those covered by this Section, are only some of the matters you need to consider when making a decision about a financial product. You should consider taking advice from someone who holds an AFSL before making such a decision.

5.2
Class ruling

Webjet has applied to the Australian Commissioner of Taxation (**Commissioner**) for a Class Ruling confirming certain income tax implications of the Demerger for Webjet Shareholders.

A Class Ruling will only be received from the Commissioner after the implementation of the Demerger. Until such time as this class ruling is issued, the final nature of the Demerger will not be known for tax purposes with certainty. However, as a draft Class Ruling is intended to be received from the Commissioner before the Implementation Date for the Demerger, the information below includes the implications for Webjet Shareholders where demerger tax relief under Division 125 of the ITAA 1997 applies to the Demerger (**Demerger Tax Relief**) and a section 45B determination is not made.

The below information does not cover the implications where Demerger Tax Relief is not available or a section 45B determination is made.

5.3
Summary of expected outcomes

(Subject to the receipt of Class Ruling)

Issue	**Australian Income Tax Consequences** (assuming Demerger Tax Relief applies and a section 45B determination is not made)	Refer
Is the Demerger Dividend assessable?	You will not be assessed on the Demerger Dividend.	Section 5.4.1
Does the Capital Reduction give rise to capital gains tax (CGT) consequences?	If Demerger Tax Relief is chosen, you will be able to disregard any capital gain that arises from the Capital Reduction. To the extent Demerger Tax Relief is not chosen, a capital gain may arise (and discount CGT treatment may be applicable to the extent you held your Webjet Shares for at least 12 months prior to the Implementation Date). Non-Australian tax resident Webjet Shareholders who hold their Webjet Shares on capital account should not generally be subject to the Australian CGT regime upon disposal of their Webjet Shares except in limited circumstances.	Sections 5.4.2.1 and 5.4.2.2
How do I determine the cost base of the Webjet Shares and Webjet B2C Shares?	You must apportion the tax cost base of your Webjet Shares just before the Demerger between the Webjet Shares and the Webjet B2C Shares held just after the Demerger. Webjet intends to provide a guide to assist with this process after the Implementation Date.	Section 5.4.3
When am I taken to have acquired my Webjet B2C Shares for CGT discount purposes?	You will be treated as having acquired the Webjet B2C Shares on the same date as the acquisition of the corresponding Webjet Shares (regardless of whether Demerger Tax Relief is chosen).	Section 5.4.4
What happens if I sell my Webjet Shares under the Sale Facility?	A capital gain or capital loss may be made on the transfer of the Webjet B2C Shares to the Sale Agent on the date of transfer under CGT Event A1	Section 5.5

5.4
Demerger tax relief available

5.4.1
Dividends on a share – Australian tax residents

The Demerger of Webjet B2C will be implemented, in part, by debiting an amount against the share capital account of Webjet (the **Capital Reduction**). The balance of the in-specie distribution will be a dividend (the **Demerger Dividend**). The Demerger Dividend should not be assessable to Webjet Shareholders.

5.4.2
Capital Reduction – CGT consequences

5.4.2.1
Australian resident Webjet Shareholders

Australian resident Webjet Shareholders should generally be eligible to choose to apply Demerger Tax Relief in respect of their Webjet Shares.

A Webjet Shareholder who chooses Demerger Tax Relief will be able to disregard any capital gain that arises under CGT event G1 as a result of the Capital Reduction.

For Webjet Shareholders who do not choose Demerger Tax Relief, CGT event G1 will happen on the Implementation Date. Under CGT event G1, a capital gain will arise to the extent (if any) that the Capital Reduction Amount in respect of that Webjet Share exceeds the cost base of that share.

All capital gains recognised by an Australian tax resident Webjet Shareholder for an income year are aggregated. Any net gain (after the application of any carried forward tax losses or current year revenue losses) will then be required to be included in the Australian tax resident Webjet Shareholder's assessable income (subject to comments below in relation to the availability of the CGT discount concession) and taxable at the Webjet Shareholder's applicable rate of tax.

Non-corporate Webjet Shareholders may be entitled to a concession which discounts the amount of capital gain that is assessed. Broadly, the concession is generally available where the Webjet Shares have been held for tax purposes for 12 months or more prior to the CGT event. The concession results in a 50% reduction in the assessable amount of a capital gain for an individual and a one-third reduction for an Australian complying superannuation entity (including generally where a flow through trust or partnership distributes to such shareholders), after offsetting any current or carried forward capital losses. The concession is not available to corporate Webjet Shareholders (including those deemed to be companies for Australian tax law purposes). In relation to trusts or partnerships including limited partnerships, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries or partners, subject to certain requirements being satisfied.

5.4.2.2
Non-Australian tax resident Webjet Shareholders

Non-Australian tax resident Webjet Shareholders who hold their Webjet Shares on capital account should not generally be subject to the Australian CGT regime upon disposal of their Webjet Shares except in limited circumstances, for example where the Webjet Shares relate to a business carried on by the foreign resident through a permanent establishment in Australia or where the Webjet Shares are "indirect Australian real property interests". The Webjet Shares should be indirect Australian real property interests to the extent that, broadly, the following two requirements are satisfied:

(a) Webjet is considered "land rich" for Australian income tax purposes (i.e. greater than 50% of the market value of Webjet's underlying assets is principally derived from Australian real property or certain interests in relation to Australian minerals); and

(b) the non-resident Webjet Shareholder has an associate-inclusive interest of at least 10% in Webjet (either at the time of disposal or throughout a 12 month period that began no earlier than 24 months before the disposal). This is commonly referred to as a "non -portfolio" interest.

Relevant non-resident Webjet Shareholders will need to determine if the above requirements are met at the time of disposal of their Webjet Shares. It is noted that it is likely that Webjet is not considered "land rich" for Australian income tax purposes as at the date of the Demerger Booklet (noting this analysis is required to be undertaken at the time of the disposal). Therefore, it is likely that a Shareholder with a relevant "non-portfolio interest" will not be subject to the Australian CGT regime.

5.4.3
CGT Cost Base in Webjet Shares and Webjet B2C Shares

Australian resident Webjet Shareholders must apportion the tax cost base of their Webjet Shares just before the Demerger between the Webjet Shares and Webjet B2C Shares held just after the Demerger.

The apportionment must be done on a reasonable basis, having regard to the market values of the Webjet Shares and Webjet B2C Shares just after the Demerger, or an anticipated reasonable approximation of those market values.

Webjet intends to provide a guide to assist with this process after the Implementation Date.

5.4.4
Time of acquisition of Webjet B2C Shares

Webjet Shareholders that hold Webjet Shares will be treated as having acquired the corresponding Webjet B2C Shares on the same date as their Webjet Shares (regardless of whether Demerger Tax Relief is chosen).

5.5
Sale Facility

For the Small Shareholders whose shares are sold via the Sale Facility, CGT event A1 will happen to their Webjet B2C Shares on the date of transfer of the shares to the Sale Agent, and a capital gain will be made if the capital proceeds received under the Sale Facility exceeds the cost base calculated based on the reasonable apportionment method described in Section 5.4.3. For the purpose of ascertaining the application of the CGT discount, the Webjet B2C Shares should be taken to have been acquired on the date the Small Shareholder acquired the corresponding Webjet Share (as described in Section 5.4.4).

With respect to the Ineligible Shareholders whose Webjet B2C Shares are also sold via the Sale Facility, CGT event A1 will happen to the Webjet B2C Shares on the date of transfer of the shares to the Sale Agent. Any capital gain or loss made as a result of CGT event A1 should be disregarded, unless the Webjet B2C Share is taxable Australian property (as outlined in Section 5.4.2.2).

5.6
Other matters

5.6.1
Tax File Number (TFN) and Australian Business Number (ABN)

Following the Demerger, it is expected that Webjet Shareholders will be given the opportunity to quote their TFN, ABN (or relevant TFN exemption) in respect of their Webjet B2C Shares.

To the extent that a TFN, ABN or relevant TFN exemption is not quoted, income tax will be required to be deducted by Webjet B2C at the highest marginal rate (currently 45% plus Medicare levy of 2%) from certain dividends paid to Webjet B2C Shareholders.

5.6.2
Stamp duty

No stamp duty should be payable by a Webjet Shareholder in relation to their participation in the Demerger. Further, under current stamp duty legislation, stamp duty should not ordinarily be payable on any subsequent acquisition of Webjet B2C Shares by a Webjet B2C Shareholder provided Webjet B2C remains listed on the ASX (and provided the acquisition is less than 90% of the shares in Webjet B2C).

5.6.3
Goods and services tax (GST)

No GST should be payable by Webjet Shareholders in relation to their participation in the Demerger. The ability of Webjet Shareholders to recover any GST incurred as an input tax credit in relation to costs associated with the Demerger (such as costs relating to professional advice obtained by Webjet Shareholders regarding the Demerger) would vary according to individual circumstances and as such this should be reviewed by Webjet Shareholders prior to making any claim. No GST should be payable by Webjet B2C Shareholders on receiving dividends (or other distributions) paid by Webjet B2C.

Additional Information.

6.1 Interests of Webjet Directors and Webjet B2C Directors

The number of Webjet Shares or Performance Rights held directly, indirectly or beneficially by each Webjet Director and Webjet B2C Director as at the Demerger Booklet Date is set out below.

	Webjet Shares (direct, indirect and beneficial holdings)	Performance Rights
Webjet Director		
Roger Sharp	199,645	–
John Guscic	7,853,767	435,908
Don Clarke	75,038	–
Brad Holman	108,176	–
Denise McComish	20,000	–
Webjet B2C Director		
Don Clarke	As above	–
Katrina Barry	12,000	–
Brad Holman	As above	–
Shelley Beasley	–	180,547

Webjet Directors and Webjet B2C Directors who hold Webjet Shares on the Demerger Record Date will be entitled to vote at the Extraordinary General Meeting and receive Webjet B2C Shares under the Demerger on the same terms as Webjet Shareholders.

Each Webjet Director intends to vote, or cause to be voted, all Webjet Shares held or controlled by them in favour of the Demerger Resolution.

No Webjet Director or Webjet B2C Director holds securities of Webjet B2C as at the Demerger Booklet Date.

6.2 Special Exertion Fees payable to Webjet Directors

The Webjet Board has approved the payment of special exertion fees by Webjet to certain Non-Executive Webjet Directors (**Special Exertion Fees**) in recognition of their increased workload and time commitment (in excess of that required for Webjet's ordinary business requirements) which are and have been required in connection with the Demerger. This additional work includes overseeing Webjet's due diligence process with respect to the Demerger, considering and negotiating the terms and conditions of the Restructure Documents (including related documents and matters), restructuring and forming new boards, seeking independent advice on a range of matters, and overseeing the process for preparation of this Demerger Booklet and the Implementation of the Demerger.

The payment of the Special Exertion Fees is not conditional on Implementation or the Demerger Resolution being passed at the Extraordinary General Meeting. The Special Exertion Fees payable to each Non-Executive Webjet Director will be based on the time spent on the relevant matters (described above) by those Non-Executive Webjet Directors responsible for the Demerger process at a rate of $500.00 per hour (inclusive of superannuation), with the aggregate Special Exertion Fees collectively payable to all Non-Executive Webjet Directors capped at $200,000 (inclusive of superannuation). Webjet expects that the time spent by its directors will materially exceed the level of the cap by the conclusion of the process.

No Special Exertion Fees have been paid as at the Demerger Booklet Date.

6.3 Agreements or arrangements with Webjet Directors in connection with the Demerger

Other than:

- the proposed grant of Performance Rights to John Guscic outlined in the Notice of Extraordinary General Meeting;
- the payment of Special Exertion Fees referred to in Section 6.2; and
- the Webjet B2C Directors' fee and indemnity arrangements referred to in Section 2.11,

there are no agreements or arrangements made between any Webjet Director and any other person in connection with or conditional upon the outcome of the Demerger.

Other than as set out above or elsewhere in this Demerger Booklet, no director of Webjet B2C holds, or held at any time during the last two years before the Demerger Booklet Date, any interest in:

- the formation or promotion of Webjet B2C;
- any property acquired or proposed to be acquired by Webjet B2C in connection with its formation or promotion or the Demerger; or
- the Demerger,

and no amounts (whether in cash or securities or otherwise) have been paid or agreed to be paid, and no one has given or agreed to give a benefit, to any director of Webjet B2C either to induce them to become, or to qualify them as, a director of Webjet B2C, or otherwise for services rendered by them in connection with the formation or promotion.

6.4
Overview of Webjet B2C Constitution

The rights and liabilities attaching to ownership of the Webjet B2C Shares arise from a combination of the Webjet B2C Constitution, statute, ASX Listing Rules, and general law.

A summary of the key rights, liabilities and obligations attaching to Webjet B2C Shares and a description of other material provisions of the Webjet B2C Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Webjet B2C Shareholders. The summary assumes that Webjet B2C is admitted to the Official List.

6.4.1
Meeting of Members

A notice of general meeting must be given to Webjet B2C Shareholders, Webjet B2C Directors, and Webjet B2C's auditor in accordance with the Corporations Act and ASX Listing Rules. A notice of general meeting must be accompanied by a proxy form which satisfies the requirements of the Corporations Act and the ASX Listing Rules.

6.4.2
Voting at a general meeting

At any general meeting, a resolution put to the vote of the meeting is decided on a show of hands of all Webjet B2C Shareholders who are entitled to vote, unless a poll is demanded in accordance with the Webjet B2C Constitution.

6.4.3
Dividends

The Webjet B2C Directors may determine or declare that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by Webjet B2C to, or at the direction of, each shareholder entitled to that dividend.

6.4.4
Transfer of Webjet B2C Shares

Subject to the Webjet B2C Constitution and any restrictions attached to a Webjet B2C Share, a Webjet B2C Shareholder may transfer all or any of their Webjet B2C Shares by a Proper ASTC Transfer or an instrument of transfer in any usual or common form (or in any other form that the directors approve).

The Webjet B2C Directors may, in their absolute discretion, refuse to register any transfer of Webjet B2C Shares or request ASX Settlement to apply a holding lock to prevent a transfer of all or any of Webjet B2C Shares requested for transfer where the transfer was not made in registrable form or may be in breach of Australian law.

6.4.5
Issue of further shares

Subject to the Corporations Act, the ASX Listing Rules and the Webjet B2C Constitution, the Webjet B2C Directors may allot and issue shares in Webjet B2C, or options to acquire shares in Webjet B2C, to any person on such terms and with such rights as determined by the Webjet B2C Directors.

6.4.6
Preference Shares

Webjet B2C may also issue preference shares, including preference shares which are (or at the option of Webjet B2C or Webjet B2C Shareholders are) liable to be redeemed or convertible into ordinary shares.

6.4.7
Winding Up

If Webjet B2C is wound up, the liquidator may, with the sanction of a special resolution, divide among the Webjet B2C Shareholders in kind the whole or any part of the property of Webjet B2C. In doing so, the liquidator may set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Webjet B2C Shareholders or, if applicable, the different classes of Webjet B2C Shareholders.

6.4.8
Non-Marketable Parcels

In accordance with the ASX Listing Rules, Webjet B2C may sell Webjet B2C Shares that constitute less than a marketable parcel in accordance with the procedures set out in the Webjet B2C Constitution.

6.4.9
Variation of class rights

The rights attaching to any class of Webjet B2C Shares may, unless their terms of issue state otherwise, be varied with either the written consent of the holders of at least 75% of the Webjet B2C Shares issued in that class, or by a special resolution passed at a general meeting of the holders of that class of Webjet B2C Shares.

The provisions of the Webjet B2C Constitution relating to general meetings apply, so far as they can and with such changes as are necessary, to each separate meeting of the holders of the issued Webjet B2C Shares of that class.

6.4.10
Directors – appointment and retirement

No Webjet B2C Director (excluding the managing director) can hold office without re-election past the third annual general meeting following the director's appointment or three years, whichever is longer.

Each Webjet B2C Director will hold office until the director vacates their office or is removed under the Webjet B2C Constitution. An eligible person may be elected or re-elected as a Webjet B2C Director at an annual general meeting.

A retiring director is eligible for re-appointment and can be re-elected at an annual general meeting.

6.4.11
Directors – voting

Questions arising at any meeting of Webjet B2C Directors shall be decided by a majority of votes cast by Webjet B2C Directors present at the meeting and entitled to vote. A determination of a majority of the Webjet B2C Directors is for all purposes taken to be a determination of the Webjet B2C Directors.

If the votes are equal on a proposed resolution, the chairperson of the meeting has a casting vote, in addition to any deliberative vote.

Webjet B2C Directors may pass a resolution without a meeting being held if a document containing a statement that the signatories to it are in favour of an identified resolution is signed or consented by all of the Webjet B2C Directors entitled to vote on the resolution.

6.4.12
Directors – remuneration

The Webjet B2C Directors are entitled to receive directors' fees for their services as directors of Webjet B2C. The Webjet B2C Directors as a whole (other than any executive directors) may be paid or provided remuneration for their services the total amount or value of which must not exceed an aggregate maximum of $2 million per annum, or such other maximum amount approved by a resolution of Webjet B2C Shareholders.

6.4.13
Powers and duties of Webjet B2C Directors

The business of Webjet B2C is managed by the Webjet B2C Directors, who may pay all expenses incurred in promoting and forming Webjet B2C and may exercise all such powers of Webjet B2C as required to be exercised by Webjet B2C in general meeting.

6.4.14
Access to records

The Webjet B2C Directors must determine whether and on what conditions the accounting records and other documents of Webjet B2C are open to the inspection of Webjet B2C Shareholders (other than the Webjet B2C Directors).

A person that is not a Webjet B2C Director does not have the right to inspect any document of Webjet B2C except as provided by the Corporations Act or authorised by the Webjet B2C Directors or by Webjet B2C in a general meeting.

6.4.15
Indemnities

To the extent permitted by law and subject to the restrictions in the Corporations Act, Webjet B2C must indemnify every person who is or has been an officer of Webjet B2C (or a subsidiary of Webjet B2C, where Webjet B2C requested the officer to accept that appointment) against liability (including liability for costs and expenses) incurred by that person as an officer of Webjet B2C or a subsidiary of Webjet B2C, as well as against reasonable legal costs incurred in defending an action for a liability incurred or allegedly incurred by that person as an officer of Webjet B2C or a subsidiary of Webjet B2C.

The amount of any indemnity payable in connection to the above paragraph will include an additional amount equal to any GST payable by the officer being indemnified.

This indemnity does not apply in respect of any of the following:

- a liability to Webjet B2C or a related body corporate;
- a liability to some other person that arises out of conduct involving a lack of good faith;
- a liability for costs and expenses incurred by the officer in defending civil or criminal proceedings in which judgment is given against the officer or in which the officer is not acquitted; or
- a liability for costs and expenses incurred by the officer in connection with an unsuccessful application for relief under the Corporations Act, in connection with the proceedings referred to in the dot point above.

6.4.16
Amendment

Webjet B2C may amend its constitution by passing a special resolution.

6.4.17
Share Capital

Webjet B2C may alter its share capital in any manner permitted by the Corporations Act.

The rights attached to any class of Webjet B2C Shares may, unless stated otherwise in their terms of issue, be varied with either the consent of the holders of at least 75% of the Webjet B2C Shares issued in that class, or by a special resolution passed at a general meeting of holders of that class of Webjet B2C Shares.

6.5 Regulatory waivers and consents

6.5.1 ASIC

ASIC has granted Webjet relief from:

(a) the requirement to prepare a prospectus in relation to the invitation to Webjet Shareholders to vote on the Demerger Resolution to be considered at the Extraordinary General Meeting, and in relation to any secondary trading in Webjet B2C's Shares; and

(b) various provisions in the Corporations Act (including provisions relating to managed investment schemes and financial services licensing) that may otherwise apply to the Sale Facility.

ASIC has granted Webjet B2C in-principle relief from section 323D(5) of the Corporations Act to permit Webjet B2C's first half-year for financial reporting under the Corporations Act to end on 30 September 2024.

6.5.2 ASX

The ASX has:

(a) provided an in-principle waiver from ASX Listing Rules 6.23.3 and 6.23.4 in relation to the proposed treatment of the Performance Rights issued under the Webjet LTIP as described in Section 4.6;

(b) confirmed that the proposed treatment of the Performance Rights issued under the Webjet LTIP, as described in Section 4.6, is satisfactory for the purposes of ASX Listing Rule 7.21;

(c) confirmed that ASX Listing Rule 9.1 does not apply to the Webjet B2C Shares transferred under the Demerger;

(d) confirmed that ASX Listing Rule 10.1 does not apply to the transfer of Webjet B2C Shares under the Demerger to any of the persons listed in Listing Rule 10.1;

(e) confirmed Chapter 11 of the ASX Listing Rules does not apply to the Demerger and therefore additional approval of Webjet's Shareholders is not required for the Demerger;

(f) confirmed that Webjet B2C has a structure and operations appropriate for a listed entity;

(g) provided an in-principle confirmation that ASX would be likely to confirm that for the purposes of meeting the requirement in ASX Listing Rule 1.3.2(a) that less than half of Webjet B2C's total tangible assets are cash or in a form readily convertible to cash, Webjet B2C can exclude restricted cash from calculations of cash and assets in a form readily convertible to cash;

(h) provided an in-principle confirmation that Webjet B2C may use an information memorandum incorporating the Demerger Booklet for the purposes of Webjet B2C's admission to ASX;

(i) provided an in-principle confirmation that ASX will accept the audited accounts for Webjet Limited for FY23 and FY24, as well as Webjet B2C's pro forma statement of financial position as at 31 March 2024, for the purposes of satisfying ASX Listing Rules 1.3.5(a) and (d);

(j) provided an in-principle waiver from ASX Listing Rule 1.1 condition 12 to permit Webjet B2C to issue or have on issue Webjet B2C Rights;

(k) provided in-principle confirmation that the terms of the Webjet B2C Rights are appropriate and equitable for the purposes of Listing Rule 6.1; and

(l) provided an in-principle waiver from ASX Listing Rule 10.14, to permit Webjet B2C to grant Webjet B2C Rights to Katrina Barry, as described in Section 2.12.1, without Webjet B2C shareholder approval.

6.6 Substantial interests in Webjet

Based on publicly available information, as at 7 August 2024 (being the last practicable trading day prior to the date of this Demerger Booklet), Webjet had received notifications from the following substantial shareholders in accordance with section 671B of the Corporations Act:

Name	Number of Webjet Shares	% of Webjet Shares on issue
Mitsubishi UFJ Financial Group	37,764,630	9.71%
Ausbil Investment Management Limited	22,238,701	5.72%
State Street Corporation	21,707,004	5.58%
JPMorgan Chase & Co.	20,448,518	5.23%
Commonwealth Bank of Australia	19,789,543	5.06%
Superannuation and Investments HoldCo Pty Ltd	19,598,687	5.01%
Comet Asia Holdings II Pte. Ltd., Comet Asia Holdings I Pte. Ltd., KKR Asia III Fund Investments Pte. Ltd. and KKR Asian Fund III L.P.	19,598,687	5.01%
Vanguard Group	19,176,229	5.01%

6.7
Consents and Disclaimers

The following parties have given and have not, before the Demerger Booklet Date, withdrawn their written consent to:

- be named in this Demerger Booklet in the form and context that they are named;
- the inclusion of their respective reports or statements noted next to their names and the references to those reports or statements in the form and context in which they are included in this Demerger Booklet; and
- the inclusion of other statements in this Demerger Booklet which are based on, or referable to, statements made in those reports or statements, or which are based on or referable to other statements made by those persons in the form and context in which they are included.

Consenting party	Role
Deloitte Touche Tohmatsu	Auditor
Deloitte Tax Services Pty Ltd	Tax advisor
Deloitte Corporate Finance Pty Limited	Investigating Accountant
DLA Piper Australia	Legal advisor
Goldman Sachs Australia Pty Ltd	Financial advisor
KPMG Financial Advisory Services (Australia) Pty Ltd	Independent Expert
Computershare Investor Services Pty Ltd	Webjet Share Registry
Automic Pty Ltd	Webjet B2C Share Registry

Each of the above parties:

- has not authorised or caused the issue of this Demerger Booklet;
- does not make, or purport to make, any statement in this Demerger Booklet or any statement on which a statement in this Demerger Booklet is based, other than those reports or statements referred to above and as consented to by that person; and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding and takes no responsibility for, any part of this Demerger Booklet other than a reference to its name and the report or statement (if any) that has been included in this Demerger Booklet with the consent of that person as set out above.

6.8
Regulatory and Legal

6.8.1
Restrictions on foreign ownership

There are no limitations under Australian law on the right of non-residents to hold or vote Webjet B2C Shares other than as set out below.

Generally, the Foreign Acquisitions and Takeovers Act 1975 (Cth) (**FATA**) applies to acquisitions of shares and voting power in a company of 20% or more by a single foreign person and its associates (**Substantial Interest**), or 40% or more by two or more unassociated foreign persons and their associates (**Aggregate Substantial Interest**). Where a foreign person holds a Substantial Interest in Webjet B2C or foreign persons hold an Aggregate Substantial Interest in Webjet B2C, Webjet B2C may (subject to certain exceptions) itself be a 'foreign person' for the purpose of the FATA.

Where an acquisition of a Substantial Interest meets certain criteria, the acquisition may not occur unless notice of it has been given to the Federal Treasurer. The Federal Treasurer also has the power to prohibit an acquisition of an Aggregate Substantial Interest or, if the acquisition of an Aggregate Substantial Interest has already occurred, unwind the acquisition, if it meets certain criteria. If the Federal Treasurer has been notified of the acquisition of a Substantial Interest or Aggregate Substantial Interest and has either stated that there is no objection to the proposed acquisition in terms of the Australian Government's Foreign Investment Policy (**Policy**) or a statutory period has expired without the Federal Treasurer objecting, then the Federal Treasurer is prevented from making an order prohibiting or unwinding the transaction.

In addition, in accordance with the Policy, acquisitions of a direct investment in an Australian company by foreign governments and their related entities should be notified to the Foreign Investment Review Board for approval, irrespective of value. Under the Policy, a 'direct investment' will typically include any investment of 10% or more of the shares (or other securities or equivalent economic interest or voting power) in an Australian company but may also include investment of less than 10% where the investor is building a strategic stake in the target or obtains potential influence or control over the target investment.

6.8.2 Foreign selling restrictions

This Demerger Booklet has been prepared to comply with the requirements of the laws of Australia.

The distribution of this Demerger Booklet outside Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Webjet disclaims all liabilities to such persons.

No action has been taken to register or qualify this Demerger Booklet or the Webjet B2C Shares in any jurisdiction outside Australia. Nominees, custodians and other Webjet Shareholders who hold Webjet Shares on behalf of a beneficial owner resident outside of Australia and its external territories, Hong Kong, New Zealand, Singapore, the United Kingdom and the United States may not forward this Demerger Booklet (or accompanying documents) to anyone outside these jurisdictions without the consent of Webjet.

Hong Kong

WARNING: This Demerger Booklet has not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Demerger. If you are in any doubt about any of the contents of this Demerger Booklet, you should obtain independent professional advice.

This Demerger Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Demerger Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue this Demerger Booklet in Hong Kong, other than to persons who are "professional investors" (as defined in the Securities and Futures Ordinance and any rules made thereunder) or in other circumstances that do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance or that do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

No person may issue this Demerger Booklet or any advertisement, invitation or document relating to the Webjet B2C Shares, whether in Hong Kong or elsewhere, that is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than any such advertisement, invitation or document relating to securities that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors.

This Demerger Booklet may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this Demerger Booklet, or any offer or an invitation in respect of these securities, to the public in Hong Kong. This Demerger Booklet is for the exclusive use of Webjet Shareholders in connection with the Demerger. No steps have been taken to register or seek authorisation for the issue of this Demerger Booklet in Hong Kong.

This Demerger Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this Demerger Booklet is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Demerger Booklet to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with consideration of the Demerger.

New Zealand

This Demerger Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other New Zealand law. The offer of Webjet B2C Shares is being made to existing shareholders of Webjet in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and, accordingly, this Demerger Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

Singapore

This Demerger Booklet and any other document relating to the Webjet B2C Shares have not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore and the Demerger is not regulated by any financial supervisory authority under any legislation in Singapore. Accordingly, statutory liabilities in connection with the contents of prospectuses under the Securities and Futures Act 2001 (the "SFA") will not apply.

This Demerger Booklet and any other document relating to the Webjet B2C Shares may not be distributed or made the subject of an invitation for subscription, purchase or receipt, whether directly or indirectly, to persons in Singapore except pursuant to exemptions in Subdivision (4) Division 1, Part 13 of the SFA, including the exemption under section 273(1)(c) of the SFA, or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to Webjet B2C Shares being subsequently offered for sale to any other party in Singapore. You are advised to acquaint yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

This Demerger Booklet is being furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed, or distributed to any other person.

Nothing in this Demerger Booklet constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal recommendation to you.

Neither Webjet nor Webjet B2C is in the business of dealing in securities or hold itself out or purport to hold itself out to be doing so. As such, Webjet and Webjet B2C are neither licensed nor exempted from dealing in securities or carrying out any other regulated activities under the SFA or any other applicable legislation in Singapore.

United Kingdom

Neither this Demerger Booklet nor any other document relating to the Demerger has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Webjet B2C Shares.

This Demerger Booklet does not constitute an offer of transferable securities to the public within the meaning of the UK Prospectus Regulation or the FSMA. Accordingly, this document does not constitute a prospectus for the purposes of the UK Prospectus Regulation or the FSMA.

This Demerger Booklet is issued on a confidential basis in the United Kingdom to existing shareholders of Webjet. This Demerger Booklet may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Webjet B2C Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Webjet.

In the United Kingdom, this Demerger Booklet is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this Demerger Booklet relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Demerger Booklet or any of its contents.

United States

This Demerger Booklet has not been filed with, or reviewed by, the US Securities and Exchange Commission or any US state securities authority and none of them has passed upon or endorsed the merits of the Demerger or the accuracy, adequacy or completeness of the Demerger Booklet. Any representation to the contrary is a criminal offence.

The Webjet B2C Shares have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any US state or other jurisdiction. Upon completion of the Demerger, the Webjet B2C Shares will be issued pursuant to an exemption from the registration requirements under the US Securities Act and applicable US state securities laws. The Demerger is not being made in any US state or other jurisdiction where it is not legally permitted to do so.

US shareholders of Webjet should note that the Demerger is made of securities of an Australian company in accordance with the laws of Australia and the ASX Listing Rules. The Demerger is subject to disclosure requirements of Australia that are different from those of the United States.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws, since Webjet and Webjet B2C are located in Australia and most, if not all, of their officers and directors are residents of Australia. You may not be able to sue their respective officers or directors in Australia for violations of the US securities laws. It may be difficult to compel Webjet and Webjet B2C to subject themselves to a US court's judgment.

6.9
Trading on a conditional and deferred settlement basis

Webjet B2C Shares are expected to trade on a conditional and deferred settlement basis from the commencement of trading on Monday, 23 September 2024. Trades occurring on the ASX on and from Monday, 23 September 2024 until the trading day before the Implementation Date will be conditional on the transfer of Webjet B2C Shares to Eligible Shareholders under the Demerger. The transfer of Webjet B2C Shares to Eligible Shareholders is expected to occur on the Implementation Date. If the transfer of Webjet B2C Shares to Eligible Shareholders does not occur on the Implementation Date, the relevant condition for the conditional and deferred settlement is not satisfied. In such circumstance (unless otherwise approved by the ASX), there is a risk that all trades conducted during the conditional and deferred settlement trading period will be invalid and will not settle.

It is the responsibility of each Eligible Shareholder to confirm their holding before trading in Webjet B2C Shares to avoid the risk of selling shares they do not own. Holders of Webjet B2C Shares who sell their shares before they receive their holding statement or confirm their uncertificated holdings of Webjet B2C Shares do so at their own risk.

Webjet B2C Shares will commence trading on the ASX on a normal settlement basis from the Implementation Date (or such other date as the ASX requires).

6.10
No other material information

Except as set out in this Demerger Booklet, there is no other information material to the making of a decision in relation to the Demerger, being information that is within the knowledge of any Webjet Director, which has not been previously disclosed to Webjet Shareholders.

6.11
Supplementary Information

Webjet will issue a supplementary document to this Demerger Booklet if it becomes aware of any of the following between the Demerger Booklet Date and the Extraordinary General Meeting:

- a material statement in this Demerger Booklet being misleading or deceptive;
- a material omission from this Demerger Booklet; or
- a significant change affecting a matter included in this Demerger Booklet.

The form of any supplementary document and whether a copy will be sent to each Webjet Shareholder will depend on the nature and timing of the new or changed circumstance. Any such supplementary document will be:

- made available on Webjet's website (www.webjetlimited.com); or
- released to the ASX and, accordingly, made available on ASX's website (www.asx.com.au).

Independent Limited Assurance Report.

Deloitte.

Deloitte Corporate Finance Pty Limited
A.C.N. 003 833 127
AFSL 241457

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Melbourne, VIC, 3000
Australia

DX 10307SSE
Tel: +61 3 9671 7000
www.deloitte.com.au

8 August 2024

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

Dear Directors,

INDEPENDENT LIMITED ASSURANCE REPORT AND FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the Directors of Webjet Limited (the Company or Webjet) for inclusion in a Demerger Booklet to be issued by the Company in respect of the separation of its consumer business into a separate entity (Webjet Group Limited (Webjet B2C)) (the Separation) and Webjet B2C's subsequent listing on the Australian Securities Exchange (ASX).

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services licence (AFSL) under the *Corporations Act 2001 (Cth)* for the issue of this report.

References to the Company and other terminology used in this report have the same meaning as defined in the Glossary of the Demerger Booklet.

Scope

Historical Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of Webjet Limited and Webjet B2C to perform a limited assurance engagement on the following historical financial information of the Company:

Webjet B2C Group Pro Forma Historical Financial Information

- Webjet B2C Group pro forma historical income statements and cash flow information for the following periods:
- 12 months ended 31 March 2022 (**FY22**);
- 12 months ended 31 March 2023 (**FY23**); and
- 12 months ended 31 March 2024 (**FY24**)
- Webjet B2C Group pro forma historical statement of financial position as at 31 March 2024

(the **Webjet B2C Group Pro Forma Historical Financial Information**, as set out in Sections 2.6.3, 2.6.6 and 2.6.8 of the Demerger Booklet).

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Webjet Historical Financial Information

- Webjet Group historical income statements and historical cash flow information for FY22, FY23 and FY24; and
- Webjet Group historical statement of financial position as at 31 March 2024

(the **Historical Financial Information**, as set out in Sections 3.6.3, 3.6.7 and 3.6.10 of the Demerger Booklet).

Webjet Group (post-Demerger) (to be renamed WEB Travel Group) Pro Forma Historical Financial Information

- WEB Travel Group pro forma historical income statements and cash flow information for FY22, FY23 and FY24; and
- WEB Travel Group pro forma historical statement of financial position as at 31 March 2024

(the **WEB Travel Group Pro Forma Historical Financial Information** as set out in Sections 3.6.4, 3.6.8 and 3.6.10 of the Demerger Booklet).

Together the Webjet B2C Pro Forma Historical Financial Information and the WEB Travel Group Pro Forma Historical Financial Information is collectively referred to as the **Pro Forma Historical Financial Information.**

The Pro Forma Historical Financial Information and the Webjet Historical Financial Information is collectively referred to as the **Financial Information**.

The Pro Forma Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies which are consistent with IFRS other than that it includes adjustments which have been prepared in a manner consistent with AAS.

Due to its nature, the Pro Forma Historical Financial Information does not represent Webjet B2C or WEB Travel Group's actual financial performance, financial position or cash flows.

Where relevant, the Financial Information has been extracted from the financial reports of the Company for FY23 (including FY22 Restatement) and FY24, which were audited by Deloitte Touche Tohmatsu in accordance with the Australian Auditing Standards. Deloitte Touche Tohmatsu issued unmodified audit opinions on the financial reports.

The Historical Financial Information is presented in the Demerger Booklet in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001 (Cth)*.

Directors' Responsibility

The Directors are responsible for the preparation and presentation of the Financial Information, including the selection and determination of the Pro Forma Adjustments made to the Financial Information.

This responsibility includes the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Financial Information to be free from material misstatement, whether due to fraud or error.

Page 2

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Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Standard on Assurance Engagements (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information (ASAE 3450).*

A review 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 reasonable 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.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information , however we note that the audited financial report for the year ended 31 March 2023 included certain restatements to the comparative financial information for the year ended 31 March 2022. Accordingly, the Financial Information as it relates to the year ended 31 March 2022 has been extracted from this restated source.

Conclusions

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Financial Information comprising the:

- Webjet B2C Group Pro Forma Historical Financial Information as set out in Sections 2.6.3, 2.6.6 and 2.6.8;
- Webjet Historical Financial Information as set out in Sections 3.6.3, 3.6.7 and 3.6.10; and
- WEB Travel Group Pro Forma Historical Financial Information as set out in Sections 3.6.4, 3.6.8 and 3.6.10

is not prepared, in all material respects, in accordance with the stated basis of preparation, as described in Sections 2 and 3 of the Demerger Booklet.

Notice to investors outside Australia

Under the terms of our engagement this report has been prepared solely to comply with the requirements applicable to a review engagement under ASAE 3450.

This report does not constitute a Separation to sell, or a solicitation to Separation to buy, any securities. We do not hold any financial services licence outside Australia.

Consent

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this independent limited assurance report in the Demerger Booklet in the form and context in which it is included.

Liability

The liability of Deloitte Corporate Finance Pty Limited is limited to the inclusion of this report in the Demerger Booklet. Deloitte Corporate Finance Pty Limited makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Demerger Booklet.

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Disclosure of Interest

Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of this Demerger other than (1) the preparation of this report and participation in the due diligence procedures and, (2) the provision of advice and support in the scoping and assessment of the Company's existing separation program and materials, for which normal professional fees will be received.

Deloitte Tax Services Pty Ltd has provided Australian tax services in connection with the Demerger for which normal professional fees will be received.

Deloitte Touche Tohmatsu is the auditor of the Company.

General financial product advice

Deloitte Corporate Finance Pty Limited has prepared this report for general information purposes only. It does not take into account the objectives, financial situation or needs of any specific investor. Investors should consider their own objectives, financial situation and needs when assessing the suitability of the report to their situation or investors may wish to obtain personal financial product advice to assist them in this assessment.

Financial Services Guide

We have included our Financial Services Guide in this report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully

DELOITTE CORPORATE FINANCE PTY LIMITED

Chris Biermann
Authorised Representative of
Deloitte Corporate Finance Pty Limited
(AFSL Number 241457)
AR number 466792

Deloitte.

May 2024

Financial Services Guide (FSG)

What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Deloitte Corporate Finance Pty Limited (**DCF**) (AFSL 241457) provides this FSG to you, so you know how we are remunerated and who to contact if you have a complaint.

Who supplies the financial services?

We provide this FSG to you where you engage us to act on your behalf when providing financial services.

Alternatively, we may provide this FSG to you because our client has provided financial services to you that we delivered to them.

The person who provides the financial service to you is our Authorised Representative (**AR**) and DCF authorises the AR to distribute this FSG. Their AR number and contact details are in the document that accompanies this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice to wholesale clients in relation to derivatives, government debentures, stocks or bonds, interests in managed investment schemes, securities, and regulated emissions units (i.e. Australian carbon credit units and eligible international emissions units). We can also provide general financial product advice to retail clients in relation to the above financial products except for regulated emissions units.

We are also authorised to arrange for another person to deal in financial products in relation to:

- securities, interests in managed investment schemes, government debentures, stocks or bonds, and regulated emissions units and related derivatives to wholesale clients; and
- derivatives to retail and wholesale clients.

General financial product advice

We provide general advice when we have **not** taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. In this situation, you should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If we provide advice to you in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us.

Clients may request particulars of our remuneration within a reasonable time after being given this FSG.

Apart from these fees, DCF, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

The Deloitte member firm in Australia (Deloitte Touche Tohmatsu) controls DCF. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

If you wish to make a complaint, please refer to the relevant complaints policy available at: https://www.deloitte.com/au/en/contact/contact-us.html?icid=bn_contact-us

or contact the Complaints Officer:
Online: www.deloitte.com.au via the Contact Us page
Email: complaints@deloitte.com.au
Phone: +61 (02) 9322 7000

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Australian Financial Complaints Authority (**AFCA**). AFCA provides fair and independent financial services dispute resolution free to consumers.

www.afca.org.au
1800 931 678 (free call)
Australian Financial Complaints Authority Limited

GPO Box 3 Melbourne VIC 3001

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

Deloitte Corporate Finance Pty Limited, ABN 19 003 833 127, AFSL number 241457 of Quay Quarter Tower, Level 46, 50 Bridge St, Sydney NSW 2000
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Independent Expert's Report.

KPMG Corporate Finance
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www.kpmg.com.au

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

6 August 2024

Dear Directors

Independent Expert Report and Financial Services Guide

Part One – Independent Expert Report

1 Introduction

On 22 May 2024, Webjet Limited (**Webjet** or the **Company**) announced that it is exploring a separation of its two travel divisions WebBeds, the global bedbanks business and Webjet B2C, which comprises Webjet OTA, GoSee and Trip Ninja, via a proposed demerger (**the Demerger**).

The Demerger, if completed, will create two stand alone Australian Securities Exchange (**ASX**) listed companies under separate management teams, with distinct operating profiles, strategies and growth opportunities in their respective industries.

The Demerger will be undertaken by an equal capital reduction (**Capital Reduction**) and dividend. Webjet will apply the aggregate of the Capital Reduction and dividend as consideration for the in-specie distribution of Webjet Group Limited (a newly formed entity holding Webjet B2C) shares to the eligible Webjet shareholders (**Webjet Shareholders**).

The effect of the Demerger is that Webjet Shareholders will retain their existing Webjet shares and will receive shares in the newly listed company, Webjet B2C. Post-Demerger, Webjet (to be known as WEB Travel Group) will not retain any shareholding in Webjet B2C.

The Demerger is subject to a number of conditions precedent, including approval by Webjet Shareholders at an extraordinary general meeting to be held in September 2024 (**EGM**) and approval from the ASX regarding the listing of Webjet B2C.

In order to assist Webjet Shareholders in assessing the Demerger, the Directors of Webjet have requested that KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Corporate Finance is a division) (**KPMG Corporate Finance**) prepare an Independent Expert's Report (**IER**) to opine on whether:

- the Demerger is in the best interests of Webjet Shareholders, and
- the Capital Reduction associated with the Demerger materially prejudices Webjet's ability to pay its creditors.

This report sets out KPMG Corporate Finance's opinion as to the merits or otherwise of the Demerger and will be included in the Demerger Booklet to be sent to Webjet Shareholders prior to the EGM. This report should be considered in conjunction with, and not independently of, the information set out in the Demerger Booklet.

KPMG Corporate Finance's Financial Services Guide is contained in Part Two of this report.

2 Summary of Opinion

2.1 The Demerger is in the best interests of Webjet Shareholders

2.1.1 Summary

In our opinion, the Demerger **is in the best interests** of Webjet Shareholders on the basis that the potential benefits of the Demerger outweigh the potential disadvantages, costs and risks.

In assessing whether the Demerger is in the best interests of Webjet Shareholders, it is important to recognise that:

- the existing economic interests of Webjet Shareholders remain unchanged. Essentially, Webjet Shareholders will receive shares in Webjet B2C in a fixed proportion to their existing holding in Webjet, and
- the businesses already operate largely independently with no material operational or other synergies existing between the businesses.

Due to the nature of the transaction, it is not possible to quantify specific benefits or disadvantages, and therefore our assessment is necessarily subjective in nature and is based on an evaluation of the benefits, disadvantages and other factors having regard to the strategic, financial and current circumstances of the business.

We consider the key benefits of the Demerger include:

- enhancing the opportunity and potential for WEB Travel Group and Webjet B2C to independently focus on, develop and execute their respective strategies to maximise returns to their shareholders
- enabling separate management teams to focus on their respective businesses without potential for conflicting interests and capital allocation issues

- managing financial policies, operational risks and capital structure having regard to the different characteristics of each business
- providing Webjet Shareholders the flexibility to actively manage the level of diversification in their investment portfolio by amending their relative investment in WEB Travel Group and/or Webjet B2C
- improving disclosure in relation to the demerged entities, thereby increasing analyst coverage and investors' confidence in their ability to judge and value each entity, which will increase the likelihood that the demerged entities will be held by those investors that attribute the most value to the respective businesses, and
- enhancing the prospect of a change of control transaction, which may allow Webjet Shareholders to realise full underlying value for their investment.

Further, the Demerger provides the demerged entities (and Webjet Shareholders) certainty of execution and clarity of direction. Whilst the Webjet Board considered various alternatives, including a trade sale or initial public offering (**IPO**), it was determined that these would not provide the efficiency and certainty of execution that arises from the Demerger.

Whilst we consider these benefits compelling, we have identified several key disadvantages of the Demerger, which include:

- incremental corporate and ongoing costs to operate two separately listed entities and one-off transaction costs associated with the implementation of the Demerger
- loss of diversification at the consolidated entity level, which may expose Webjet Shareholders to greater earnings volatility at the demerged entity level
- potential increase in Webjet B2C's funding costs on a standalone basis due to the loss of the financial support and credit profile currently provided by Webjet
- potential reduction in trading liquidity (particularly with respect to Webjet B2C) as a result of the separately listed entities individually having lower market capitalisations and consequently, lower index weightings, than the current market capitalisation and index weighting of Webjet.

In relation to the costs, we consider these to be relatively minor in the context of the overall size of WEB Travel Group and Webjet B2C.

Our evaluation of the Demerger also considered:

- a potential market re-rating. Our review of demerger literature, analysis of demergers in the Australian market, and observation that there are limited directly comparable listed companies makes it difficult to form a definitive view on the likelihood of a market re-rating. Accordingly, consistent with historical evidence, a positive re-rating would be unlikely in the near term and would ultimately be driven by the performance of the respective businesses in the future

- that no material synergies would be lost as a result of the Demerger, given the largely independent operations and customer bases of WEB Travel Group and Webjet B2C
- the transition risk of Webjet B2C operating as a standalone listed entity without the direct guidance of Webjet has been largely mitigated (though not eliminated) given that it currently operates as a largely separate business. Webjet B2C will retain the iconic *Webjet* brand heritage and has appointed experienced senior personnel to manage the business
- Webjet B2C is expected to adopt a policy of paying dividends whilst WEB Travel Group will revisit its dividend policy following the maturity date of the $250m convertible notes issued by Webjet (**Convertible Notes**) in April 2026
- the tax risks at both a company and shareholder level have been managed to the extent possible.

The principal matters that KPMG Corporate Finance has taken into consideration in forming its opinion that the Demerger is in the best interests of Webjet Shareholders are discussed in more detail in the following sections.

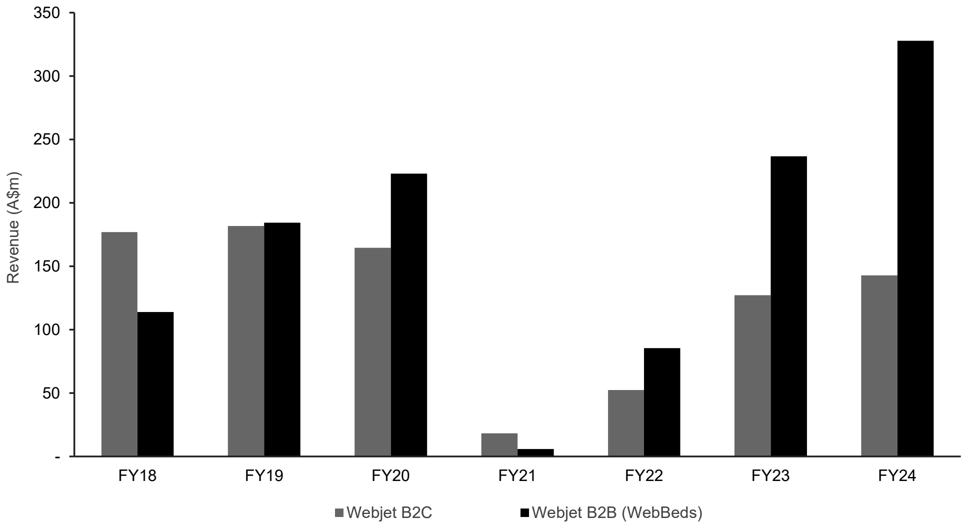
2.1.2 *Background*

Since being established in 1998, Webjet has successfully disrupted both the local Australian and New Zealand online travel industry and the global travel trade (wholesale) distribution industry. This has been achieved through organic growth and acquisitions, (notably JacTravel and Destinations of the World (**DOTW**) in the wholesale B2B business).

Currently, Webjet is a travel business that spans both travel trade wholesale (WebBeds) and retail consumer markets of Webjet B2C. Smart technology (such as Trip Ninja) differentiates product offerings and creates a better user experience when making travel bookings.

As illustrated below, over time, WebBeds has become a more meaningful part of the business, both financially and in terms of management's time and focus.

Figure 1: Historical revenue contribution



Source: Webjet's Annual Reports and KPMG Corporate Finance Analysis
Notes: Webjet B2C revenue comprises Webjet OTA and GoSee

However, key differences between WebBeds and Webjet B2C indicate that the businesses are increasingly divergent, with minimal co-dependence. These differences include brands, geography, end customer, nature of product, strategy and competitive drivers.

In this regard, the strategy of Webjet B2C focusses on market led organic growth driven by the shift to online services and opportunities in consumer international travel with a complex itinerary. Competitive drivers include brand, technology, user experience and ancillary offerings. This contrasts with WebBeds, which has the opportunity to access a significant global total addressable market with a clear market leading platform. Competitive drivers for WebBeds include scale, use of technology and access to inventory.

Whilst Webjet B2C has opportunities to grow through bolt-on acquisitions, it competes with WebBeds for capital resources, for which the expected returns are higher than those of Webjet B2C.

Although management and the Board have previously discussed the merits of a demerger, they had not progressed these plans due to, *inter alia*, unfavourable market conditions (e.g. travel restrictions during the COVID-19 pandemic (**COVID-19**)) or financial resilience measures during the recovery period.

Webjet has emerged from COVID-19 as a stronger business and the value propositions of the businesses, as intermediaries in the wholesale and consumer travel industry, remain relevant and compelling for customers and partners.

The Board has progressed plans for the Demerger, given the positive FY24 financial results for both WebBeds and Webjet B2C, high demand within the broader travel industry and good market understanding of the nature of the two businesses (especially WebBeds), albeit divergent as noted above. As such, the Demerger will give investors choice for their investment in the travel industry, each of which have different risk and return profiles, as noted below:

- Webjet B2C – a local online travel business, focussed on individual consumers, with organic growth opportunities in international travel and complex itinerary. Webjet B2C will likely adopt a policy of paying dividends which will be at the discretion of the Webjet B2C Board, and
- WebBeds (to be known as WEB Travel Group) – global wholesale distribution business with medium capital requirements to support high growth potential. WEB Travel Group will revisit its dividend policy following the maturity date of the Convertible Notes in April 2026.

The Webjet Board is of the view that the Demerger will best enhance Shareholder value over time and is preferable over alternative separation structures. The Webjet Board has not received any approaches regarding Webjet B2C either before or after the announcement of the Demerger.

2.1.3 Benefits

Greater strategic focus

Webjet currently operates the WebBeds and Webjet B2C businesses, each of which have different operating profiles, competitive landscapes and growth prospects.

Whilst each business maintains its own management, operating within a single corporate structure means that strategies and operational decisions are frequently made from a group perspective, rather than for each business in isolation.

Following the Demerger, each business will have a dedicated board and management team, which should enable greater focus on their respective core businesses and growth objectives. The demerged entities can independently focus on developing and executing their strategies based on the dynamics of the industry in which they operate and the expected risk/return profile of the business, whilst avoiding potential conflicts arising from competing strategies.

Webjet B2C's strategy will be to continue delivering organic growth, capitalising on the post COVID-19 structural shift to online services and increasing market share. WEB Travel Group will focus on achieving economies of scale in all markets, in a post COVID-19 landscape characterised by a reduced number of smaller competitors. WEB Travel Group will continue to focus on: growing the existing portfolio, new customers, supply and markets; and driving improved conversion rates.

Both Webjet B2C and WEB Travel Group will be positioned to offer enhanced solutions to their respective customers, which is essential in an increasingly complex travel booking ecosystem.

The Demerger into 'pure play' companies will increase transparency, making it easier for investors to assess the strategy and the risks of each company. It also supports the respective boards and management teams in executing the strategy with greater focus and intention than would be possible if operating within a combined group.

Enhanced financial flexibility

The Demerger will allow WEB Travel Group and Webjet B2C to independently manage their funding requirements to best achieve their operational, financial and strategic goals without any internal conflict relating to capital allocation decisions.

As part of a consolidated group and prior to the Demerger, any capital allocation would be assessed against the risk/return profile of the overall business. Given the different characteristics of each business, that could result in suboptimal operating outcomes.

Webjet's most significant recent acquisitions have been DOTW and JacTravel, both of which are bedbank businesses, due to the higher expected returns in this sector over those available in the Webjet B2C business. As such, potentially value enhancing growth strategies for Webjet B2C may not have been pursued.

This issue is likely to be encountered again in the future, further reducing Webjet B2C's contribution to Webjet, which accounted for approximately 30% of total Webjet revenue and 26% of EBITDA in FY24[1]. As Webjet B2C reduces its contribution to the overall group, so too may its ability to attract an appropriate allocation of group capital.

Following the Demerger, each entity will adopt an appropriate gearing structure tailored to its earnings profile and strategic goals, without the influence or competing priorities of the other operating business.

To enable Webjet B2C to operate independently, Webjet B2C is expected to have net cash in the range of $80 million to $100 million, excluding restricted cash. Webjet B2C will have no drawn debt. Webjet B2C will also have access to a three year $20 million revolving credit facility and a bank guarantee facility of $50 million for the first 12 months post-Demerger, which is intended to revert to $25 million over the longer term.

Webjet B2C will also be able to seek additional capital, be it in equity or debt, to support its future strategic goals. This will allow it to execute its focussed strategy without restrictions.

Increased shareholder flexibility

On implementation of the Demerger, current Webjet Shareholders will have the same collective ownership interest in the demerged entities as they currently hold in Webjet (except Ineligible Shareholders[2] and Selling Shareholders[3]).

[1] Underlying profit is a non-IFRS profit measure

[2] Webjet Shareholder who is not an Eligible Shareholder

[3] A Small Shareholder (i.e. who holds 500 or fewer Webjet Shares) who validly elects to have their Webjet B2C Shares sold pursuant to the Sale Facility

However, the risk profile, growth prospects and return characteristics of WEB Travel Group and Webjet B2C differ and may appeal to different types of investors. Therefore, Webjet Shareholders will have the flexibility to adjust their holdings in WEB Travel Group and Webjet B2C to match their individual risk/return profile.

Further, the Demerger will create two standalone listed entities which can be better aligned with their specific industry or market dynamics. Combined with a greater level of transparency in the demerged entities, that will enable investors to better assess the strategy and risks of each entity, which will potentially attract new investors post the Demerger.

Finally, the Demerger will allow Webjet Shareholders to retain a direct ownership interest in Webjet B2C, a business with strong brand awareness and market share, which would not have been possible under a trade sale process.

Better alignment of management incentives with performance

The Demerger will allow the respective Boards of WEB Travel Group and Webjet B2C to introduce new employee incentive plans, which are directly aligned to the financial and share price performance of the standalone businesses within management's control.

Currently, the employee incentive plans of Webjet management are linked to the overall share performance of Webjet. Following the Demerger, the decisions made by WEB Travel Group and, in particular, Webjet B2C will be solely reflected in their respective share prices.

It is generally acknowledged that a tailored management incentive scheme that is aligned with business performance over the long run can maximise the benefit for shareholders.

Corporate governance and disclosure

Good governance practices provide investors with additional confidence and trust to invest in the company, thereby outperforming a company with weaker corporate governance practices, though these results vary from country to country[4]. The observed outperformance from increased disclosure and better corporate governance practices is also consistent with the uplift in market value of demerged entities, where limited information was disclosed prior to the demerger (further details outlined in Section 8 of this report).

The Demerger will result in Webjet B2C receiving dedicated Board oversight, including a combined Audit and Risk Committee and a Remuneration and Nomination Committee. These committees are consistent with best practice corporate governance and will provide for additional oversight and greater transparency in disclosures, including remuneration arrangements.

Disclosure requirements for Webjet B2C as a separate listed company, will provide greater transparency of Webjet B2C's operations and performance than currently occurs. Ultimately,

[4] Gompers, A, Ishii, J.L. and Metrick, A. (2003) "Corporate Governance and Equity Prices" Quarterly Journal of Economics, 118, 107-55 and Bauer, Gunster and Otten (2004) "Empirical Evidence on Corporate Governance in Europe", Journal of Asset Management

improved disclosure may increase analyst coverage and investors' confidence in their ability to judge and value each company, which will increase the likelihood that the demerged entities will be held by those investors that attribute the most value to the respective businesses.

Takeover potential

Takeovers or similar control transactions frequently create value for shareholders as the bidder often pays a premium to the current traded share price to gain control of the target. Higher premiums are often observed where synergies are expected to be achieved. Therefore, a company identified as a viable takeover target will often be more 'fully priced' than a company that is not.

Diversified businesses present a deterrent for a potential acquirer who may not have sufficient funding capacity to acquire the whole business nor sufficient interest or expertise to manage businesses outside of their core focus. As such, the creation of a more focused business through a demerger process often creates a potential takeover target.

This is discussed in our analysis of Australian demergers set out in Section 8.2.2 of this report. Of the 28 demergers analysed since 2000, six have resulted in at least one of the demerged entities being subject to a takeover within two years of the demerger date. Five of these takeovers resulted in outperformance relative to the S&P / ASX All Ordinaries Index and enhanced shareholder value.

Following the Demerger, WEB Travel Group or Webjet B2C would potentially be more attractive to potential bidders due to:

- the more focused businesses and lower capital required to complete an acquisition
- the expected shareholding structure being widely held by institutional investors with no substantial impediments to corporate activity, such as a large voting bloc that may have existed in a limited IPO, and
- the flexibility for investors to establish a strategic investment without the immediate requirement to launch a full takeover of the company.

2.1.4 Disadvantages

Additional corporate and ongoing costs

Upon completion of the Demerger, Webjet B2C will incur increased standalone costs comprising:

- corporate costs associated with maintaining its own Board of Directors and with certain services previously provided by Webjet, such as accounting, legal, tax, treasury, insurance and information technology
- listing costs associated with its separate listing on the ASX, including listing fees, shareholder communications, share registry, legal and regulatory compliance costs.

Management estimates these standalone corporate and listing costs are approximately $14.4 million in FY24, of which $2.6 million are incremental to the corporate costs that Webjet allocated to the Webjet B2C business in FY24.

The risk that establishing Webjet B2C's standalone capabilities is more costly and time consuming than currently anticipated is unlikely to be material given that both businesses already largely operate independently.

We have also considered whether there are any other non-corporate costs or revenue benefits that would either be incurred or lost because of the Demerger. However, given the largely independent nature of the businesses, including the lack of common customers, we do not believe these to be material.

On Demerger, Webjet B2C will derecognise any carried forward tax losses that are not expected to be utilised in the near future.

Impact on funding costs

Upon implementation of the Demerger, Webjet B2C will no longer benefit from the financial support and credit profile currently provided by Webjet. However, Webjet B2C is expected to be in a net cash position with access to a revolving credit facility and bank guarantees (as noted in Section 2.1.3).

Management considers the revolving credit facility together with operating cash flow generated by Webjet B2C to be sufficient to operate the business standalone and support the stated strategic objectives.

Webjet B2C is not expected to seek a public credit rating after the Demerger. However, the funding costs of Webjet B2C are likely to increase on a standalone basis relative to the funding costs incurred within the Webjet Group.

Webjet's Convertible Notes will remain with WEB Travel Group.

Loss of diversification

Following the Demerger, WEB Travel Group will not hold an interest in Webjet B2C and therefore will not benefit from the diversification of earnings inherent in Webjet's current corporate structure. Further, as standalone entities, both WEB Travel Group and Webjet B2C will be smaller in size relative to the existing combined group.

The WEB Travel Group and the Webjet B2C operate in separate segments of the same industry, however each business is individually exposed to different risks and growth prospects.

Whilst Webjet B2C is expected to provide a higher dividend yield, supported by relatively stable operating cash flows and moderate growth prospects, WEB Travel Group is expected to provide higher capital growth potential, supported by higher return and growth expectations inherent in its business.

There is a general risk that the future financial performance or prospects of the businesses may be adversely affected by events beyond the control of management, such as a recurrence of a global pandemic. Following the Demerger, the potential negative impact of a material adverse event on one of the businesses may no longer be reduced or offset by the performance of the other business. On the other hand, a strong performing business may no longer be penalised by an underperforming business.

From March 2020, COVID-19 significantly impacted the financial performance of both businesses with Webjet B2C and WebBeds (to be known as WEB Travel Group) each recording EBITDA losses of $14.7 million[5] and $90 million, respectively, in FY21. There is a risk that another disruptive event could have a similar or worse impact on each business and as separate entities they would each be less resilient.

Whilst the Demerger will result in a loss of diversification at the entity level, Webjet Shareholders would still be able to replicate this diversification in their investment portfolio through maintaining their ownership in both WEB Travel Group and Webjet B2C.

Trading liquidity

Webjet had a market capitalisation of $3.2 billion on 5 August 2024 and is currently included in the S&P/ASX 200 market indices. The Demerger will lead to both WEB Travel Group and Webjet B2C being separately listed entities on the ASX and individually having lower market capitalisations and consequently, lower index weightings, than those currently of Webjet.

WEB Travel Group is expected to remain in the S&P/ASX 200 Index, while Webjet B2C is expected (depending on trading post Demerger) to be within the S&P/ASX 300 Index, which is a key benchmark index for institutional investors. There is a risk that Webjet B2C could fall outside of the S&P/ASX 300 Index which could result in reduced institutional investors demand and share trading liquidity.

One-off implementation costs

Management have estimated total one-off transaction and implementation costs in relation to the Demerger to be approximately $12.2 million on a pre-tax basis, of which $1.7 million will have been paid, or committed, prior to the Demerger.

These costs primarily relate to adviser fees and other separation costs.

Total one-off transaction and implementation costs as a percentage of the current market capitalisation of Webjet are consistent with ratios observed for many precedent demergers.

2.1.5 Other considerations

Market re-rating

One of the prime drivers of a demerger is the potential for value enhancement. The creation of two separately listed entities typically results in a greater level of transparency and

[5] FY21 Annual Report, Webjet B2C EBITDA comprises Webjet OTA and GoSee

understanding of the operations of each business, which in turn increases the likelihood of a more efficient value assessment being made by the market.

In assessing the potential of a market re-rating following the Demerger, we have considered:

- market evidence as to the performance of demergers based on empirical studies and our analysis of recent Australian demergers as set out in Section 8 of this report. It is evident that, whilst not all demergers created shareholder value, the shares of the parent and demerged entity have typically outperformed the broader market over the medium term. However, due to the nature of the transactions and the uncertainty over what the performance of the parent entity would have been if the demerger had not been completed, it is difficult to argue conclusively that demergers create shareholder value. Rather, the success or otherwise of any demerger will always depend on the specific circumstances of each transaction
- the likely benefits and disadvantages of the Demerger as discussed above. It is noted that the relative share price performance in the short term may be impacted by the one-off cash transaction and incremental costs of the Demerger as they will be incurred immediately, while many of the benefits will take longer to materialise in improved earnings and cash flow, and in turn a possible market re-rating
- the level of disclosure and transparency provided by Webjet in relation to its businesses. Based on the company profile and history of the brand associated with Webjet B2C relative to the historically less well understood WebBeds, we consider it more likely that a re-rating will occur in WEB Travel Group rather than Webjet B2C
- the market valuation parameters of listed peers against which WEB Travel Group and Webjet B2C are likely to be rated following the Demerger are set out in Appendix 4. WEB Travel Group is somewhat unusual as it is a leading global bedbanks business with no directly comparable listed peers. Booking is the largest global accommodation provider, however, it is also a significant OTA player. Airbnb, while also a global accommodation provider, operates a different model (host community model) and is significantly larger in size compared to WEB Travel Group. Similarly, while there are several listed OTA businesses that are broadly comparable to Webjet B2C, we note differences in operations (i.e. brick and mortar or traditional travel agents versus OTAs), geography (most comparable companies exhibit a global footprint and have established international brands compared to Webjet B2C's Australian and New Zealand footprint) and size (most comparable companies are larger in size and scale).

  Due to the lack of directly comparable listed peers, there is a need for caution in attempting to reliably conclude on the likely quantum and timing of a market re-rating (if any) from market valuation parameters
- the size of WEB Travel Group relative to Webjet (pre-Demerger). Given the (large) relative size of WEB Travel Group to the pre-demerged entity, we would expect the share price of Webjet (pre-Demerger) to already reflect a large portion of the upside associated with a re-

rating of WEB Travel Group. Therefore, we expect any subsequent re-rating of WEB Travel Group to occur over the medium to long term, rather than immediately

- the share price performance of Webjet since announcement of the Demerger. On the day of the announcement of the Demerger, Webjet's share price increased by 7.7% (from $8.44 to $9.09) versus the S&P/ASX All Ordinaries Index which decreased by 0.02%. The announcement of the Demerger also coincided with the release of the FY24 results, therefore it is difficult to attribute the increase in share price to the announcement of the Demerger and hypothetical re-rating, as opposed to the strong financial results. On the 5 August 2024, Webjet's share price was $8.30 (following declines in the share price consistent with the broader ASX 200).
  As noted above, immediate benefits are likely already reflected in the share price performance post announcement of the Demerger. Any subsequent benefits will be reflected as further evidence of improvements or opportunities are observed by the market. For further detail in relation to Webjet's share price performance refer to Section 7.12 of this report
- the current shareholder structure of Webjet and the trading liquidity in Webjet shares. In the short term, there is likely to be an increase in share price volatility in both WEB Travel Group and Webjet B2C until portfolio weightings and share registers are stabilised and the market becomes familiar with the risk/return profile and performance of each entity on a standalone basis. In the long term, the demerged entities should be held by those investors that assign the highest value to the respective businesses, which will increase the likelihood of any market re-rating.

On balance, we consider it unlikely that any material market re-rating will occur shortly after the implementation of the Demerger. However, the balance of market evidence favours demergers outperforming the market over a medium term investment horizon.

Further, based on market evidence of increased takeover activity following a demerger, shareholders may benefit from a premium to share price that is often paid for company control and potential synergies.

Ultimately, the traded price of WEB Travel Group and Webjet B2C, and the quantum of any re-rating, will be influenced by a range of factors, including:

- the extent of increased transparency of each entity, which may increase analyst coverage and investors' confidence in their ability to judge and value each entity
- the ability to realise the benefits and mitigate the risks associated with the Demerger
- the extent to which the 'pure play' entities can attract and maintain a new investor base
- the operating performance of WEB Travel Group and Webjet B2C and earnings prospects of each entity
- the performance of the travel industry in which WEB Travel Group and Webjet B2C operate and the ability of each entity to effectively adapt to new opportunities and threats, and

- the market conditions of global equity markets and economic conditions prevalent at the time.

Transition risk

Transition risk associated with the Demerger relates primarily to the initial share trading in the demerged entities and Webjet B2C operating as a standalone business.

In respect of the initial share trading, once the Demerger is implemented, Webjet Shareholders may adjust their portfolio holdings in both WEB Travel Group and Webjet B2C. Accordingly, until the shareholder bases of both companies are rebalanced, short term volatility in the share prices may result in the combined value of WEB Travel Group and Webjet B2C being lower than the current market capitalisation of Webjet. Such short term volatility is not unusual after a demerger, as discussed in Section 8 of this report.

From an operating perspective, the separation of Webjet B2C into a standalone, separately listed entity with the associated organisational changes exposes the business to transition risk, albeit low due to the following:

- the Webjet B2C business already operates largely independently
- Webjet B2C will retain the iconic *Webjet* brand which is closely associated with the consumer travel business therefore limiting customer facing disruption following the Demerger
- Webjet and Webjet B2C have agreed to enter into a mutual two-way transitional services agreement (**TSA**) to assist Webjet B2C establish its standalone capabilities immediately following the Demerger and Webjet B2C has recruited the necessary additional personnel to be able to effectively operate a standalone business, and
- the Webjet B2C board and senior management team has the relevant experience and skills, including industry and business knowledge, financial management and corporate governance expertise.

Dividends and franking credits

The future dividend policy of the demerged entities will be determined at the discretion of their respective Boards and will ultimately depend on the financial performance and cash requirements of each individual entity. Whilst the dividend policy is likely to change over time, post the Demerger:

- Webjet does not currently have an active dividend policy. WEB Travel Group Board will revisit its dividend policy following the maturity date of the Convertible Notes in April 2026
- Webjet B2C's dividend policy will be determined by and at the discretion of the Webjet B2C Board and may change from time to time, having regard to Webjet B2C's current earnings and cashflows, and future cashflow requirements. It is expected that Webjet B2C will adopt a policy of paying dividends, further details of which are expected to be provided with the release of Webjet B2C's FY25 results in May 2025 in respect of future dividends payable, after taking account of earnings, cash flows and further investment opportunities.

Restructure risks and taxation implications

There are a number of risks associated with the restructure as outlined in Section 5 of the Demerger Booklet, including that the demerger tax relief sought from the Australian Commissioner of Taxation (**Commissioner**) will not be available.

General tax implications for Webjet Shareholders in Australia in respect of the Demerger are outlined in Section 5 of the Demerger Booklet.

The information below includes the implications for Webjet Shareholders where demerger tax relief under Division 125 of the Income Tax Assessment Act 1997 applies to the Demerger (**Demerger Tax Relief**).

With respect to Australian resident shareholders, Webjet has sought a Class Ruling from the Commissioner confirming that Demerger Tax Relief is available in relation to the Demerger. Whilst a final Class Ruling will only be received after implementation of the Demerger, a draft ruling is expected to be received prior to implementation of the Demerger.

The tax and legal advice indicates that assuming relevant Demerger Tax Relief is received, should they choose to apply the Demerger Tax Relief, then no adverse tax consequences will result from the Demerger for Australian residents who hold their shares on capital account as:

- any capital gain made from a capital gains tax (**CGT**) event related to their Webjet Shares as a result of the Capital Reduction will be disregarded. To the extent Demerger Tax Relief is not chosen, a capital gain may arise (and discount CGT treatment may be applicable to the extent Webjet Shareholders held their shares for at least 12 months prior to the Implementation Date).

  Non-Australian tax resident Webjet Shareholders who hold their Webjet Shares on capital account should not generally be subject to the Australian CGT regime upon disposal of their Webjet Shares except in limited circumstances
- the cost base of their Webjet Shares will be allocated between the Webjet Shares and Webjet B2C Shares in proportion to their respective market values just after the Demerger
- they will be deemed to have acquired the relevant Webjet B2C Shares at the same time as they acquired their Webjet Shares for the purposes of determining eligibility for the CGT discount
- the amount that is taken to be a Demerger Dividend for tax purposes will not be assessable to them.

We note that shareholders should consider their individual circumstances, review Section 5 of the Demerger Booklet for further information where it applies to their circumstances and should seek the advice of their own professional adviser.

Ineligible Overseas Shareholders

Whilst Ineligible Overseas Shareholders[6] will not be entitled to participate in the Demerger, it is noted that:

- Webjet B2C shares that would otherwise have been received under the Demerger will be sold on the ASX under the Sale Facility as soon as reasonably practicable
- their shares will be sold for market value, free of any brokerage costs or stamp duty, though tax may be payable on any profit on disposal in their country of residence
- if they wish to retain their exposure, they can acquire Webjet B2C shares through the ASX following the listing.

Alternatives to the Demerger

The Webjet Board considered alternative structures for the separation of Webjet B2C and concluded that the Demerger best enhances value for Webjet Shareholders over time and is preferable to other available options. The alternatives considered were:

- *a trade sale*: having regard to the relative value available to Webjet Shareholders, the tax consequences of a sale and the opportunity for Webjet B2C to realise value for Shareholders as a separately listed entity, the Webjet Board does not believe a sale of Webjet B2C would be in the best interests of Webjet Shareholders
- *an IPO*: under an IPO of Webjet B2C, Webjet would receive cash proceeds from investors for the sale of Webjet B2C shares. However, an IPO would likely involve a high degree of transaction uncertainty and IPO proceeds realised would be subject to investor sentiment and the prevailing market conditions at the time of execution. In addition, separation via an IPO would likely give rise to additional costs compared to the Demerger. Furthermore, there is a risk that Webjet would be required to retain a minority shareholding in Webjet B2C for a period of time following an IPO.

2.1.6 Implications if the Demerger is not approved

If the Demerger is not approved, Webjet will continue to operate in its current form and be listed on the ASX. As a consequence:

- Webjet Shareholders will continue to own shares in a diversified Webjet, but will not receive separate shares in Webjet B2C
- the advantages, disadvantages and risks of the Demerger, as summarised above, will not occur, other than transaction costs of approximately $1.7 million (pre-tax)
- Webjet shares may not continue to trade at prices in line with recent levels. To the extent the share price of Webjet incorporates expected benefits of the Demerger, there is a risk that the share price may fall if the Demerger is not approved.

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[6] Ineligible Overseas Shareholders are Webjet Shareholders, who are not Eligible Shareholders

2.2 The Capital Reduction will not materially prejudice the creditors of Webjet

In our opinion, the Capital Reduction **will not** materially prejudice the creditors of Webjet.

In forming our opinion, we have considered the following:

- the Capital Reduction and Demerger Dividend
- the change in key financial ratios of the demerged entities
- the Webjet Convertible Notes

Capital Reduction and Demerger Dividend

The Demerger will result in a separation of Webjet into two companies. Existing creditors of Webjet (and its subsidiaries) will either continue as creditors of WEB Travel Group (and its subsidiaries) or will become creditors of Webjet B2C (and its subsidiaries).

If the Demerger is approved, Webjet will undertake a Capital Reduction and declare the Demerger Dividend. The Capital Reduction (and Demerger Dividend) will be effected by an in-specie distribution of Webjet B2C shares to Webjet Shareholders

The amount of the Demerger distribution (**Demerger Distribution Amount**) will be equal to the volume-weighted average price (**VWAP**) of Webjet B2C Shares on the ASX over the first five trading days multiplied by the number of Webjet shares on issue. The allocation between the capital return and the Demerger Dividend will be determined by the relative market values of WEB Travel Group and Webjet B2C. The relevant formulae are outlined below:

- Demerger Distribution Amount = VWAP of Webjet B2C shares over the first five trading days
- Capital Reduction Amount (A) = (B / B + C)) x D, where:
  - B = Webjet B2C market value
  - C = WEB Travel Group market value, and
  - D = Webjet share capital account
- Demerger Dividend Amount = Demerger Distribution Amount less the Capital Reduction Amount.

An illustrative example of the Demerger accounting and details regarding the allocation of the fair value of Webjet B2C between the capital reduction and demerger reserve is set out in Section 3.7 of the Demerger Booklet.

The Capital Reduction and Demerger Dividend will occur concurrently and are both fundamental to the Demerger. Therefore, it is difficult to assess whether the Capital Reduction alone will materially prejudice Webjet's ability to pay its creditors. Accordingly, we have assessed whether the payment from the Capital Reduction and Demerger Dividend will materially prejudice Webjet's ability to pay its existing creditors.

The Capital Reduction will result in a reduction in Webjet's Shareholders' funds; and future earnings will be reduced by the removal of the contribution of Webjet B2C. By definition, any reduction in the equity base of a company disadvantages creditors as it reduces the capacity to meet the claims of creditors.

Accordingly, the important test is to compare the relative position of Webjet before the Demerger to the position after, to see whether the Company's ability to pay its creditors is in a worse position.

In this regard, we have considered key indicators of the financial performance and financial position of the demerged entities as set out in the table below.

Table 1: Summary financial information

A$m	Webjet Actual	WEBTravel Group Pro forma	Webjet B2C Pro forma
Financial performance for FY24			
Revenue	471.5	327.9	143.6
Underlying EBITDA	188.1	140.8	39.1
Underlying EBITDA margin (%)	39.9%	42.9%	27.2%
Financial position at 31 March 2024			
Total assets	1,800.3	1,585.8	188.4
Cash and cash equivalents	630.1	527.4	90.5
Borrowings	224.3	224.3	-
Net assets	940.8	794.2	104.8
Debt facilities at 31 March 2024			
Total facilities[1]	50.0	40.0	20.0
Facilities used	-	-	-
Facilities available	50.0	40.0	20.0

Source: Webjet

Note 1: The available credit facility was reduced from $100 million to $50 million post FY24 year-end

As outlined in the table above, WEB Travel Group and Webjet B2C individually generate strong revenues and are profitable, with a positive net assets position to support their existing operations as standalone entities after the Demerger.

Webjet B2C will have net cash in the range of $80 million to $100 million, excluding restricted cash. Webjet B2C will have no drawn debt. Webjet B2C will also be supported by a three year $20 million revolving credit facility and a bank guarantee facility of $50 million for the first 12 months post-Demerger, with this reverting to $25 million over the longer term.

WEB Travel Group will have net cash in the range of $300 million to $320 million, including restricted cash. WEB Travel Group will be supported by a three year $40 million revolving credit facility which will be undrawn, as well as a $20 million bank guarantee facility and a €25 million bank guarantee facility.

The Convertible Notes will remain with WEB Travel Group (as discussed below).

Key financial ratios

As both demerged entities will be required to meet their own obligations and risks, we have considered the key financial ratios of the demerged entities based on the pro forma financials of the demerged entities, as set out below.

Table 2: Summary financial ratios

	Webjet Actual	WEBTravel Group Pro forma	Webjet B2C Pro forma
Gearing (%)[1]	23.8%	28.2%	0.0%
Debt / EBITDA (x)	1.2	1.6	n/a
Interest cover ratio (x)[2]	6.8	6.1	10.5
Current ratio (x)[3]	1.6	1.6	1.3

Source: Webjet

Notes:

1. *Gearing represents borrowings divided by net assets*
2. *Interest cover ratio represents Earnings before interest and tax (**EBIT**) divided by net financing costs. EBIT has been estimated using underlying EBITDA less depreciation and amortisation*
3. *Current ratio represents current assets divided by current liabilities*

In relation to the table above we note the following:

- WEB Travel Group:
  - WEB Travel Group will have slightly higher leverage post-Demerger as it retains the Convertible Notes
  - WEB Travel Group's current ratio remains unchanged when compared to Webjet
- Webjet B2C:
  - Webjet B2C will be net cash positive with no borrowings post-Demerger (although it will have access to an undrawn revolving credit facility)
  - Webjet B2C's current ratio will be lower than Webjet's current ratio, although current assets exceed current liabilities
- Both companies are expected to earn interest on net cash balances
- Neither WEB Travel Group nor Webjet B2C have a formal credit rating. Notwithstanding, the commitment of a revolving credit facility for WEB Travel Group and Webjet B2C suggests independent financiers expect both demerged entities to be able to meet their financial obligations.

Webjet Convertible Notes

Webjet's $250m Convertible Notes due in April 2026 will remain with WEB Travel Group. The conversion price will be adjusted for the effect of the Demerger according to the terms and conditions as contained in the offering circular. This is discussed further in Section 9.2.2 of the report.

Other

The Directors of Webjet have stated that in their opinion, the Demerger (comprising the Capital Reduction and Demerger Dividend), will not materially prejudice the ability of Webjet to pay its creditors.

KPMG Corporate Finance makes no warranty, express or implied, as to the potential recoverability of existing or contingent debts owed by Webjet at the date of this report or at any subsequent time. Our opinion relates only to the impact of the Demerger on Webjet's ability to pay its existing creditors. Future creditors must rely on their own investigations of the financial positions of WEB Travel Group and of Webjet B2C.

3 Other matters

In forming our opinion, we have considered the interests of Webjet Shareholders as a whole. This advice therefore does not consider the financial situation, objectives or needs of individual shareholders. It is not practical or possible to assess the implications of the Demerger on individual shareholders as their financial circumstances are not known. The decision of Webjet Shareholders as to whether or not to approve the Demerger is a matter for individual shareholders based on, amongst other things, their risk profile, liquidity preference, investment strategy and tax position. Individual shareholders should therefore consider the appropriateness of our opinion to their specific circumstances before acting on it. As an individual's decision to vote for or against the proposed resolutions may be influenced by his or her particular circumstances, we recommend that individual shareholders including residents of foreign jurisdictions seek their own independent professional advice.

Our report has also been prepared in accordance with the relevant provisions of the Corporations Act (**the Act**) and other applicable Australian regulatory requirements. This report has been prepared solely for the purpose of assisting Webjet Shareholders in considering the Demerger. We do not assume any responsibility or liability to any other party as a result of reliance on this report for any other purpose.

KPMG has made reasonable enquiries of Webjet which has concluded the underlying financial product pursuant to the Transaction is not captured by Design and Distribution Obligations regulations.

All currency amounts in this report are denominated in Australian dollars (**$**) unless otherwise stated.

Neither the whole nor any part of this report or its attachments or any reference thereto may be included in or attached to any document, other than the Demerger Booklet to be sent to Webjet Shareholders in relation to the Demerger without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears. KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it appears in the Demerger Booklet.

Our opinion is based solely on information available as at the date of this report as set out in Appendix 2 of this report. We note that we have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion. We refer readers to the limitations and reliance on information section as set out in Section 6 of our report.

The above opinion should be considered in conjunction with and not independently of the information set out in the remainder of this report, including the appendices.

Yours faithfully

Adele Thomas
Authorised Representative

Sean Collins
Authorised Representative

Contents

4 The Demerger

On 22 May 2024, Webjet announced that it is exploring a separation of its two travel divisions WebBeds, the global bedbanks business and Webjet B2C, which includes Webjet OTA, GoSee and Trip Ninja (also referred to as Webjet B2C), via a demerger (**the Demerger**).

The Demerger, if completed, will create two stand alone ASX-listed companies in their respective industries under separate management teams, with distinct operating profiles, strategies and growth opportunities.

The Demerger will be undertaken by an equal Capital Reduction and Demerger Dividend. Webjet will apply the aggregate of the Capital Reduction and Demerger Dividend as consideration for the in-specie distribution of Webjet B2C shares to the Webjet Shareholders.

The steps to implement the Demerger are outlined below:

- Webjet incorporates a new Australian public company, Webjet Group Limited (**Webjet B2C**)
- Webjet and Webjet B2C enter into a Restructure Deed to transfer all of the companies, assets, rights and obligations relating to the B2C business to Webjet B2C
- Webjet and Webjet B2C enter into a Demerger Implementation Deed which sets out all the steps required to be undertaken to give effect to the Demerger (including regulatory and ASX approvals and shareholder approval)
- Webjet and Webjet B2C enter into a Separation Deed which deals with issues relating to the separation of Webjet B2C from the Webjet Group (including assumption of liabilities, employees, demerger costs and tax matters, etc)
- WEB Travel Group and Webjet B2C enter into a mutual two-way TSA under which WEB Travel Group continues to provide certain services to Webjet B2C and Webjet B2C continues to provide certain services to WEB Travel Group, at cost
- Resolutions are put to Webjet Shareholders at the EGM, relating to the Demerger, Capital Reduction, change of name of Webjet to WEB Travel Group, and approval of the issue of Webjet rights (FY25 long term incentive (**LTI**) grant) to the WEB Travel Group Managing Director, John Guscic
- Board resolutions are effected to complete the Capital Reduction and pay the Demerger Dividend
- Webjet declares an in-specie distribution of Webjet B2C shares to Webjet Shareholders, and
- Webjet B2C lists on the ASX.

The effect of the Demerger is that Webjet Shareholders will retain their existing Webjet shares and will receive shares in the newly listed company, Webjet B2C. WEB Travel Group will not retain any shareholding in Webjet B2C following the Demerger.

5 Scope of the report

5.1 Requirements

The Capital Reduction is to be implemented pursuant to Section 256C(1) of the Act. Section 256C governs reductions of share capital. It requires the prior approval of shareholders before a capital reduction can be effected.

While preparation of an IER is not prescribed by the Act, the IER will be used by the Webjet board when determining whether to proceed with the Demerger (section 256B(1)(a) and (b) of the Act) and by Webjet's Shareholders when voting on the Demerger.

Therefore, the Directors of Webjet have requested KPMG Corporate Finance prepare an IER to opine on whether:

- the Demerger is in the best interests of Webjet Shareholders, and
- the Capital Reduction associated with the Demerger materially prejudices Webjet's ability to pay its creditors.

Guidance by Australian Securities and Investments Commission

Regulatory Guide (**RG**) 111 "Content of expert reports", issued by the ASIC provides guidance on the content of an expert report and how an expert can help security holders make informed decisions about transactions.

RG 111 specifically provides a recommended approach for control transactions, demergers and demutualisations, approval of a sale of securities under item 7 of Section 611 of the Corporations Act and compulsory acquisitions and buy-outs.

Our view is that the Demerger is similar to that of a demerger and demutualisation as it does not involve any of the following:

- a change in the underlying economic interests of security holders
- a change of control
- selective treatment of different security holders.

RG 111.36 states that in the absence of these factors, the issue of 'value' may be of secondary importance and the expert should provide an opinion as to whether the advantages of the transaction outweigh the disadvantages. This involves a judgement by the expert as to the overall commercial effect of the proposed transaction, the circumstances that led to the proposal and the alternatives available. By weighing up the advantages and disadvantages of the proposal, the expert forms an overall view as to whether the shareholders are likely to be better off if the proposal is implemented than if it is not.

It follows that, where the advantages of the Demerger are considered to outweigh the disadvantages, then the Webjet Shareholders are likely to be better off if the Demerger is implemented than if it is not. In these circumstances, the Demerger will be in the best interests of Webjet Shareholders.

5.2 Basis of assessment

Demerger

In forming our opinion as to whether the Demerger is in the best interests of Webjet Shareholders, we have considered the following:

- the financial and operational implications of the Demerger
- the effect on earnings and dividends attributable to Webjet Shareholders
- the intended structure of management and board of directors for each business
- the potential for a share market re-rating following the Demerger
- the potential taxation risks and/or consequences for existing Webjet Shareholders including any impact on non-resident shareholders
- any change is risk profile of Webjet as a results of the Demerger
- disadvantages, costs and risks of the Demerger.

Capital Reduction

There is no common law or regulatory definition of 'materially prejudice', nor the form of analysis required to determine whether a proposed restructure will materially prejudice creditors. Accordingly, we have considered guidance from relevant case law (High Court decision in *Connective Services Pty Ltd v Slea Pty Ltd*) and compared the relative position of Webjet before the Demerger to the position after, to see whether the Company's ability to pay its creditors is in a worse position.

In this regard, we have considered:

- the impact on the financial position of Webjet
- the impact on the cash flows of Webjet, and
- the cash and debt facilities available to Webjet post the Capital Reduction.

6 Limitations and reliance on information

In preparing this report and arriving at our opinion, we have considered the information detailed in Appendix 2 of this report. In forming our opinion, we have relied upon the truth, accuracy and completeness of any information provided or made available to us without independently verifying it. Nothing in this report should be taken to imply that KPMG Corporate Finance has in any way carried out an audit of the books of account or other records of Webjet for the purposes of this report.

Further, we note that an important part of the information base used in forming our opinion is comprised of the opinions and judgements of management. In addition, we have also had discussions with Webjet's management in relation to the nature of the Company's business operations, its specific risks and opportunities, its historical results and its prospects for the foreseeable future. This type of information has been evaluated through analysis, enquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

Webjet has been responsible for ensuring that information provided by it or its representatives is not false or misleading or incomplete. Complete information is deemed to be information which at the time of completing this report should have been made available to KPMG Corporate Finance and would have reasonably been expected to have been made available to KPMG Corporate Finance to enable us to form our opinion.

We have no reason to believe that any material facts have been withheld from us but do not warrant that our inquiries have revealed all of the matters which an audit or extensive examination might disclose. The statements and opinions included in this report are given in good faith, and in the belief that such statements and opinions are not false or misleading.

The information provided to KPMG Corporate Finance included forecasts/projections and other statements and assumptions about future matters (forward-looking financial information) prepared by the management of Webjet. Whilst KPMG Corporate Finance has relied upon this forward-looking financial information in preparing this report, Webjet remains responsible for all aspects of this forward-looking financial information. The forecasts and projections as supplied to us are based upon assumptions about events and circumstances which have not yet transpired. We have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to any forward-looking financial information, however we have made sufficient enquiries to satisfy ourselves that such information has been prepared on a reasonable basis.

Notwithstanding the above, KPMG Corporate Finance cannot provide any assurance that the forward-looking financial information will be representative of the results which will actually be achieved during the forecast period. Any variations in the forward looking financial information may affect our valuation and opinion.

The opinion of KPMG Corporate Finance is based on prevailing market, economic and other conditions at the date of this report. Conditions can change over relatively short periods of time. Any subsequent changes in these conditions could impact upon our opinion. We note that we have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

6.1 *Disclosure of information*

In preparing this report, KPMG Corporate Finance has had access to all financial information considered necessary in order to provide the required opinion. Webjet has requested that KPMG Corporate Finance limit the disclosure of some commercially sensitive information relating to Webjet and its subsidiaries. This request has been made on the basis of the commercially sensitive and confidential nature of the operational and financial information of the operating entities comprising Webjet. As such the information in this report has been limited to the type of information that is regularly placed into the public domain by Webjet.

7 Profile of Webjet

7.1 Company overview

Since its listing in 1997, Webjet has grown significantly both organically and through acquisitions and expanded into new markets as outlined in the table below.

Table 3: Webjet – Corporate history

Date	Event
1998	Webjet was founded in Melbourne, Australia, with the aim of creating an online platform for travel bookings, capitalising on the growing internet usage
2004	Webjet introduces the world's first travel services aggregation technology, bringing together multiple travel products for distribution to consumer
2009	Webjet acquires 20% of Taguchi Marketing, a provider of data driven marketing automation solutions to global companies
2013	Webjet launches WebBeds with the development and launch of Lots of Hotels in Dubai
2014	WebBeds acquires Sunhotels, a Spanish B2B provider focussed on Mediterranean and beach properties and a market leader in the Nordic countries
2015	WebBeds expands into the American market, launching Lots of Hotels in North America and Latin America
2016	Webjet acquires Online Republic, a leader in online bookings of rental cars, motorhomes and cruises (we note the cruise division was shut down in 2020 as a result of COVID-19)
2016	WebBeds develops and launches FIT Rumms in Singapore, expanding into the Asia Pacific market
2017	WebBeds acquires JacTravel, a London based B2B provider with a key strength in tier 1 European city properties. This acquisition made WebBeds the #2 provider in the global B2B market
2018	WebBeds acquires DOTW, a B2B business headquartered in Dubai. This aided WebBeds in consolidating its position as the clear #2 global provider
2019	WebBeds launches Umrah Holidays International (**UHI**), an online B2B provider of religious travel services
2020	WebBeds unifies its B2B trade brands under the WebBeds brand, streamlining processes for both supply and distribution partners
2021	Webjet acquires 25% LockTrip, a blockchain based B2C travel marketplace
2021	Webjet acquires Trip Ninja, integrating their FareStructure and FlexTrip technology into Webjet OTA, allowing Webjet to offer highly competitive and complex multi-stop travel itineraries
2021	Webjet rebrands and consolidates GoSee's two separate travel brands, Airport Rentals and Motorhome Republic, into one specialist land travel comparison website, GoSee
2022	WebBeds acquires 49% of ROOMDEX, automating the process for hotels to upsell offers to guests and make its product available to WebBeds hotel partners
2023	Webjet acquires the remaining 51% of ROOMDEX.

Source: Webjet website

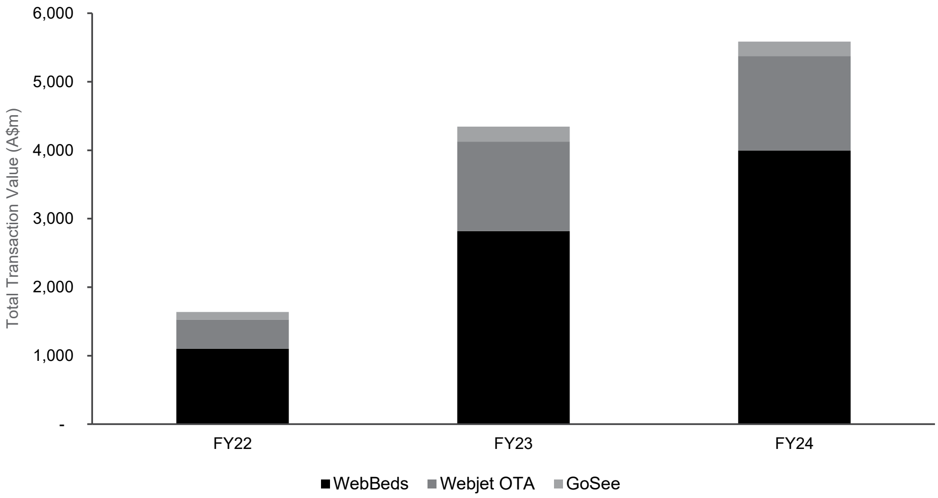
7.2 Business operations

Webjet is an integrated travel distribution company, comprising wholesale distribution of hotel rooms, destination management services, air ticket consolidation, wholesale leisure businesses and online operations for international and domestic travel. Webjet's business consists of a B2B wholesale division, WebBeds; and two B2C retail divisions, Webjet OTA and GoSee.

Both businesses operate online intermediary platforms with WebBeds offering hotel rooms to its wholesale customers and Webjet OTA and GoSee offering travel and travel related products to retail customers. Webjet acts as an agent in providing online travel booking services, with the supplier of the travel products being the principal (in the wider travel sales transaction), and customer (in the agency relationship). Total Transaction Value (**TTV**) represents the total invoiced value payable by the customer but Webjet (as agent), recognises revenue for this service in the amount of any fee or commission to which it is entitled in exchange for arranging a booking.

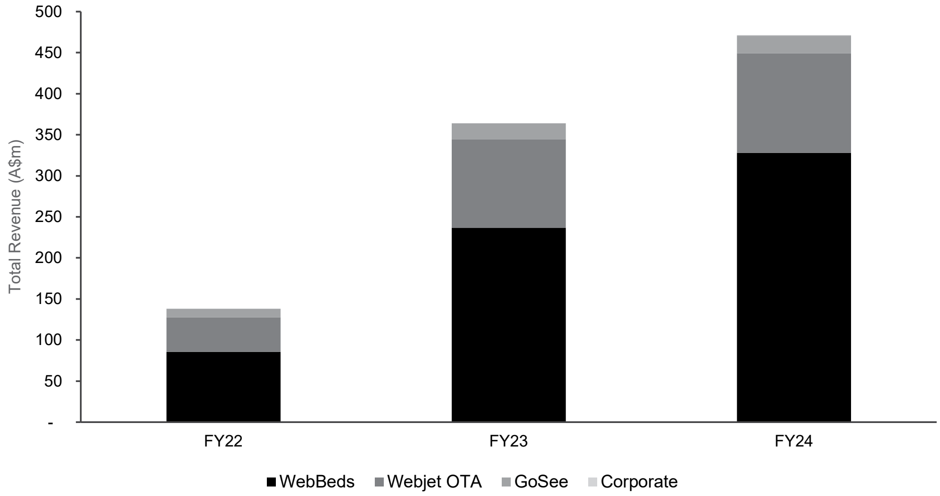
Webjet's commission can either be based on a booking fee, or the residual amount received from the customer after paying the associated cost to the supplier of the travel service. The figures below illustrates the breakdown of revenue and TTV between the B2B and B2C divisions from FY22 to FY24.

Figure 2: Webjet's TTV by division



Source: Webjet's 2023 Annual Report, 2024 Annual Report and KPMG Corporate Finance Analysis
Notes:
1. *May not calculate exactly due to rounding*

Figure 3: Webjet's sales revenue by division



Source: Webjet's 2023 Annual Report, 2024 Annual Report and KPMG Corporate Finance Analysis
Notes:
1. *Revenue excludes interest income*
2. *May not calculate exactly due to rounding*

The majority of Webjet's revenue is derived from WebBeds, which in FY24 represented 72% and 70% of total TTV and revenue, respectively. This high contribution is a result of it accelerating growth in the Asia Pacific (**APAC**) and Americas market. The remaining 28% and 30% of total TTV and revenue is from the B2C divisions which also saw growth in both international and domestic demand over the periods shown above.

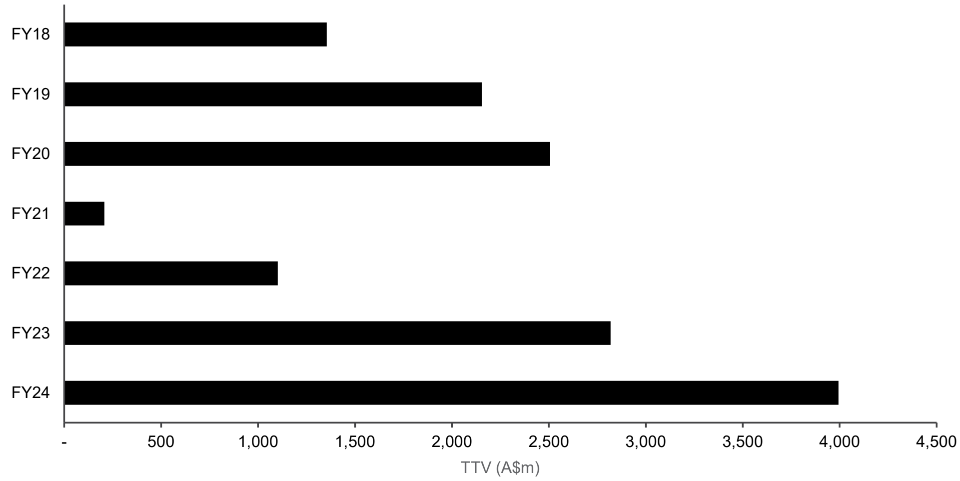
7.3 Profile of B2B wholesale division

7.3.1 Overview of WebBeds

The B2B division, collectively known as WebBeds is a global online marketplace for the wholesale distribution of hotel rooms. The business is a combination of organic start-ups, Lots of Hotels, FIT Rumms and acquisitions such as SunHotels, JacTravel and DOTW.

WebBeds sources its room inventory from direct contracts, third parties and hotel chains worldwide. This inventory is then made available as bookable products on WebBeds' Global Marketplace, an online marketplace for its distribution partners including OTAs, travel agents, wholesalers and tour operators who sell to the travelling public. With over 31,000 independent properties, 62,000 chain properties and 70 integrated third-party wholesalers, WebBeds offers more than 500,000 rooms worldwide and distributes its products to a global network of more than 50,000 distribution channels. The figure below illustrates WebBeds' significant growth in TTV at a compound annual growth rate (**CAGR**) of 20% from FY18 to FY24.

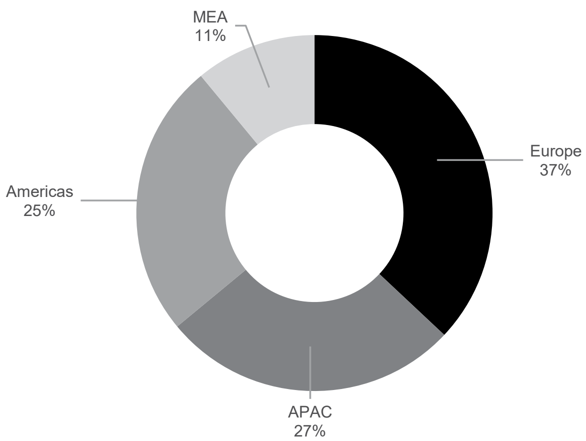
Figure 4: WebBeds' TTV from FY18 to FY24



Source: Webjet's 2024 Annual Report and KPMG Corporate Finance Analysis

Europe is WebBeds' largest market and continues to be a highly attractive market given the presence of numerous independent hotels and tour operators. The APAC and Americas markets showed strong growth in FY24 with new client wins and market share gains. The Middle East and Africa (**MEA**) remained materially lower, but it continues to offer a range of new growth opportunities. Illustrated in the figure below is analysis of WebBeds' TTV by region for FY24.

Figure 5: WebBeds' FY24 TTV by region



Source: Webjet's 2024 Annual Report and KPMG Corporate Finance Analysis

7.3.2 WebBeds operation summary

Table 4: WebBeds operation summary

	FY22	FY23	FY24
Bookings ('000s)	2,551	5,590	7,021
Average Booking Value (A$)	432	504	569
TTV (A$m)	1,101	2,818	3,994
Revenue (A$m)	85.6	236.7	327.9
Expenses (A$m)	90.2	119.6	165.5
EBITDA (A$m)	(4.6)	117.1	162.4
Revenue/TTV Margin	7.8%	8.4%	8.2%
EBITDA Margin	nm	49.5%	49.5%

Source: Webjet's 2023 Annual Report, 2024 Annual Report and KPMG Corporate Finance Analysis

We note the following in relation to WebBeds' operations:

- FY24 Bookings were up 26% over FY23 driven by growth in the APAC and Americas market
- TTV was up 42% at $4.0 billion due to improved average booking values and exchange rate tailwinds. Revenue was up 39% in line with the increase in TTV
- expenses reflect annualised headcount increases to enable the business to effectively scale going forward, as well as the significant increase in booking volumes
- EBITDA was up 39% reflecting strong EBITDA margins and benefit of scale.

To date, WebBeds has delivered significant organic growth by maintaining strong relationships in the market and expanding into new regions and channels. WebBeds has continued to win market share through investing in new technologies, consolidating its distribution channels and continual geographical expansion strategies. WebBeds strategy is to have a globally diversified portfolio, with APAC, Americas and Europe contributing equal weightings to TTV.

With the global wholesale hotel market being forecasted to grow by 7.7% CAGR[7] over FY24-FY30, WebBeds is targeting to reach $5.0 billion in FY25 and $10.0 billion by FY30.

7.4 Profile of B2C retail division

7.4.1 Overview of Webjet OTA

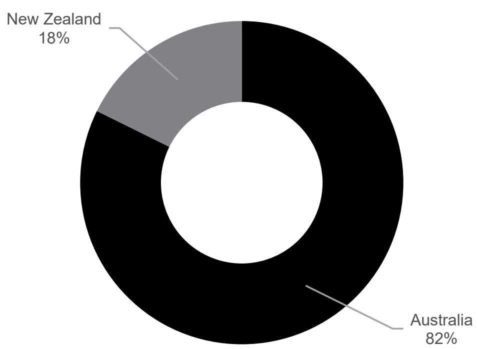
Based in Melbourne, Australia, Webjet OTA began as a small start-up in 1998 seeking to disrupt the traditional norm in a highly competitive online travel industry. In 2004, Webjet OTA brought to market the first travel services aggregation technology, and has continued to grow with that of the internet. With over 20 years in the Australian and New Zealand markets, Webjet OTA is Australia and New Zealand's largest online flight booking platform, offering domestic and

[7] Webjet's 2024 annual report; "Global outlook in travel and deep dive into hotel wholesale industry" Euromonitor International November 2023

international flight bookings, hotel bookings, holiday packages and ancillary products including travel insurance, automobile hires and holiday activities.

Illustrated in the figure below is a geographical breakdown of FY24 B2C revenues.

Figure 6: FY24 B2C revenue by region



Source: Webjet's 2024 Annual Report and KPMG Corporate Finance Analysis Source:
Notes:
1. *Total B2C (Webjet OTA and GoSee) and Corporate revenue*
2. *Excludes other income*

On 24 November 2021, Webjet acquired Trip Ninja to integrate their FareStructure and FlexTrip technology into Webjet OTA to increase customer acquisition by substantially reducing fares on ex-Australia multi-city trips. Used in combination, FareStructure and FlexTrip gives travellers the ability to find the best pricing travel options for multi-stop domestic and international itineraries.

Since the COVID-19, Webjet OTA's overall market share has increased to 8.2% of the Global Distribution System (**GDS**)[8], with both international and domestic bookings market share higher than pre-COVID levels.

[8] Webjet's 2024 annual report

7.4.2 *Webjet OTA's operation summary*

Table 5: Webjet OTA's operation summary

	FY22	FY23	FY24
Bookings ('000s)	662	1,273	1,342
Average Booking Value (A$)	647	1,025	1,028
TTV (A$m)	428	1,305	1,380
Revenue (A$m)	41.9	107.8	121.2
Expenses (A$m)	32.5	64.4	67.0
EBITDA (A$m)	9.4	43.4	54.2
Revenue/TTV Margin	9.8%	8.3%	8.8%
EBITDA Margin	22.5%	40.3%	44.7%

Source: Webjet's 2023 Annual Report, 2024 Annual Report and KPMG Corporate Finance Analysis

We note the following in relation to Webjet OTA's operations:

- FY24 Bookings were up 5% over FY23 as international capacity returned following the COVID-19 induced capacity constraints
- TTV was up 6% as average booking values reflect international pricing. Revenue was up 12% with higher margin revenue opportunities helping to offset lower commission on international fares
- FY24 expenses reflect the continued focus on cost efficiencies and maintaining marketing expenses at 1.5% of TTV (down from 2% pre-COVID-19)
- FY24 EBITDA was up 25% over FY23 and EBITDA margins improved to 44.7%.

Webjet OTA saw strong improvement across all key metrics compared to FY23. Bookings were driven by the return of international travel capacity. Higher margin products and new revenue sources helped to offset the lower commission earned on international fares. Together with the continued focus on cost efficiencies, this helped to deliver an increase in EBITDA.

7.4.3 *Overview of GoSee*

In June 2016, Webjet acquired Online Republic, a market leading global e-commerce group based in New Zealand specialising in online bookings of rental cars, motorhomes and cruises, together with an internally-developed search engine optimisation and digital marketing business. In October 2021, Webjet rebranded and consolidated GoSee's two separate travel brands, Airport Rentals and Motorhome Republic, into one specialist land travel comparison website, GoSee. The cruise division was shut down in 2020 as a result of COVID-19.

7.4.4 GoSee's operation summary

Table 6: GoSee's operation summary

	FY22	FY23	FY24
Bookings ('000s)	208	278	300
Average Booking Value (A$)	522	800	703
TTV (A$m)	108	222	211
Revenue (A$m)	10.5	19.5	21.6
Expenses (A$m)	13.6	17.9	19.9
EBITDA (A$m)	(3.0)	1.6	1.7
Revenue/TTV Margin	9.7%	8.8%	10.2%
EBITDA Margin	nm	8.2%	7.9%

Source: Webjet's 2023 Annual Report, 2024 Annual Report and KPMG Corporate Finance Analysis

We note the following in relation to GoSee's operations:

- FY24 Bookings were up 8% over FY23 as the domestic demand for car rentals returned. Motorhomes remains impacted by inbound tourism and supply challenges
- FY24 revenue was up 11% over FY23 reflecting improved TTV margins from car rentals
- higher FY24 expenses reflects investment in upskilling the team and enhancing technology.

GoSee saw slight improvements over FY23, as domestic demand returned and stock levels increased for car rentals. However, international tourism was yet to fully return to New Zealand and Motorhome supply levels remained depressed and expensive.

Profitability is highly linked to the return of international tourism into New Zealand.

7.5 Historical financial performance

Webjet's historical audited financial performance for each of FY22, FY23 and FY24 is summarised below.

Table 7: Webjet segment information

A$m	Audited 12 months 31-Mar-22	Audited 12 months 31-Mar-23	Audited 12 months 31-Mar-24
Total transaction value[1]	1,637.5	4,345.5	5,585.0
Revenue from customers			
B2B	85.6	236.7	327.9
B2C	52.4	127.3	142.8
Corporate	-	0.4	0.8
Total revenue from customers[2]	**138.0**	**364.4**	**471.5**
Operating costs	(153.0)	(227.6)	(282.5)
Share of net loss from associates	(0.1)	(2.0)	(0.9)
Underlying EBITDA			
B2B	(4.6)	117.1	162.4
B2C	6.3	45.0	55.9
Corporate	(16.8)	(27.3)	(30.2)
Total underlying EBITDA[3]	**(15.1)**	**134.8**	**188.1**
Share-based payment expense	(9.6)	(7.6)	(6.7)
Other non-operating income/(expenses)	(18.2)	(12.2)	9.5
Statutory EBITDA[4]	**(42.9)**	**115.0**	**190.9**
Impairment expenses	-	(5.9)	(38.8)
Depreciation and amortisation	(25.3)	(44.5)	(29.7)
Acquired amortisation[5]	(18.0)	(24.1)	(15.8)
Net finance cost	(18.7)	(21.7)	(23.2)
Gain on remeasurement of Convertible Notes	-	-	25.3
Profit before tax	**(104.9)**	**18.8**	**108.7**
Income tax expense	23.3	(4.3)	(36.0)
Net profit after tax	**(81.6)**	**14.5**	**72.7**

Source: Webjet's 2023 Annual Report, 2024 Annual Report and KPMG Corporate Finance Analysis

Notes:

1. *TTV is the gross transaction price on a booking*
2. *As Webjet is considered an agent in providing travel services, only net commission receivable is recognised as revenue*
3. *Represents earnings before interest, tax, depreciation and amortisation, share-based payment expenses and non-operating income/(expenses)*
4. *Statutory EBITDA excludes impairment expense charged against Goodwill and Investment in Associate for the period*
5. *Acquisition amortisation represented amortisation on the additional intangible values recognised under AASB 3 following a business combination*

We note the following in relation to Webjet's historical financial performance:

- revenue from customers increased from $364.3 million to $471.3 million in FY24, or 29% increase over FY23. This reflects the return of travel demand towards pre-COVID-19 level, indicated by strong growth in both the WebBeds and Webjet OTA business, with booking numbers increasing by 26% and 5%, respectively and combined Webjet TTV increased by 29% from $4.3 billion to $5.6 billion
- B2B FY24 Revenue and underlying EBITDA both increased by 39%, which was mainly driven by sustained growth across the APAC, Americas and European regions
- B2C FY24 Revenue and underlying EBITDA increased by 12% and 24%, respectively

- an impairment expense of $28.3 million was recorded in FY24 relating to underperformance of GoSee products.

7.6 Historical financial position

Webjet's historical audited consolidated financial position as at each of 31 March 2022, 31 March 2023 and 31 March 2024 is summarised below.

Table 8: Webjet historical consolidated financial position

A$m	Audited 31-Mar-22	Audited 31-Mar-23	Audited 31-Mar-24
Cash and cash equivalents	433.7	513.9	630.1
Trade receivables and other assets	120.3	205.0	280.0
Investment in financial assets	-	-	43.3
Total current assets	**554.0**	**718.9**	**953.4**
Intangible assets	766.5	802.5	790.6
Property, plant and equipment	21.0	17.8	28.9
Deferred tax asset	43.0	36.7	27.1
Investment in associates	19.2	12.0	-
Other non-current assets	2.1	0.3	0.3
Total non-current assets	**851.8**	**869.3**	**846.9**
Total assets	**1,405.8**	**1,588.2**	**1,800.3**
Trade payables and other liabilities	276.8	433.7	523.6
Derivative financial instruments	0.3	-	-
Other current liabilities	58.5	67.2	73.6
Total current liabilities	**335.6**	**500.9**	**597.2**
Borrowings	307.8	235.3	224.3
Derivative financial instruments	0.1	0.2	-
Deferred tax liabilities	18.5	12.4	20.9
Other non-current liabilities	5.4	5.2	17.1
Total non-current liabilities	**331.8**	**253.1**	**262.3**
Total liabilities	**667.4**	**754.0**	**859.5**
Net assets	**738.4**	**834.2**	**940.8**
Issued capital	1,037.8	1,050.1	1,066.7
Reserves	(29.4)	39.6	77.5
Retained losses	(270.0)	(255.5)	(203.4)
Total equity	**738.4**	**834.2**	**940.8**
Shares on issue (m)	*381*	*383*	*387*
Net asset backing per share ($)	*1.9*	*2.2*	*2.4*
Current ratio (times) [1]	*1.7*	*1.4*	*1.6*
Gearing (%) [2]	*41.7*	*28.2*	*23.8*

Source: Webjet's 2023 Annual Report, 2024 Annual Report and KPMG Corporate Finance Analysis

Notes:

1. *Current ratio represents current assets divided by current liabilities*
2. *Gearing represents borrowings divided by net assets*
3. *Amounts may not add exactly to due to rounding*

We note the following in relation to Webjet's historical financial position:

- the movement in cash and cash equivalents is largely a result of increased proceeds from operations of $183.8 million due to the resumption of travel, as well as effective cost management
- investment in financial assets comprise of equity linked financial assets. As announced on 4 September 2023, the Company's capital management initiatives include obtaining 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 relating to Convertible Notes (discussed in 7.6.1)
- trade and other receivables / payables increased during the year in-line with the substantially higher trading volumes experienced in WebBeds
- intangible assets predominately relate to goodwill and other identifiable intangibles from historical acquisitions and capitalised development costs associated with the groups travel booking system and licences. Intangible assets decreased in FY24 primarily due to an impairment charge (relating to GoSee goodwill) and movements in foreign currency exchange
- borrowings of $224.3 million relate to Convertible Notes, discussed below.

7.6.1 Convertible Notes

Webjet's borrowings of $224.3 million as at 31 March 2024 comprise of the Convertible Notes issued in April 2021. The key terms are summarised below.

Table 9: Key terms of the Convertible Notes

Term	Description
Issuer	Webjet Limited
Issue Size	$250 million
Term	5 years
Conversion period	Convertible at any time on or after the 41st day after the settlement date until 10 business days prior to the Final Maturity Date
Investor Put Option	On or about 12 April 2024 (3 years)
Final Maturity Date	On or about 12 April 2026 (5 years)
Coupon	0.75% per annum, payable on a semi-annual basis
Conversion Premium	22.5% over the Reference Share Price (A$5.18), providing for a Conversion Price of A$6.35
Physical Settlement	The notes will be convertible into fully paid ordinary shares
Conversion Price Adjustments	Standard anti-dilutive adjustments including Conversion Price adjustment for all dividends paid by Webjet and upon a Change of Control

Status	Direct, unsubordinated, unconditional and unsecured obligations of the Issuer. The payment obligations of the Issuer under the notes rank equally with all its other existing and future unsecured and unsubordinated obligations
Listing	Singapore Exchange Securities Trading Limited

Source: Webjet's announcement of convertible notes settlement on 12 April 2021

The investor put option was not exercised in April 2024. Webjet therefore reassessed the estimated timing of cashflows of the Convertible Notes and remeasured the effective interest to the contractual maturity of 12 April 2026. The remeasurement of the carrying value of the $250 million of the Convertible Notes resulted in a gain of $25.3 million which is recognised under '*Gain on remeasurement of Convertible Notes*' in the statement of financial performance.

At 31 March 2024 the liability and equity portions of the Convertible Note amounted to $224.3 million and $25.1 million, respectively.

7.7 *Historical cashflows*

Webjet's historical consolidated statement of cashflows for each of FY22, FY23 and FY24 is summarised below.

Table 10: Webjet historical consolidated statement of cashflow

A$m	Audited 12 months 31-Mar-22	Audited 12 months 31-Mar-23	Audited 12 months 31-Mar-24
Net profit/(loss) after tax	(81.6)	14.5	72.7
Add back:			
- Depreciation and amortisation	43.3	68.6	45.5
- Impairment	-	5.9	38.8
- Share of net loss from associates	0.1	2.0	0.9
- Finance cost, net of interest income	18.7	21.7	23.2
- Gain on remeasurement of Convertible Notes	-	-	(25.3)
- Income tax expense/(benefit)	(23.3)	4.3	36.0
Earnings before interest, tax, depreciation, amortisation	**(42.8)**	**117.0**	**191.8**
Adjusted for changes in working capital:			
- (Increase) in trade debtors and other receivables	(72.1)	(89.2)	(59.8)
- Increase in trade payables and other liabilities	175.6	145.3	67.3
Non-cash items[1]	18.9	7.6	(3.3)
Cash flow from operating activities before interest and tax paid	**79.6**	**180.7**	**196.0**
Net finance cost paid	(7.8)	(4.4)	(8.5)
Income tax expense paid	(0.3)	-	(3.7)
Net cash flows from operating activities	**71.5**	**176.3**	**183.8**
Purchase of property, plant and equipment	(2.2)	(1.8)	(4.5)
Payment in relation to DOTW earn-out	(4.4)	-	-
Purchase of subsidiary net of overdraft assumed/ cash acquired	(3.5)	-	-
Settlement of deferred consideration	-	-	(2.2)
Investment in financial assets	-	-	(33.3)
Investment in associates	(19.2)	-	-
Purchase of intangible assets	(19.2)	(32.3)	(36.9)
Dividends received	0.1	0.1	0.1
Net cash outflows from investing activities	**(48.4)**	**(34.0)**	**(76.8)**
Payment of dividends	(12.2)	-	-
Payment for conversion incentive in relation to settlement of Euro Notes	(33.2)	-	-
Proceeds from issue of share capital, net of share issue costs	4.6	5.2	5.7
Proceeds from borrowings	245.4	1.8	-
Repayments of borrowings	(47.4)	(86.0)	-
Payments of lease liabilities	(3.3)	(4.5)	(3.9)
Net cash inflows from financing activities	**153.9**	**(83.5)**	**1.8**
Net increase in cash and cash equivalents	**177.0**	**58.8**	**108.8**
Cash and cash equivalents at the beginning of period	261.0	433.7	513.9
Effects of foreign exchange translation on cash and cash equivalents	(4.3)	21.4	7.4
Cash and cash equivalents at end of period	**433.7**	**513.9**	**630.1**

Source: Webjet's 2023 Annual Report, 2024 Annual Report
Notes:
1. *Comprised of share-based payments expense (2024:$6.7 million, 2023:$7.6 million, 2022:$9.6 million) and non-cash income (2024:$10 million, 2023: $nil, 2022: $9.3 million)*

We note the following in relation to Webjet's historical cashflows:

- Webjet's cash and cash equivalents increased from $513.9 million to $630.1 million as at 31 March 2024, primarily due to the overall increase in TTV and revenue throughout the year, which resulted in a significant increase in net profit after tax in FY24
- $33.3 million was invested in equity linked financial assets (noted above)
- purchase of intangible assets of $36.9 million relates to the capitalisation of development costs associated with the groups travel booking system and licences and other intangibles assets.

7.8 *Taxation*

Webjet, as the head entity of the income tax consolidated group, and its Australian subsidiaries have entered into a tax sharing agreement in order to allocate income tax expense.

As at 31 March 2024, Webjet recognised a deferred tax asset of $29 million in relation to unused tax losses, after the utilisation of $8.3 million of carried forward tax losses and derecognition of tax losses attributable to the GoSee Business of $4.2 million in the current income year.

As at 31 March 2024, Webjet had $0.5 million of franking credits based on a tax rate of 30%.

7.9 *Net Cash*

Webjet's historical net cash position for FY23 and FY24 is summarised below.

Table 11: Webjet net cash position

A$m	FY23	FY24
Cash at bank and on hand (excluding restricted cash)	469.0	587.2
Financial investments	-	43.3
Total Cash	**469.0**	**630.5**
Less: Borrowings	235.3	224.3
Total Borrowings	**235.3**	**224.3**
Net Cash	**233.7**	**406.2**
Gearing ratio		
Borrowings	*235.3*	*224.3*
Equity	*834.2*	*940.8*
Gearing (%)	*28.2*	*23.8*

Source: Webjet's 2024 Annual Report

We note the following in relation to Webjet's net cash position:

- Webjet's cash at bank and on hand increased from $469.0 million to $630.5 million as at 31 March 2024, primarily due to a strong cash generation of $183.8 million[9] from operations and $43.3 million of investments, including capital management initiatives
- decrease in Webjet's borrowings from $235.3 million to $224.3 primarily due to remeasurement of Convertible Notes discussed above.

7.10 Board of Directors

The current Directors of Webjet are set out below.

Table 12: Webjet's board of directors

Name	Board Position
Roger Sharp	Non-Executive Chairman
John Guscic	Managing Director
Don Clarke	Non-Executive Director and Deputy Chair
Brad Holman	Non-Executive Director
Denise McComish	Non-Executive Director

Source: Webjet's 2024 Annual Report

7.11 Share capital and ownership

7.11.1 Ordinary shares on issue

As at 30 April 2024, Webjet had approximately 388.7 million ordinary shares on issue. Webjet's Shareholders as at 31 March 2024 are summarised in the table below.

Table 13: Webjet's significant shareholders

Shareholder	Number held (millions)	Percentage of shares issued (%)
Ausbil Investment Mgt (Sydney)	22.24	5.72
First Sentier Investors – Australian Small Companies (Sydney)	17.43	4.48
First Sentier Investors – Growth Australian Equities (Sydney)	16.93	4.35
Paradice Investment Mgt (Sydney)	14.16	3.64
Vanguard Group (Philadelphia)	13.43	3.45
Remaining	304.54	78.34

Source: Webjet's 2024 Annual Report

7.11.2 Performance rights

As at 30 April 2024, Webjet had 5,035,986 performance rights held by 188 individuals, to which no voting rights are attached.

Following the Demerger, for fully vested performance rights (FY21 and FY22 performance rights), the Trustee of the Webjet Employee Share Trust (**the Trustee**) will hold Webjet B2C

[9] Webjet's 2024 annual report

shares it receives (in its capacity as a Webjet Shareholder) in trust for holders of performance rights. Terms of the performance rights will be amended with the effect that, on exercise of the right, the holder will receive one WEB Travel Group share and one Webjet B2C share.

For the FY23 unvested performance rights, the testing date will be brought forward to a date before the Demerger Record Date. The terms of the performance rights will be amended in the same manner as the FY21 and FY22 Performance Rights.

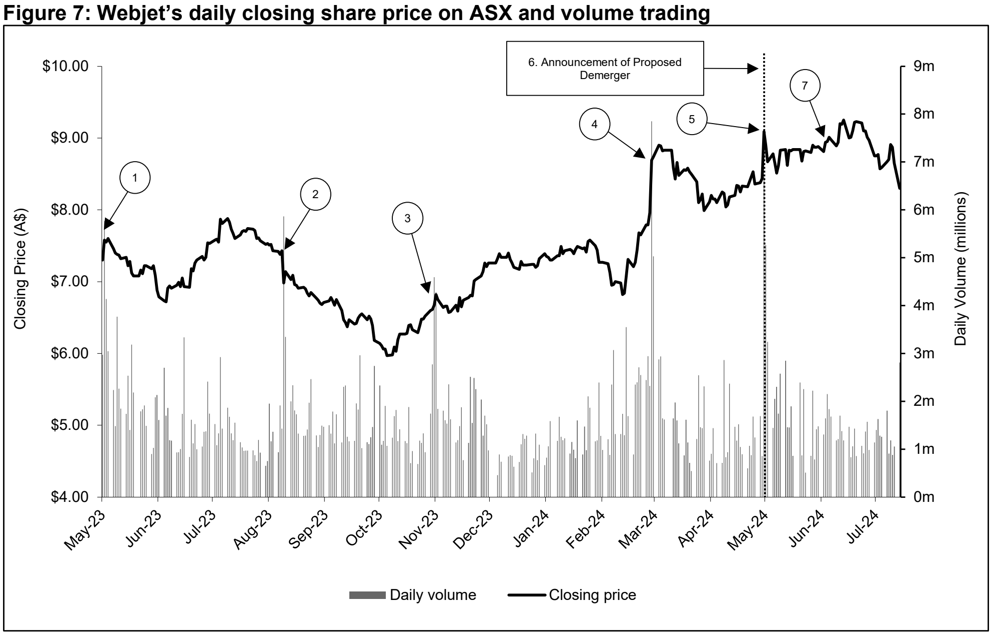
For the FY24 unvested performance rights, the testing date will be brought forward to a date before the Demerger Record Date. Vested FY24 Performance Rights will be cash settled by payment in four equal tranches in December 2024, March 2025, June 2025 and September 2025, subject to continued employment by either WEB Travel Group or Webjet B2C on the relevant payment date. The value of the cash payment will be determined using the 20-day VWAP of Webjet shares prior to the date that Webjet shares trade on an ex-Demerger entitlement basis.

Further details regarding performance rights are set out in Section 4.6 of the Demerger Booklet.

7.12 *Share price and volume trading history*

The chart below depicts Webjet's daily closing price on the ASX over the 12-month period to 22 May 2024 (inclusive), being the last trading day prior to the announcement of the Demerger, and for the subsequent period to 5 August 2024, along with the combined daily volume of shares traded on the ASX and Chi-X over the period.

Figure 7: Webjet's daily closing share price on ASX and volume trading



Source: IRESS, KPMG Corporate Finance Analysis and ASX announcements

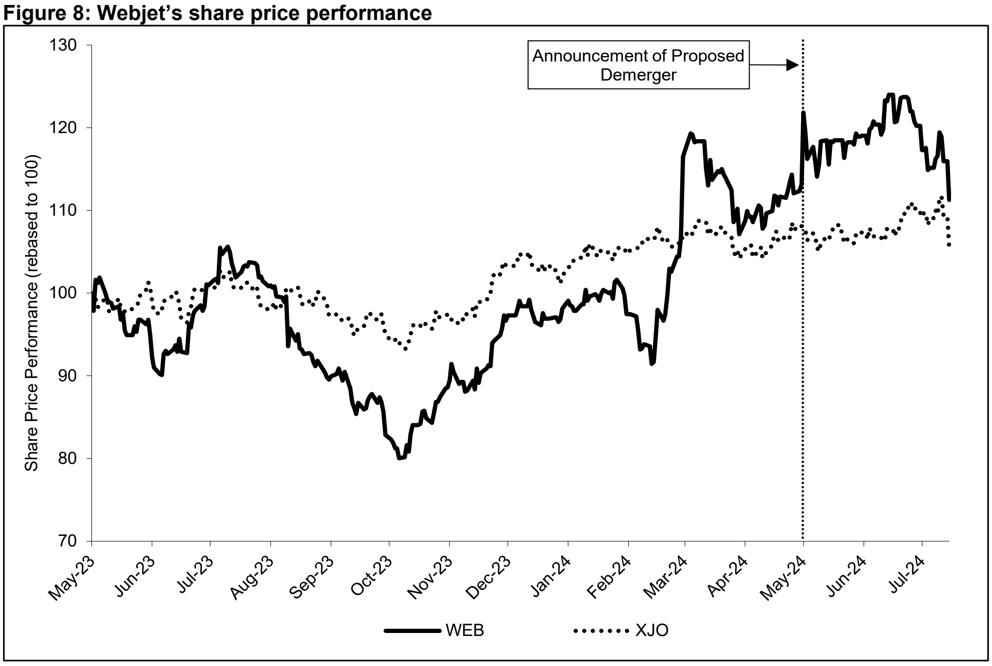
Webjet announcements identified on the ASX website as being price sensitive over the 12-month period to 22 May 2024, and for the subsequent period to 5 August 2024 include:

1. 24 May 2023. Announcement of financial results for FY23
2. 31 August 2023. Release of Managing Director's presentation, presented at Webjet's annual general meeting
3. 22 November 2023. Announcement of financial results for the six months to 30 September 2023
4. 21 March 2024. Presentation of 2024 WebBeds strategy day presentation
5. 22 May 2024. Announcement of FY24 financial results
6. 22 May 2024. Webjet announced it is exploring a separation of WebBeds and Webjet B2C via a demerger, creating two standalone ASX-listed companies
7. 24 June 2024. Webjet Limited continues to progress the potential separation of its two leading divisions, WebBeds and Webjet B2C, via a demerger.

7.13 Relative share price performance

As illustrated in the figure below, Webjet shares underperformed the S&P/ASX 200 index (**XJO**) for the majority of the 12 month period to 22 May 2024 (being the last trading day prior to the announcement of the Demerger). However, following announcement of the FY24 results and the Demerger, Webjet has outperformed the XJO and for the subsequent period to 5 August 2024.

Figure 8: Webjet's share price performance



Source: Capital IQ and KPMG Corporate Finance Analysis

7.13.1 *Trading Liquidity on ASX*

An analysis of the volume of trading in Webjet's shares over various periods in the 12 months to 22 May 2024 (inclusive) is set out in the table below.

Table 14: Trading liquidity in Webjet's shares prior to 22 May 2024

Period up to and including 22 May 24	Price (low) A$	Price (high) A$	Price VWAP A$	Cumulative value A$m	Cumulative volume m	% of issued capital
1 day	9.02	9.72	9.22	61.7	6.7	1.7%
1 week	8.26	9.72	8.88	108.0	12.2	3.1%
1 month	7.95	9.72	8.48	268.1	31.6	8.1%
3 months	6.76	9.72	8.10	911.3	112.5	29.0%
6 months	6.50	9.72	7.68	1,508.8	196.4	50.8%
12 months	5.92	9.72	7.32	3,054.4	417.2	108.1%

Source: IRESS, Capital IQ and KPMG Corporate Finance Analysis
Notes:
1. *Share price data represents intra-day trading rather than closing prices*
2. *Percentage of issued capital is the cumulative volume traded over the period divided by the weighted average number of shares on issue over that period*

Webjet's shares exhibited strong liquidity over the 12-month period to 22 May 2024 (inclusive), with an average of approximately 0.4% of issued capital traded per day, and an average daily value of approximately $12 million. Over the 12-month period Webjet's shares were traded on all available trading days on the ASX.

An analysis of the volume of trading in Webjet's shares over the period 22 May 2024 to 5 August 2024 inclusive is set out below, over which time Webjet's shares were traded on all the trading days available.

Table 15: Trading liquidity in Webjet's shares post 22 May 2024

Period from 23 May 24 to 5 Aug 24 incl.	Price (low) A$	Price (high) A$	Price VWAP A$	Cumulative value A$m	Cumulative volume m	% of issued capital
75 days	8.20	9.34	8.84	725.6	82.1	21.0%

Source: IRESS, Capital IQ and KPMG Corporate Finance Analysis
Notes:
1. *Share price data represents intra-day trading rather than closing prices*
2. *Percentage of issued capital is the cumulative volume traded over the period divided by the weighted average number of shares on issue over that period*

Since 22 May 2024, Webjet's share price has decreased from the closing price on that day.

8 Background on Demergers

8.1 Rationale

The broad principle underlying demergers is that capital markets do not reward corporate diversification unless there are significant synergies available to a corporate from holding a diversified portfolio of assets or there is some other strategic rationale. Investors can achieve diversification themselves and it is generally accepted that investors prefer the investment flexibility resulting from the separation of assets into separate 'pure play' investments. Consequently, demergers have typically been undertaken to create investment opportunities with a single geographic focus, a single industry focus or a single product focus. However, demergers may be undertaken for a variety of strategic reasons.

A 'pure' demerger involves a transfer of shares in a wholly owned subsidiary to shareholders of the parent entity on a pro rata basis, where the underlying economic interest of the shareholders remains the same.

There are a number of variants to a 'pure' demerger, which generally result in some alteration to the ownership structure of the demerged entity. These include:

- *a majority demerger,* similar to a pure demerger, however the parent entity either retains a minority interest in the demerged entity or sells the minority interest via an IPO or private sale process
- *an equity carve out,* where the parent entity or its shareholders retain an interest in a newly formed entity with the balance of the equity sold through an IPO process to newly introduced shareholders
- *a divestiture or spin off,* where 100% of the demerged entity is sold through an IPO or other sale process.

Although the rationale behind the various forms of demergers is similar, as the Demerger is a 'pure' demerger, we have focused our analysis on demergers where there is no change in the total underlying economic interest of the shareholders.

8.1.1 Benefits of demergers

The findings of various studies[10], suggest that the following benefits will likely drive the extent to which a demerger creates value.

Table 16: Benefits of a demerger

Benefit	Driver
Shareholder flexibility	Separation of the parent and the demerged entities enables investors to manage their own portfolio diversification according to their investment preferences. In addition, it may attract new investors in demerged entities which are more focussed and aligned with a specific industry or market segment
Investment transparency	Additional reporting and disclosure in the demerged entity will provide investors better access to data and management decision making. This may increase analyst coverage and investors' confidence
Management focus and accountability	Separate boards and senior management teams can focus on their respective businesses and strategic objectives. Further, management incentives are more closely aligned with the strategy and performance within management control
Strategic focus	Demerged entities can pursue growth initiatives independently and better align their strategy with their specific risk/return profile and growth prospects
Financial flexibility	Demerged entities can independently manage their capital requirements in accordance with their strategic objectives, which may resolve existing capital allocation conflicts and may also provide greater flexibility in funding future growth initiatives, including strategic acquisitions
Market re-rating	Increased transparency may result in removal of a 'conglomerate discount' (where applicable) via a market re-rating where the demerged entities' share prices better align with peers.
Takeover potential	A demerged or parent entity may have a better industry specific focus and thus may be more attractive to potential buyers. Shareholders may benefit from takeover offers with a premium to share price for potential synergies

[10] See for example: 'Breaking up is good to do' The McKinsey Quarterly, 1 January 1999, 'Doing the spin-out' The McKinsey Quarterly, 1 January 2000, 'The performance effects of European demergers' Thomas Kirchmaier, London School of Economics and Political Science, May 2003 and 'Q-Series: Spin-offs and demergers' UBS Investment Research, 14 April 2005

8.1.2 Disadvantages of demergers

The findings of various studies[11] suggest that one or more of the following disadvantages or risks may detract from value creation.

Table 17: Disadvantages of a demerger

Disadvantage/Risk	Driver
Increased corporate and funding costs	The transformation of the demerged entity into a separately listed entity may impose transition risks and increased costs from duplicating corporate functions, a separate listing and own capital structure
Transaction costs	Demerger will incur one-off transaction costs, including advisory fees, restructuring costs to separate the demerging business(es) and costs associated with establishing new debt facilities
Reduced trading liquidity	Lower market capitalisations of demerged entities may change index weightings, which in turn may affect trading liquidity and investor interest
Loss of synergies	Whether through the loss of cross selling opportunities or staff, or a higher risk rating as a smaller company, the demerged entities may lose some of the benefits of operating as a larger group
Loss of diversification	A non-diversified company may be more exposed to adverse market conditions, as well as industry specific risks
Exposure of immature businesses	Risk that immature and unsustainable businesses may be exposed to the market, which lack the necessary commerciality or flexibility to survive outside a parent company's structure

8.2 Market evidence

It is important to note the potential results of a demerger will not occur instantaneously. Consequently, changes in shareholder value need to be measured over time to determine how effective a demerger has been in creating shareholder value.

A number of empirical studies have been carried out regarding the effectiveness of demergers creating shareholder value. The studies tend to look at the impact of a demerger on share price at the announcement date and for a period post the completion of the demerger. However, most of these empirical studies focus on both the European and US markets. Therefore, we have analysed demergers implemented in Australia since 2000 to supplement these empirical studies.

[11] Ibid

8.2.1 Empirical studies

While empirical studies found that most demergers created shareholder value, there was no conclusive evidence as to what characteristics created a successful demerger and thus no way of concluding whether a particular demerger will be effective in creating shareholder value.

Furthermore, it should be noted that no definitive conclusions as to the benefit of demergers can be made, largely because it is impossible to reliably assess what would have happened to the company's share price had the demerger not occurred. Some of the conclusions and evidence derived from empirical studies are summarised below:

- the announcement effect of a demerger on share price was positive in the majority of cases[12]. Although lower than observed in US markets, one Australian based study[13] observed a positive 3-day announcement effect of 2.93%
- the majority of companies outperformed the market since the demerger[14]. However, it is important to note:
  - not all demergers created shareholder value
  - the value created by the demerger was not evenly split between the demerged entity and the parent entity, with the demerged entity often outperforming the parent entity. In particular, a research report[15] found that the demerged entity typically underperformed the market for a period of six months following the demerger and eventually outperformed the market after 12 months. The parent entity's performance typically mirrored the market over the same 12 month period
  - other factors, such as company size, may have also affected the outcome, with smaller demergers often outperforming larger demergers.
- both the demerged entity and the parent entity experienced an unusually high incidence of takeover activity in the first three years following the demerger[16]. Positive abnormal returns were achieved where companies got involved in takeover activity. The findings suggest that demergers may provide a trigger to facilitate the future transfer of control to a bidder in a cost effective manner, which ultimately enhances shareholder value

[12] See for example: 'Breaking up is good to do' The McKinsey Quarterly, 1 January 1999, 'Doing the spin-out' The McKinsey Quarterly, 1 January 2000, 'The performance effects of European demergers' Thomas Kirchmaier, London School of Economics and Political Science, May 2003 and 'Q-Series: Spin-offs and demergers' UBS Investment Research, 14 April 2005

[13] D. Chai, K. Lin and C. Veld, "Value-creation through spin-offs: Australian evidence", Australian Journal of Management, Vol 43, 2017

[14] Ibid

[15] Macquarie Equities Research, "Australian Quant Action, Demergers: Breaking up is hard to do", 24 May 2022.

[16] Patrick J. Cusatis, James A. Miles and J. Randall Woolridge, "Restructuring through spinoffs, the stock market evidence", Journal of Financial Economics, Volume 33 No. 3, June 1993

- positive abnormal returns achieved by demergers were directly related to the degree of information asymmetry that existed in the combined entity[17]. The findings suggest that value is enhanced when capital markets were better informed about the risk / return profile and growth prospects of the demerged entity following the demerger. Further, both the parent entity and demerged entity are generally able to raise more capital as a result of the greater transparency following the demerger
- where the main rationale for the demerger was to increase focus, significantly higher long-run abnormal returns were achieved as compared to other demergers[18]. This was particularly evident where the parent entity and the demerged entity operated in different industries[19]. A focus driven demerger reduces the diversity of assets under management and thereby increases the efficiency of management.

8.2.2 Analysis of recent demergers in Australia

This section provides analysis of Australian demergers since 2000.

Our analysis excludes demergers completed in the metals and mining sectors, as the rationale and returns for these transactions may be materially impacted by specific industry factors such as exploration outcomes, volatile share and commodity pricing, regulatory and geopolitical issues.

For the selected demergers (as detailed in Appendix 3), we have analysed:

- the rationale of the demerger as outlined in the respective scheme booklet
- the relative share price performance during the demerger process, including the effect of the announcement and any initial market re-rating on the first day of trading as demerged entities
- the relative share price performance post implementation of the demerger for periods of three months, one year and two years after the date the demerged entity was listed on the stock exchange
- the aggregate relative share price performance of all continuing entities (or parent entities) and all demerged entities two years after the date the demerged entity was listed on the stock exchange.

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[17] Sudha Krishnaswami and Venkat Subramaniam, "Information asymmetry, valuation, and the corporate spin-off decision", Journal of Financial Economics, Volume 53, No. 1, July 1999

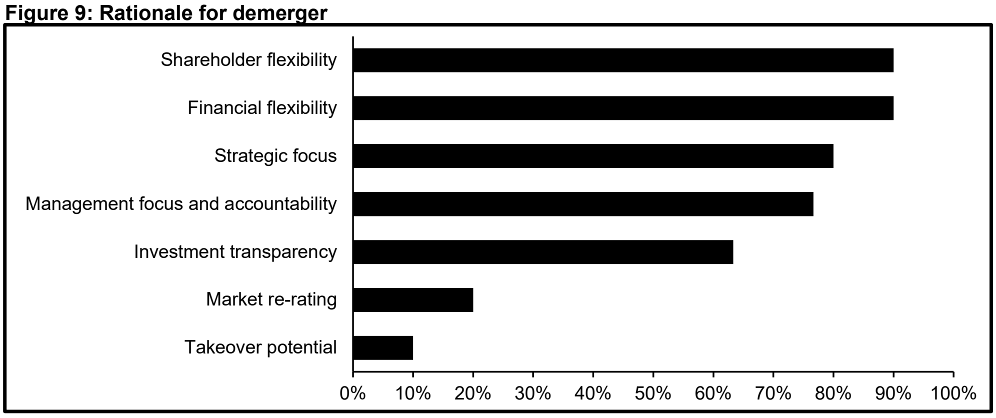
[18] Hemang Desai and Prem C Jain, "Firm performance and focus: long-run stock market performance following spinoffs", Journal of Financial Economics, Volume 54, No. 1, October 1999

[19] Lane Daley, Vikas Mehrotra and Ranjini Sivakumar, "Corporate focus and value creation, evidence from spinoffs", Journal of Financial Economics, Volume 45, 1997

Rationale

The figure below summarises the rationale of the selected demergers based on the benefits referred to in the respective scheme booklets.

Figure 9: Rationale for demerger



Source: Scheme booklets of the selected demergers, KPMG Corporate Finance Analysis
Note: The figure illustrates the number of scheme booklets, in percentage terms, which references the respective benefit as part of their rationale for the proposed demerger

Whilst each demerger had a specific rationale for being implemented, most of them referred to separating the company into more focused operational entities (i.e. more focused on their own strategic priorities and capital management) and increasing the flexibility for both management and shareholders in order to enhance shareholder value.

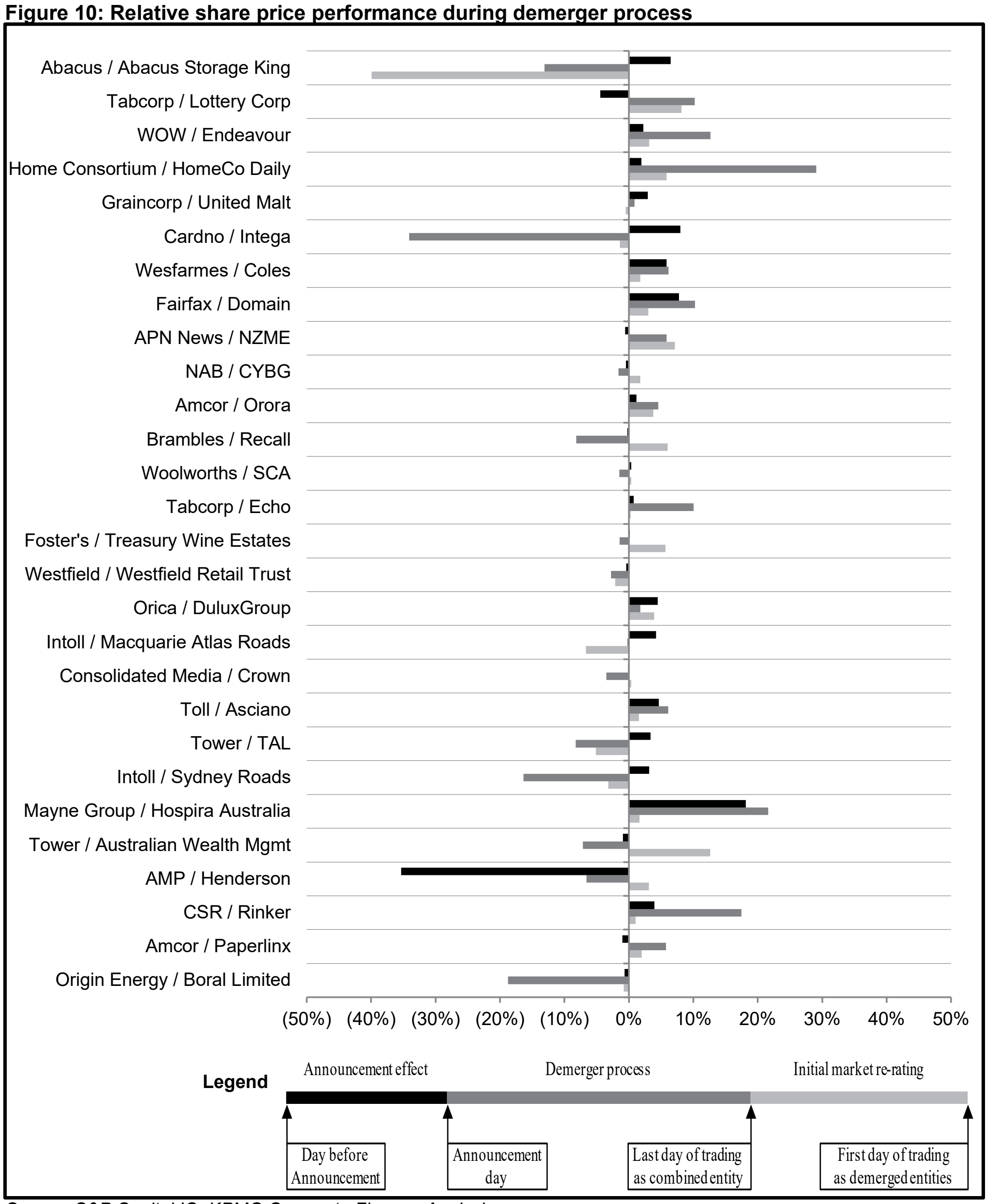
Conversely, the benefit of a potential market re-rating over the short term was only referred to in 20% of the demergers. This evidence suggests that there is significant uncertainty in the market and among researchers as to whether conglomerates create or destroy value.

Therefore, in order to assess the potential for a market re-rating following a demerger, we have analysed the share price movement of the parent entity and the aggregate of the parent and the demerged entity to the broader market.

Relative share price performance during demerger process

The figure below summarises the relative share price performance, in percentage terms, from announcement to implementation of the demerger, in comparison to the performance of the S&P / ASX All Ordinaries Index over the same time period.

Figure 10: Relative share price performance during demerger process



Source: S&P Capital IQ, KPMG Corporate Finance Analysis.

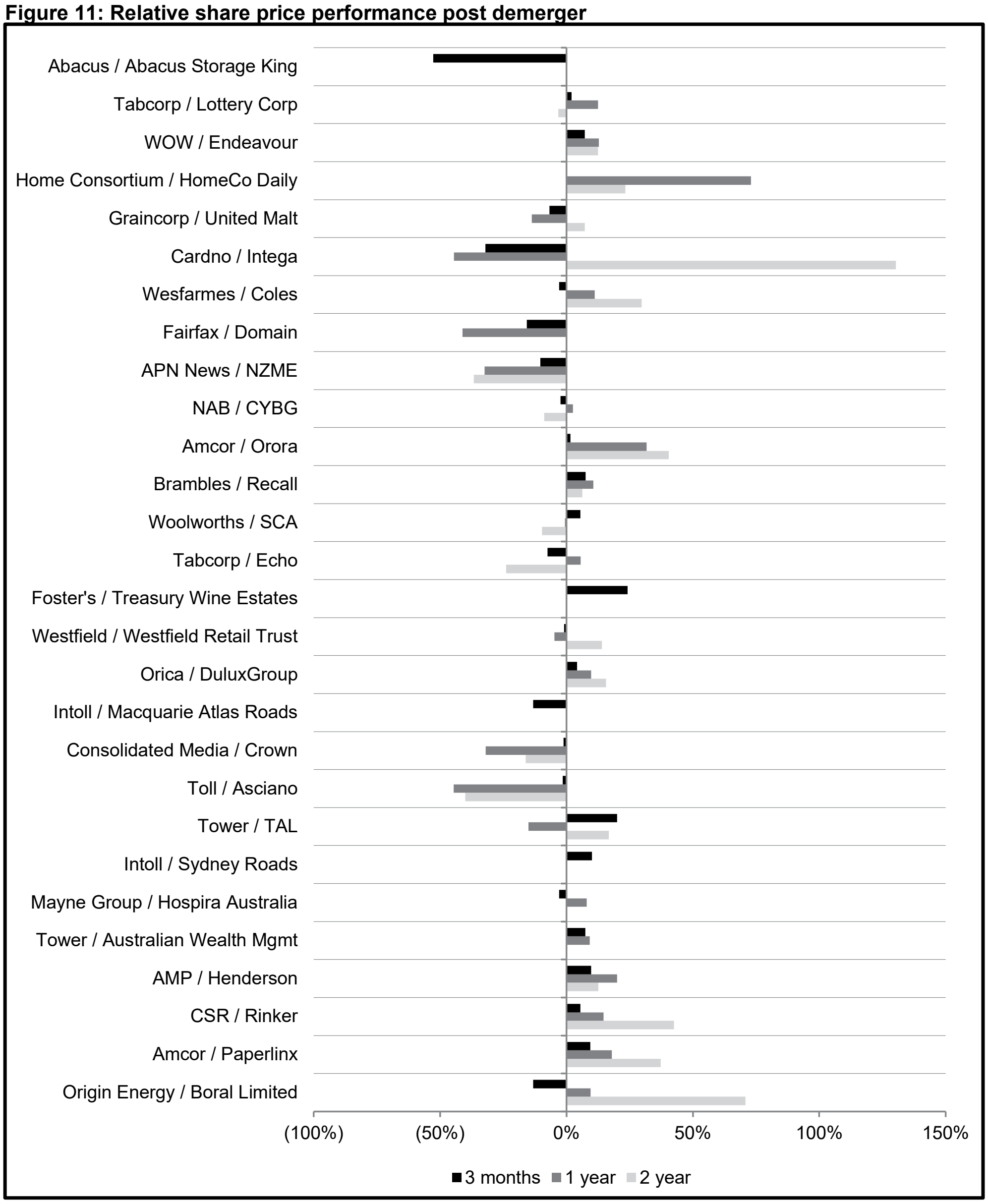
With respect to the figure above, it is noted:

- the above analysis indicates mixed results as to the performance of the parent entity upon announcement until completion of the demerger, with evidence of both outperformance and underperformance to the broader market
- on the day of the announcement, 18 out of the 28 demergers selected (64%) outperformed the S&P / ASX All Ordinaries Index, although the average outperformance was marginal (4.4%)
- on the day the demerged entity was listed on the ASX, 20 out of the 28 demergers (71%) outperformed the S&P / ASX All Ordinaries Index. Although in many cases the outperformance was marginal (average outperformance of 3.7%), it indicates that shareholder value may be unlocked through a market re-rating following a demerger
- in the following cases, the initial reaction of the market to the demerger announcement was diluted by other concurrent announcements or influenced by other factors:
  - the demerger of Abacus Storage King by Abacus was announced on the same day as its half year 2022 financial results which were generally negative
  - HomeCo Daily raised $300 million through an IPO at the implementation of the Home Consortium demerger
  - the demerger of Intega by Cardno was announced on the same day as its FY19 financial results which were generally negative
  - as part of the demerger of Henderson, AMP also announced that in order to fund the demerger it would undertake a capital raising at a significant discount to its share price at the time. In addition, AMP also announced that it intended to write down certain assets by approximately $2.5 billion, prompting a potential credit rating downgrade
- of the 28 demergers analysed since 2000, six have resulted in at least one of the demerged entities being the subject of a takeover within two years of the demerger date. Five of these takeovers resulted in outperformance relative to the S&P / ASX All Ordinaries Index.

Relative share price performance post demerger

The figure below summarises the relative share price performance, in percentage terms, of the hypothetical combined sharemarket value of the parent entity and the demerged entity three months, one year and two years after the date the demerged entity was listed on the ASX, in comparison to the performance of the S&P / ASX All Ordinaries Index over the same time period.

Figure 11: Relative share price performance post demerger



Source: S&P Capital IQ, KPMG Corporate Finance Analysis
Note: The above analysis excludes demerger data after a parent or demerged entity has been acquired or delisted within the two year period

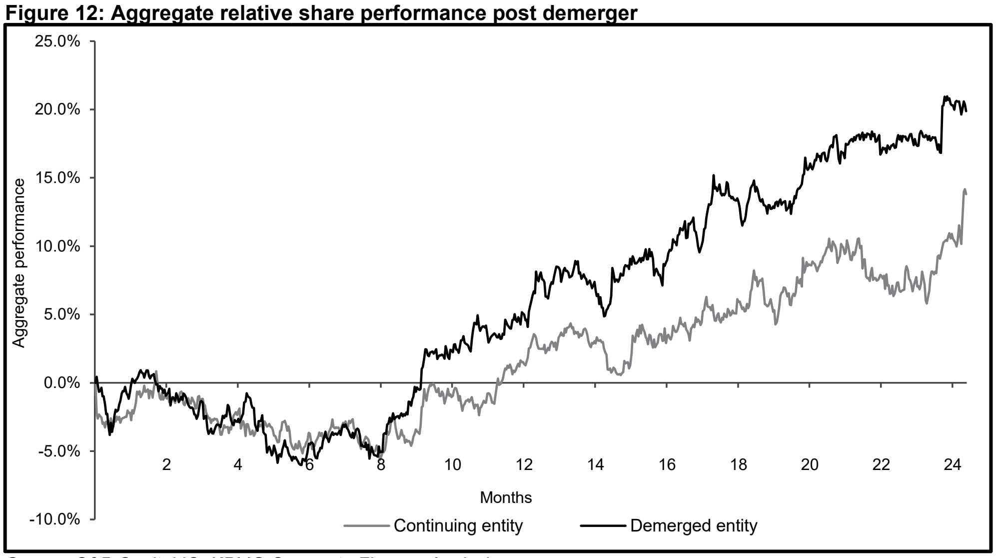
Although there have been mixed results as to the performance of the parent and demerged entity immediately following the demerger, the above analysis indicates that the selected demerged entities on a hypothetical combined basis have generally outperformed the market in the two years following the demerger, with an average outperformance of 8.8% at 3 months, 16.6% at one year and 32.8% at two years. These averages exclude the seven out of the 21 demergers (33%) that have underperformed the S&P / ASX All Ordinaries Index over a two year period following the demerger. We note however limitations to this analysis:

- it measures performance against an overall market index. The results may differ if performance is assessed against a different market index or relevant sector index
- the relative performance of each demerger may reflect overall market or industry conditions or factors that are specific to the demerging entities and may not be attributable to the demerger itself. For example:
  - Abacus / Abacus Storage King: the three months underperformance was negatively impacted by the release of its half year 2022 financial results which were generally negative
  - Home Consortium / HomeCo Daily: the one year outperformance was positively impacted by the establishment of the new HealthCo REIT by Home Consortium ($650 million equity raising) and the successful $300 million equity raising by HomeCo Daily Needs REIT
  - Cardno / Intega: the underperformance in the first year was impacted by the resignation of Cardno's CEO shortly after the demerger was implemented, the withdrawal of the FY20 earnings guidance and the impact of COVID-19. The outperformance at two years was impacted by corporate activity at both entities. Cardno announced the sale of its Americas and Asia Pacific consulting divisions for a total consideration of $667 million in October 2021. Intega announced a proposed takeover of Intega by Kiwa Australia in October 2021 (at a 58% premium to Intega's share price the day prior to the announcement)
  - Fairfax / Domain: the underperformance was impacted by the resignation of Domain's CEO shortly after the demerger was implemented and the acquisition of Fairfax by Nine Entertainment Co. Holdings Limited within two years of the merger
  - APN News / NZME: the underperformance reflects the challenges of the legacy media sector and the regulatory termination of the proposed merger of NZME with Stuff Limited in September 2018
  - Toll / Asciano: the underperformance was impacted by Asciano's need to reduce high gearing levels following the global financial crisis in 2008/2009.

Aggregate relative performance post demerger

The figure below summarises alternate analysis of the aggregate relative performance (in percentage terms) of both the Continuing entity (or Parent entity) and the Demerged entity two years after the date the demerged entity was listed on the ASX. The relative performance is based on the relative returns between the S&P / ASX All Ordinaries Index and the average closing share prices of all continuing entities (**the Continuing entity**) and of all demerged entities (**the Demerged entity**).

Figure 12: Aggregate relative share performance post demerger



Source: S&P Capital IQ, KPMG Corporate Finance Analysis
Note: No returns are shown in the chart for demergers that do not have two years of post demerger data

The above analysis also indicates a level of outperformance post demerger, albeit over time. While the relative performance is negative or slightly positive over the first nine months post demerger, outperformance gradually increases over the following 15 months. Further, the Demerged entity outperforms the Continuing entity over the two year period. The relative outperformance for the two year period is approximately 20% for the demerged entities and 14% for the continuing entities.

Conclusion

The analysis above supports the view of empirical research that the shares of the parent and demerged entity have typically outperformed the broader market over the medium term. However, the range of outcomes across the numerous studies and between each observed demerger indicates that there is no ideal business structure or definitive evidence to conclude that all demergers create shareholder value. Rather, the success or otherwise of any demerger will always depend on the specific circumstances of each demerger.

9 Impact of the Demerger

9.1 Structure and ownership

If the Demerger is implemented, Eligible Webjet Shareholders will receive one Webjet B2C Share for each Webjet Share they own. Following the Demerger, the relative ownership interest of each Eligible Webjet Shareholder in Webjet will remain unchanged. In addition, Eligible Webjet Shareholders will hold the same proportionate interest in Webjet B2C as they hold in WEB Travel Group.

Ineligible Overseas Shareholders and Selling Shareholders, will receive cash proceeds from the Sale Facility established to monetise the Webjet B2C shares to which they would otherwise have been entitled under the Demerger

The figures below illustrate the current ownership structure of Webjet prior to the Demerger and the proposed ownership structure of Webjet if the Demerger is implemented.

Figure 13: Current ownership structure

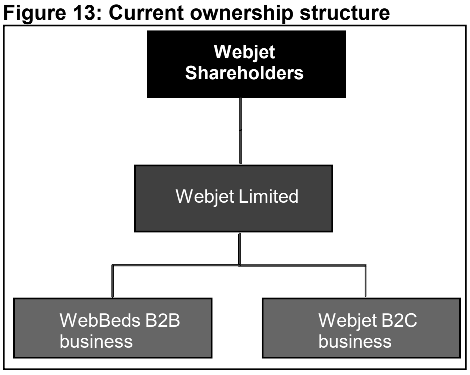
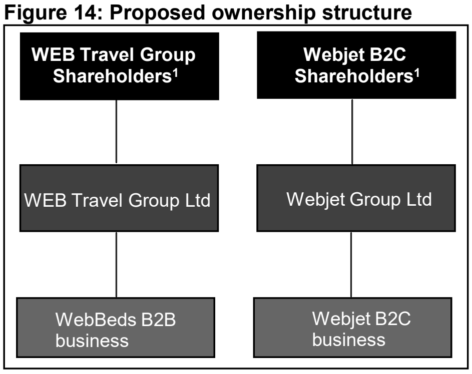


Figure 14: Proposed ownership structure



Source: Webjet
Note 1: Other than Ineligible Overseas Shareholders and Selling Shareholders who will hold Webjet shares but will not hold Webjet B2C shares as a result of the Demerger

Upon completion of the Demerger, there will be no cross-shareholdings between WEB Travel Group and Webjet B2C, with both entities operating at arm's length on a standalone basis.

WEB Travel Group and Webjet B2C will enter into a mutual two-way TSA under which WEB Travel Group continues to provide certain services to Webjet B2C and Webjet B2C continues to provide certain services to WEB Travel Group, at cost.

Further details regarding the TSA are set out in Section 4.8.4 of the Demerger Booklet.

9.2 WEB Travel Group

9.2.1 Strategic focus

Following the Demerger, WEB Travel Group's strategic objective will continue to target $10 billion of TTV by FY30, underpinned by three growth pillars:

- *nurturing and growing the existing portfolio of travel buyers, hotel partners and suppliers:* leverage its existing global network to continue connecting supply and demand to create a frictionless marketplace and sell more to its existing travel buyers
- *expanding into new customers, supply and markets:* continue focusing on further building out its access to hotel supply through chain inventory, direct contracts and third-party connectivity. WEB Travel Group will focus on expanding its presence in the retail channel where online booking platforms are an important supply connectivity point. To this end, WEB Travel Group will seek to continually upgrade its trade booking site to provide improved marketing capabilities, enhance shopping features, and empower travel buyers
- *continuing a long-term commitment to improve conversion:* to improve the conversion rate, WEB Travel Group will focus on leveraging machine learning and artificial intelligence to drive efficiency improvements. WebBeds' dedicated Business Transformation team is also expected to further drive conversion for the business.

9.2.2 Financial impact

Financial performance

The pro forma financial performance of WEB Travel Group for the three years ended 31 March 2022, 31 March 2023 and 31 March 2024 is summarised in the table below.

The detailed pro forma historical financial information for WEB Travel Group (including a description of the assumptions and adjustments made) is set out in Section 3.6 of the Demerger Booklet. The historical pro forma financial information has been prepared by Webjet and reviewed by the investigating accountant, Deloitte. Deloitte's report is set out in Section 7 of the Demerger Booklet.

Table 18: Pro forma historical financial performance of WEB Travel Group

A$m	Pro-forma 12 months 31-Mar-22	Pro-forma 12 months 31-Mar-23	Pro-forma 12 months 31-Mar-24
Revenue[1]	85.6	236.7	327.9
Operating costs[1]	(90.2)	(119.6)	(165.5)
Corporate overheads[2]	(13.7)	(18.0)	(20.7)
Share of net loss from associates	(0.1)	(2.0)	(0.9)
Underlying EBITDA[3]	**(18.4)**	**97.1**	**140.8**
Share based payments	(6.2)	(4.8)	(3.7)
Non-operating expenses[4]	(4.4)	(12.2)	9.5
Statutory EBITDA	**(29.0)**	**80.1**	**146.6**
Depreciation and amortisation	(18.7)	(17.9)	(16.8)
Acquired amortisation	(18.0)	(14.6)	(15.2)
Accelerated amortisation and impairment[5]	-	(30.2)	(13.1)
Net interest and finance costs[6]	(16.8)	(18.9)	(20.3)
Remeasurement of convertible notes	-	-	25.3
Profit / (loss) before tax	**(82.5)**	**(1.5)**	**106.5**
Income tax benefit / (expense)[7]	13.2	(0.7)	(18.7)
Net profit / (loss) after tax	**(69.3)**	**(2.2)**	**87.8**
Underlying NPAT[8]	**(36.5)**	**48.5**	**96.3**
Revenue growth (%)	*n/a*	*176.5%*	*38.5%*
Underlying EBITDA margin (%)	*(21.5%)*	*41.0%*	*42.9%*
Underlying profit margin (%)	*(42.6%)*	*20.5%*	*29.4%*

Source: Webjet

Notes:

1. *Revenue and operating costs have been extracted from the financial statements of Webjet*
2. *Represents an allocation of corporate costs previously included in the Corporate costs segment of the financial statements of Webjet to WEB Travel Group, largely reflecting headcount and other operating costs*
3. *A reconciliation from the reported segment Underlying EBITDA for WEB Travel Group extracted from the Webjet financial statements to the underlying EBITDA has been included in the Table 19 below*
4. *Includes SaaS implementation costs of $8.8 million in FY22 and $12.2 million in FY23, and gain on equity linked financial asset of $9.5 million (net of transaction costs of $0.5 million) in FY24*
5. *Includes impairment of investment in associates of $5.9 million in FY23 and $10.5 million in FY24. Accelerated amortisation was recognised in FY23 and FY24 following the reassessment of the useful life of capitalised development intangible assets - booking platforms*
6. *Includes interest income (FY24: $17.1m, FY23: $7.5m, FY22: $1.6m), bank interest expense (FY24: $9.1m, FY23: $4.2m, FY22: $0.0m), transaction costs on derivatives (FY24: $12.3m, FY23: $7.6m, FY22: $4.0m), borrowing facility costs (FY24: $2.2m, FY23: $2.2m, FY22: $2.6m) and convertible notes interest - amortisation from discount value to par using effective interest rate method (FY24: $13.0m, FY23: $12.2m, FY22: $11.6m)*
7. *The pro forma income tax expense is based on the pro forma profit before tax adjusted for permanent differences, and the weighted average corporate tax rate of 16%. Historical tax expense for the Webjet B2B business would have taken into consideration the utilisation of tax losses within Webjet*
8. *Underlying NPAT excludes share-based payments, non-operating expenses, acquired amortisation, impairment, Convertible Notes interest (amortisation from discount value to par using effective interest rate method (FY22: $11.6m, FY23: $12.2m, FY24: $13.0m)) and remeasurement of Convertible Notes. Underlying NPAT includes accelerated amortisation of $14.9 million in FY23 and $2.0 million in FY24 and is calculated using an effective tax rate as outlined in Note 7 above*

In relation to the table above, it is noted:

- the pro forma historical financial performance represents the adjusted historical earnings of Webjet after deducting the historical financial performance of Webjet B2C and assumes that the Demerger was effective from 1 April 2021
- As detailed in the table below, the following pro forma adjustments have been made:
  - annual corporate costs of operating WEB Travel Group as a standalone entity following the Demerger of approximately \$8.2 million, \$12.5 million and \$15.2 million in FY22, FY23 and FY24, respectively. These represent corporate costs previously incurred by Webjet (and not charged to WEB Travel Group) that will be incurred by WEB Travel Group following the Demerger. These mainly relate to headcount and other operating costs
  - additional operating costs of operating WEB Travel Group as a standalone listed entity following the Demerger of approximately \$5.5 million per annum. These costs include the corporate functions required to support a standalone listed entity, the cost of maintaining a board of directors, company secretarial costs, ASX listing fees, share registry costs, insurance and other incremental costs
  - share of net loss from associates of \$0.1 million, \$2.0 million and \$0.9 million in FY22, FY23 and FY24, respectively.

Table 19: WEB Travel Group pro-forma adjustments

A$m	12 months 31-Mar-22	12 months 31-Mar-23	12 months 31-Mar-24
Reported Underlying EBITDA[1]	**(4.6)**	**117.1**	**162.4**
Corporate costs transferred from Webjet	(8.2)	(12.5)	(15.2)
Net additional standalone corporate costs	(5.5)	(5.5)	(5.5)
Share of net loss from associates	(0.1)	(2.0)	(0.9)
Pro-forma EBITDA	**(18.4)**	**97.1**	**140.8**

Source: Webjet

Notes:

1. *Represents the Underlying EBITDA of WEB Travel Group prior to the Demerger, as derived from the segment information contained within the financial statements of Webjet. The B2B business divisions included in that segment are the same as those that will be held by WEB Travel Group*

Implementation costs

Management estimates one-off implementation costs of Demerger to be approximately \$12.2 million on a pre-tax basis, which are expected to be entirely borne by WEB Travel Group. These largely relate to adviser fees and other separation costs. Refer to Section 1.41. of the Demerger Booklet for further details.

Financial position

The pro forma financial position of WEB Travel Group as at 31 March 2024 is summarised in the table below.

The detailed pro forma historical financial position for WEB Travel Group (including a description of the assumptions and adjustments made) is set out in Section 3.6 of the Demerger Booklet.

Table 20: Pro forma historical financial position of WEB Travel Group

A$m	Pro-forma 31-Mar-24
Cash and cash equivalents	527.4
Trade receivables and other assets	306.8
Total current assets	**834.2**
Intangible assets	712.7
Property, plant and equipment	26.8
Deferred tax assets	12.1
Total non-current assets	**751.6**
Total assets	**1,585.8**
Trade payables and other liabilities	457.3
Other current liabilities[1]	72.9
Total current liabilities	**530.2**
Convertible notes[2]	224.3
Deferred tax liabilities	20.9
Other non-current liabilities[1]	16.1
Total non-current liabilities	**261.4**
Total liabilities	**791.6**
Net assets	**794.2**
Current ratio (times) [3]	*1.6*
Gearing (%) [4]	*28.2*

Source: Webjet
Notes:
1. *Includes lease liabilities.*
2. *Represents Convertible Notes with a face value of $250 million which were remeasured in FY24 to $224.3 million as a result of the holders not exercising their put option. The Convertible Notes mature on 12 April 2026 and have a coupon of 0.75% per annum, payable on a semi-annual basis. The Convertible Notes have a conversion price of $6.35 per ordinary share which will be adjusted for the impact of the Demerger*
3. *Current ratio represents current assets divided by current liabilities*
4. *Gearing represents borrowings divided by net assets*

The pro forma historical financial position of WEB Travel Group represents the consolidated financial position of Webjet less the assets and liabilities of Webjet B2C.

The pro forma historical financial position of WEB Travel Group is based on the following pro forma adjustments, assuming the Demerger was effective on 31 March 2024:

- cash and cash equivalents have been reduced by $12.2 million to reflect implementation costs to be incurred by WEB Travel Group in relation to the Demerger. A corresponding adjustment has also been made to equity and reserves
- deferred tax assets have been reduced by $12.3 million to reflect the derecognition of carried forward tax losses that are not expected to be utilised in the near future. A corresponding adjustment has also been made to equity and reserves

- other current liabilities have been increased by $15.7 million to reflect the modification of existing long term incentives that will be cash settled as part of the Demerger. A corresponding adjustment has also been made to equity and reserves
- cash and cash equivalents have been increased by $10.0 million and intercompany loans have decreased by $92.4 million to reflect the repayment and settlement of intercompany balances between Webjet B2C and WEB Travel Group. A corresponding net adjustment has also been made to equity and reserves

WEB Travel Group capital structure

Following the Demerger, WEB Travel Group expects to have a net cash position in the range of $300 million to $320 million, including restricted cash. The actual balances will be subject to variances in actual cash flows in Webjet prior to the Implementation Date, including movements in working capital.

Following the Demerger, Webjet will retain its outstanding Convertible Notes of $250 million due April 2026. The current conversion price of the Convertible Notes is $6.35. The conversion price will be adjusted for the effect of demerging the Webjet B2C business (according to the terms and conditions contained in the Convertible Notes Offering Circular). In this regard, the conversion price will be adjusted as follows:

New conversion price = $6.35 x [(A-B) / A]

Where:

- A is the average of the daily VWAP of Webjet shares on each of the 10 consecutive trading days ending on the trading day immediately before the Webjet shares are traded on an ex-Demerger entitlement basis
- B is the average of the daily VWAP of Webjet B2C shares on each of the 5 consecutive trading days commencing on the date that Webjet B2C Shares commence trading on the ASX.

The effective date for the adjustment to the conversion price will be the date that Webjet B2C Shares commence trading on the ASX.

The full terms and conditions of the Convertible Notes are set out in the offering circular lodged on the ASX market announcement platform on 8 April 2021.

At the Implementation Date, WEB Travel Group will also be supported by a three year $40 million revolving credit facility which will be undrawn, as well as a $20 million bank guarantee facility and a €25 million bank guarantee facility.

Cash flow

The pro forma cash flow of WEB Travel Group for the three years ended 31 March 2022, 31 March 2023 and 31 March 2024 is summarised in the table below.

The detailed pro forma cash flow for WEB Travel Group (including a description of the assumptions and adjustments made) is set out in Section 3.6 of the Demerger Booklet.

Table 21: Pro forma historical cash flow of WEB Travel Group

A$m	Pro-forma 12 months 31-Mar-22	Pro-forma 12 months 31-Mar-23	Pro-forma 12 months 31-Mar-24
Underlying EBITDA	**(18.4)**	**97.1**	**140.8**
Movement in working capital	75.1	37.9	14.4
Net operating cashflows before financing costs and tax	**56.8**	**135.0**	**155.2**
Net interest and finance costs	(6.9)	(4.5)	(8.8)
Operating cashflows before income tax paid[1]	**50.0**	**130.5**	**146.4**
Net payment for PPE and intangible assets	(12.1)	(22.8)	(30.3)
Other investing activities[2]	(23.6)	-	(35.5)
Operating and investing cashflows before financing activities[1]	**14.4**	**107.7**	**80.6**

Source: Webjet
Notes:
1. *Excludes income tax paid of $3.7 million in FY24*
2. *Represents investments in associates of $19.2 million and earn-out payment of $4.4 million for FY22, as well as settlement of deferred consideration of $2.2 million and investment in financial assets of $33.3 million in FY24*

9.2.3 *Directors and management*

Upon completion of the Demerger, the Board of Directors and management team of WEB Travel Group will remain largely unchanged from the existing Webjet structure, with the exception of Don Clarke (non executive director) who will retire from the Webjet Board to join the Webjet B2C Board.

Table 22: Board of Directors of WEB Travel Group

Name	Board Position
Roger Sharp	Independent Non-Executive Chairman
John Guscic	Managing Director
Brad Holman	Independent Non-Executive Director
Denise McComish	Independent Non-Executive Director

Source: Webjet

The senior management of WEB Travel Group and their respective roles is summarised in the table below.

Table 23: Senior management of WEB Travel Group

Name	Management Position
John Guscic	Managing Director
Shelley Beasley	Global Chief Operating Officer
Tony Ristevski	Chief Financial Officer and Company Secretary

Source: Webjet

9.2.4 *Dividend policy*

Webjet does not currently have an active dividend policy and no dividend was declared for FY24. Dividends for WEB Travel Group will be revisited by the WEB Travel Group Board following the maturity of the Convertible Notes in April 2026.

9.3 Webjet B2C

9.3.1 Strategic focus

Following the Demerger, Webjet B2C will operate as a standalone entity, focused on pursuing its strategic objectives:

- *Webjet OTA*: increase market leadership as the number one OTA in Australia and New Zealand
- *GoSee*: become the industry leader in Australia and New Zealand and pursue growth in key international markets by leveraging GoSee's strong foundations
- Trip Ninja: achieve profitability by leveraging its innovative technology to provide value to the travel industry by rapidly solving complex flight related challenges.

Underpinning Webjet B2C's strategic objectives are the following key elements:

- *driving profitable growth:* continue leveraging Webjet OTA's key strengths to target opportunities to increase international market share, expand ancillary offerings and revenue optimisation opportunities, and further enhance its superior customer service experience
- *leverage Webjet OTA's significant customer reach to drive greater loyalty and repeat business through a membership program:* Webjet OTA has significant customer reach of more than 5.5 million customers per month (including 2.5 million unique visitors to its website) across its databases and other channels. Webjet OTA plans to enhance its relationship with these customers through a recently launched membership program. Webjet OTA also has significant data capabilities for customer segmentation and optimisation and plans to leverage these capabilities to deliver unique content and offers to drive loyalty and repeat business
- *continue to extend Webjet OTA's superior technical capabilities*: Webjet OTA has a long history of technology innovation and complex integration and intends to expand and develop its capabilities to further enhance customer experience and make it easier for customers to book, change and cancel travel
- *drive brand awareness through refreshed brand and marketing campaigns*: Webjet OTA has high brand awareness and iconic heritage. Following the Demerger, Webjet OTA will have the opportunity to refresh and refocus its branding and marketing efforts to drive customer acquisition and traffic to its websites and mobile applications (**Apps**).

9.3.2 Financial impact

Financial performance

The pro forma financial performance of Webjet B2C for the three years ended 31 March 2022, 31 March 2023 and 31 March 2024 is summarised in the table below.

The detailed pro forma historical financial information for Webjet B2C (including a description of the assumptions and adjustments made) is set out in Section 2.6 of the Demerger Booklet.

The historical pro forma financial information has been prepared by Webjet and reviewed by the investigating accountant, Deloitte. Deloitte's report is set out in Section 7 of the Demerger Book.

Table 24: Pro forma historical financial performance of Webjet B2C

A$m	Pro-forma 12 months 31-Mar-22	Pro-forma 12 months 31-Mar-23	Pro-forma 12 months 31-Mar-24
Revenue[1]	52.4	127.7	143.6
Operating costs[1]	(47.1)	(85.1)	(90.1)
Corporate overheads[2]	(10.1)	(12.9)	(14.4)
Underlying EBITDA[3]	**(4.8)**	**29.7**	**39.1**
Share based payments	(3.3)	(2.8)	(2.9)
Non-operating expenses	0.3	-	-
Statutory EBITDA	**(7.8)**	**26.9**	**36.2**
Depreciation and amortisation	(6.6)	(6.5)	(8.6)
Accelerated amortisation and impairment[4]	(14.1)	(5.3)	(30.6)
Net interest and finance costs	(1.9)	(2.8)	(2.9)
Profit / (loss) before tax	**(30.4)**	**12.3**	**(5.9)**
Income tax benefit / (expense)[5]	4.9	(3.7)	(6.7)
Net profit / (loss) after tax	**(25.5)**	**8.6**	**(12.6)**
Underlying NPAT[6]	**(9.3)**	**10.6**	**17.7**
Revenue growth (%)	*n/a*	*143.7%*	*12.5%*
Underlying EBITDA margin (%)	*(9.2%)*	*23.3%*	*27.2%*
Underlying profit margin (%)	*(17.7%)*	*8.3%*	*12.3%*

Source: Webjet
Notes:

1. *Revenue and operating costs have been extracted from the Webjet financial statements and includes the revenue and associated costs for the historical Webjet B2C and Trip Ninja businesses*
2. *Represents an allocation of corporate costs previously included in the Corporate costs segment of the financial statements of Webjet to Webjet B2C, largely reflecting headcount and other operating costs*
3. *A reconciliation from reported Segment Underlying EBITDA for Webjet B2C extracted from the Webjet financial records to the underlying EBITDA has been included in Table 26 below*
4. *Includes impairment of the historical Online Republic brand in FY22 of $14.1 million and impairment of investment of GoSee goodwill of $28.3 million in FY24. Accelerated amortisation was recognised in FY23 and FY24 following the reassessment of the useful life of capitalised development intangible assets – booking platforms*
5. *The pro forma income tax expense is based on the pro forma profit before tax adjusted for permanent differences, and the weighted average corporate tax rate of 30%. Historical tax expense for the Webjet B2C business would have taken into consideration the utilisation of tax losses within Webjet. As Webjet B2C will exit the tax consolidated group on Demerger, it will not inherit any of the tax losses and therefore the income tax benefit / (expense) reflects the tax on a standalone basis*
6. *Underlying NPAT excludes share-based payments, non-operating expenses, acquired amortisation and impairment. Underlying NPAT includes accelerated amortisation of $5.3 million for FY23 and $2.3 million for FY24 and is calculated using an effective tax rate as outlined in Note 5 above*

In relation to the table above, it is noted:

- the pro forma historical financial performance of Webjet B2C assumes that the Demerger was effective from 1 April 2021
- as detailed in the table below, the following pro forma adjustments have been made:

- Trip Ninja revenue and operating costs, historically included in the Corporate costs segment of Webjet, have been included in the Webjet B2C underlying EBITDA
- annual corporate costs of operating Webjet as a standalone entity following the Demerger of approximately $7.5 million, $10.3 million and $11.8 million in FY22, FY23 and FY24, respectively. These represent corporate costs previously incurred by Webjet (and not charged to Webjet B2C) that will be incurred by Webjet B2C following the Demerger. These mainly relate to headcount and other operating costs
- additional operating costs of operating Webjet B2C as a standalone listed entity following the Demerger of approximately $2.6 million per annum. These costs include the corporate functions required to support a standalone listed entity, the cost of maintaining a board of directors, company secretarial costs, ASX listing fees, share registry costs, insurance and other incremental costs.

Table 25: Webjet B2C pro-forma adjustments

A$m	12 months 31-Mar-22	12 months 31-Mar-23	12 months 31-Mar-24
Reported Underlying EBITDA[1]	**6.3**	**45.0**	**55.9**
Trip Ninja	(1.0)	(2.4)	(2.4)
Corporate costs transferred from Webjet	(7.5)	(10.3)	(11.8)
Net additional standalone corporate costs	(2.6)	(2.6)	(2.6)
Pro-forma Underlying EBITDA	**(4.8)**	**29.7**	**39.1**

Source: Webjet
Notes:

1. *Represents the Underlying EBITDA of Webjet B2C prior to the Demerger, as derived from the segment information contained within the financial statements of Webjet. The B2C business divisions included in that segment are the same as the business divisions that will be held by Webjet B2C following the Demerger*

Financial position

The pro forma financial position of Webjet B2C as at 31 March 2024 is summarised in the table below.

The detailed pro forma historical financial position for Webjet B2C (including a description of the assumptions and adjustments made) is set out in Section 2.6 of the Demerger Booklet.

Table 26: Pro forma historical financial position of Webjet B2C

A$m	Pro-forma 31-Mar-24
Cash and cash equivalents[1]	90.5
Trade receivables and other assets	16.5
Total current assets	**107.0**
Intangible assets	77.9
Property, plant and equipment[2]	2.1
Deferred tax assets	1.1
Other non-current assets	0.3
Total non-current assets	**81.4**
Total assets	**188.4**
Trade payables and other liabilities	66.3
Other current liabilities[3]	16.4
Total current liabilities	**82.6**
Other non-current liabilities[3]	0.9
Total non-current liabilities	**0.9**
Total liabilities	**83.6**
Net assets	**104.8**
Current ratio (times) [4]	*1.3*
Gearing (%) [5]	*0.0%*

Source: Webjet
Notes:

1. *Includes restricted cash of $42.9 million relating to cash held within legal entities of Webjet B2C for payment to product and service suppliers or cash held for supplier guarantees where contractually required with an equal obligation recognised as a liability. Restricted cash includes monies received from customers which is due to be paid to airlines in accordance with International Air Transport Association (IATA) requirements.*
2. *Includes right-of-use assets.*
3. *Includes lease liabilities.*
4. *Current ratio represents current assets divided by current liabilities*
5. *Gearing represents borrowings divided by net assets*

The pro forma historical financial position of Webjet B2C is based on the following pro forma adjustments, assuming the Demerger was effective on 31 March 2024:

- deferred tax assets have been reduced by $1.6 million to reflect the derecognition of carried forward tax losses that are not expected to be utilised in the near future. A corresponding adjustment has also been made to retained equity and reserves
- intercompany loans have decreased by $69.5 million to reflect the settlement of intercompany loans balances between Webjet B2C and WEB Travel Group. A corresponding adjustment has also been made to equity and reserves
- cash and cash equivalents have been decreased by $10.0 million and intercompany liabilities have decreased by the same amount, to reflect the repayment of the intercompany loans between Webjet B2C and WEB Travel Group.

Webjet B2C capital structure

Following the Demerger, Webjet B2C expects to have a net cash position in the range of $80 million to $100 million, excluding restricted cash. Webjet B2C will have no drawn debt. The actual balances will be subject to variances in actual cash flows in Webjet B2C prior to the Implementation Date, including movements in working capital.

Webjet B2C will also be supported by a three year $20 million revolving credit facility and a bank guarantee facility of $50 million for the first 12 months post-Demerger, with this reverting to $25 million over the longer term.

Webjet B2C expects to receive legally binding commitments from a number of major banks to provide the facility subject to various conditions being satisfied that relate to the implementation of the Demerger and listing of Webjet B2C on the ASX. At the Implementation Date, Webjet B2C will have access to the revolving credit facility, albeit is expected to remain undrawn.

Cash flow

The pro forma cash flow of Webjet B2C for the three years ended 31 March 2022, 31 March 2023 and 31 March 2024 is summarised in the table below.

The detailed pro forma cash flow for Webjet B2C (including a description of the assumptions and adjustments made) is set out in Section 2.6 of the Demerger Booklet.

Table 27: Pro forma historical cash flow of Webjet B2C

A$m	Pro-forma 12 months 31-Mar-22	Pro-forma 12 months 31-Mar-23	Pro-forma 12 months 31-Mar-24
Underlying EBITDA	**(4.8)**	**29.7**	**39.1**
Movement in working capital	19.8	7.9	(6.5)
Net operating cashflows before financing costs and tax	**15.0**	**37.6**	**32.6**
Net interest and finance costs	(0.9)	0.1	0.3
Operating cashflows before income tax paid[1]	**14.1**	**37.7**	**32.9**
Net payment for PPE and intangible assets	(9.3)	(11.3)	(11.2)
Other investing activities	(3.4)	0.1	0.1
Operating and investing cashflows before financing activities[1]	**1.4**	**26.5**	**21.9**

Source: Webjet
Notes:

1. *Excludes income tax paid of $0.2 million in FY24*

9.3.3 *Directors and management*

Upon completion of the Demerger, Webjet B2C will establish its own Board of Directors comprising the following proposed appointments.

Table 28: Board of Directors of Webjet B2C

Name	Board Position
Don Clarke	Independent Non-Executive, Chairman
Katrina Barry	Managing Director
Brad Holman	Independent Non-Executive Director
Shelley Beasley	Non-Executive Director

Source: Webjet

The senior management of Webjet B2C and their respective roles is summarised in the table below.

Table 29: Senior management of Webjet B2C

Name	Management Position
Katrina Barry	Managing Director
Layton Shannos	Chief Financial Officer
David Galt	Chief Executive Officer – Webjet OTA
Darren Linton	Chief Executive Officer – GoSee

Source: Webjet

9.3.4 Dividend policy

Webjet B2C's dividend policy will be determined by and at the discretion of the Webjet B2C Board and may change from time to time, having regard to Webjet B2C's current earnings and cashflows, and future cashflow requirements. It is expected that Webjet B2C will adopt a policy of paying dividends, further details of which are expected be provided with the release of Webjet B2C's FY25 results in May 2025 in respect of future dividends payable, after taking account of earnings, cash flows and further investment opportunities.

Appendix 1 – KPMG Corporate Finance Disclosures

Qualifications

The individuals responsible for preparing this report on behalf of KPMG Corporate Finance are Adele Thomas and Sean Collins. Adele is a member of the Institute of Chartered Accountants in Australia and New Zealand and holds a Bachelor of Commerce degree and a Graduate Diploma in Accounting. Sean is a Fellow of the Institute of Chartered Accountants in Australia, a Fellow of the Chartered Institute of Securities and Investments in the UK and holds a Bachelor of Commerce degree from the University of Queensland. Both Adele and Sean have a significant number of years experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports. Aidan Murphy and Xavier Dunand assisted in the preparation of the report.

Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than KPMG Corporate Finance's opinion as to whether the Proposed Demerge is in the best interests of Webjet Shareholders. KPMG Corporate Finance expressly disclaims any liability to any Webjet Shareholders who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever. Other than this report and the separate accounting advice, neither KPMG Corporate Finance nor the KPMG Partnership has been involved in the preparation of the Demerger Booklet or any other document prepared in respect of the Demerger. Accordingly, we take no responsibility for the content of the Demerger Booklet as a whole or other documents prepared in respect of the Demerger.

Independence

In addition to the disclosures in our Financial Services Guide, it is relevant to a consideration of our independence that, during the course of this engagement, KPMG Corporate Finance provided draft copies of this report to management of Webjet for comment as to factual accuracy, as opposed to opinions which are the responsibility of KPMG Corporate Finance alone. Changes made to this report as a result of those reviews have not altered the opinions of KPMG Corporate Finance as stated in this report.

Consent

KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it is included with the Demerger Booklet to be issued to the Webjet Shareholders. Neither the whole nor the any part of this report nor any reference thereto may be included in any other document without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears.

Professional standards

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board. KPMG Corporate Finance and the individuals responsible for preparing this report have acted independently.

Appendix 2 – Sources of information

In preparing this report we have been provided with and considered the following sources of information:

Publicly available information:

- Demerger Booklet and Information Memorandum (including earlier drafts)
- company presentations and ASX announcements of Webjet
- audited annual reports for Webjet for 2018, 2019, 2020, 2021, 2022, 2023 and 2024
- broker reports for Webjet
- various press and media articles
- data providers including S&P Capital IQ, Bloomberg, Thompson Financial Securities and Connect 4.

Non-public information

- management papers and documents confidential to Webjet.

In addition, we have held discussions with the management of Webjet and its advisors.

Appendix 3 – Recent demergers in Australia

Our analysis of recent demergers implemented in Australia has been based on the following transactions.

Table 30: Recent demergers in Australia

Demerger date	Parent company	Demerged entity	% Demerged
1-Aug-23	Abacus Property Group	Abacus Storage King	100%
24-May-22	Tabcorp Holdings Ltd	The Lottery Corporation Ltd	100%
24-Jun-21	Woolworths Group Ltd	Endeavour Group Ltd	85%[1]
23-Nov-20	Home Consortium Ltd	Homeco Daily Needs REIT	73%[1]
24-Mar-20	GrainCorp Ltd	United Malt Group Ltd	90%[1]
22-Oct-19	Cardno Ltd	Intega Group Ltd	100%
21-Nov-18	Wesfarmers Ltd	Coles Group Ltd	85%[1]
16-Nov-17	Fairfax Media Ltd	Domain Holdings Limited	40%[1]
27-Jun-16	APN News & Media Ltd	NZME Ltd	100%
4-Feb-16	National Australia Bank Ltd	CYBG Plc	75%[1]
18-Dec-13	Amcor Limited	Orora Ltd	100%
10-Dec-13	Brambles Limited	Recall Holdings Limited	100%
26-Nov-12	Woolworths Limited	Shopping Centres Australasia Property Group	100%
6-Jun-11	Tabcorp Holdings Ltd.	Echo Entertainment Group Limited	100%
10-May-11	Foster's Group Ltd.	Treasury Wine Estates Limited	100%
13-Dec-10	Westfield Group	Westfield Retail Trust	100%
12-Jul-10	Orica Limited	DuluxGroup Limited	100%
25-Jan-10	Macquarie Infrastructure Group (nka:Intoll Group)	Macquarie Atlas Roads Group	100%
3-Dec-07	Publishing & Broadcasting Ltd. (nka:Consolidated Media Holdings Limited)	Crown Limited	100%
6-Jun-07	Toll Holdings Limited	Asciano Group (nka:Asciano Limited)	100%
21-Nov-06	Tower Limited	TOWER Australia Group Limited (nka:TAL Limited)	100%
31-Jul-06	Macquarie Infrastructure Group (nka:Intoll Group)	Sydney Roads Group Limited	88%[1]
21-Nov-05	Mayne Group Ltd. (nka:Idameneo (No.789) Ltd)	Mayne Pharma Limited (nka:Hospira Australia Pty Ltd.)	100%
15-Feb-05	Tower Limited	Australian Wealth Management Limited	100%
23-Dec-03	AMP Limited	HHG plc (nka:Henderson Group plc)	85%[1]
31-Mar-03	CSR Limited	Rinker Group Ltd. (nka:Holcim (Australia) Holdings Pty Ltd.)	100%
17-Apr-00	Amcor Limited	Paperlinx Limited	82%[1]
21-Feb-00	Boral Ltd (nka:Origin Energy Limited)	Blue Circle Southern Cement Limited (nka:Boral Limited)	100%

Source: S&P Capital IQ & ASX, Scheme booklets of the selected demergers
Notes:
1. *Remaining interest is held by the parent*
2. *nka = now known as*

Appendix 4 – Market valuation parameters

The table below summarises selected trading multiples of listed companies that are broadly comparable to Webjet (post Demerger)/WebBeds and Webjet B2C.

Table 31: Comparable companies

Company	Country of listing	Market capitalisation ($m)	EBITDA multiple LTM	EBITDA multiple NTM
Webjet Limited	**Australia**	**3,245**	**17.3**	**12.5**
BedBanks (B2B)				
Booking Holdings Inc.	United States	171,277	14.3	13.4
Airbnb, Inc.	United States	124,967	26.1	18.1
Mean			**20.2**	**15.8**
Median			**20.2**	**15.8**
OTAs (B2C)				
Trip.com Group Limited	United States	39,301	10.9	10.9
Expedia Group, Inc.	United States	23,486	7.8	5.8
Flight Centre Travel Group Limited	Australia	4,477	12.3	9.0
Tripadvisor, Inc.	United States	3,468	6.7	5.7
Corporate Travel Management Limited	Australia	1,843	10.3	7.8
eDreams ODIGEO S.A.	Spain	1,387	18.2	7.8
Despegar.com, Corp.	United States	1,188	6.5	4.5
lastminute.com N.V.	Switzerland	315	7.2	4.0
trivago N.V.	United States	220	6.1	7.5
Mean (excluding outliers)			**10.0**	**7.0**
Median (excluding outliers)			**9.1**	**7.5**
Global distribution services				
Amadeus IT Group, S.A.	Spain	41,556	12.3	11.2
Sabre Corporation	United States	1,859	12.3	8.9
Mean			**12.3**	**10.1**
Median			**12.3**	**10.1**

Source: S&P Capital IQ (data as at 5 August 2024), KPMG Corporate Finance
Notes:
1. *LTM = Last Twelve Months, NTM = Next Twelve Months*
2. *EBITDA multiples defined as Enterprise Value (market capitalisation plus net debt, preferred equity and minority interest less equity accounted investments) divided by EBITDA*
3. *Outliers are shaded in grey*

We note that no listed company is directly comparable to WEB Travel Group or Webjet B2C. Consequently, we have considered the trading multiples of a broader peer group, including:

- BedBanks (B2B) players
- OTAs (B2C) players
- Global distribution services players that provide support services to the travel industry.

Descriptions for each of the above companies are set out below.

Booking Holdings Inc. (**Booking**) is the leading provider of online travel and related services; and the largest global accommodation provider. The company connects consumers wishing to make travel reservations with providers of travel services around the world through its online platforms and through its six primary consumer facing brands:

- Booking.com offers online accommodation reservations

- Priceline provides online travel reservation services, as well as hotel, flight, rental car reservation, vacation packages, cruises, and hotel distribution services
- Agoda offers online accommodation reservation, flight, ground transportation, and reservation services
- Rentalcars.com offers travel-related insurance products and restaurant management services to consumers, travel service providers, and restaurants; and advertising services
- KAYAK, an online meta-search service that allows consumers to search and compare travel itineraries and prices
- OpenTable offers booking online restaurant reservations, as well as reservation management services to restaurants.

In FY23, Booking generated gross travel bookings of US$150.6 billion, total revenue of US$21.4 billion and adjusted EBITDA of US$7.1 billion.

Airbnb, Inc. (**Airbnb**), operates a platform that enables hosts to offer stays and experiences to guests worldwide. The company's marketplace connects hosts and guests online or through mobile devices to book spaces and experiences. It primarily offers private rooms, primary homes, and vacation homes, with a host community exceeding 5 million at the end of 2023.
In FY23, Airbnb generated gross bookings of US$73.3 billion, total revenue of US$9.9 billion and adjusted EBITDA of US$3.7 billion.

Trip.com Group Limited (**Trip.com**) is a travel service provider for accommodation reservation, transportation ticketing, packaged tours and in-destination, corporate travel management, and other travel-related services internationally. The company acts as an agent for hotel-related transactions and selling tickets.
In FY23, Trip.com generated net bookings of US$6.3 billion and net income of US$1.4 billion.

Expedia Group, Inc. (**Expedia**) operates as an online travel company internationally. The company operates through its B2C, B2B and trivago segments.
Its B2C segment provides a full range of travel and advertising services to worldwide customers through the following consumer brands:

- Brand Expedia, a leading full-service online travel brand offering various travel products and services
- Hotels.com, which focuses on lodging accommodation
- Vrbo, an online marketplace for alternative accommodation
- Multiple other brands including, but not limited to, Orbitz, Travelocity, ebookers and Wotif Group.

The company's B2B segment provides various travel and non-travel companies including airlines, offline travel agents, online retailers, corporate travel management, and financial institutions who leverage its travel technology and diverse supply to augment their offerings and market Expedia rates and availabilities to its travellers. The trivago segment, a hotel metasearch website, generates advertising revenue primarily from sending referrals to online

travel companies and travel service providers from its hotel metasearch websites.
In FY23, Expedia generated gross bookings of US$104.1 billion, total revenue of US$12.8 billion and adjusted EBITDA of US$2.7 billion.

Flight Centre Travel Group Limited (**Flight Centre**) provides travel retailing services for the leisure and corporate sectors in Australia, New Zealand and internationally. The company offers leisure travel services for the niche sectors, as well as mass, youth, premium, and cruise markets; and corporate travel services for organisations of various sizes across industries, as well as supplies products to its national and international network, or travel retail outlets. It also provides tour operations, hotel management, destination management services and other travel related services.
In FY23, Flight Centre generated TTV of $22 billion, total revenue of $485 million and underlying EBITDA of $301.6 million.

Tripadvisor, Inc. (**Tripadvisor**) operates as an online travel company and primarily engages in the provision of travel guidance products and services worldwide. The company operates in three segments: Brand Tripadvisor, Viator, and TheFork.
The Brand Tripadvisor segment offers travel guidance platforms for travelers to discover, generate, and share authentic user-generated content in the form of ratings and reviews for destinations, points-of-interest, experiences, accommodations, restaurants, and cruises.
Viator is a pure-play experiences online travel agency that offers travelers bookable tours, activities, and attractions from experienced operators.
TheFork segment provides an online marketplace that enables diners to discover and book online reservations at restaurants.
In FY23, Tripadvisor generated total revenue of US$1.8 billion and underlying EBITDA of US$334 million.

Corporate Travel Management Limited (**CTM**), a travel management solutions company, manages the procurement and delivery of travel services. It operates through four segments: Australia and New Zealand, North America, Asia and Europe. The company provides corporate and event travel management, leisure travel, loyalty travel, and wholesale travel services, as well as accommodation agency services.
In FY23, CTM generated total revenue of $660.1 million and underlying EBITDA of $167.1 million.

eDreams ODIGEO S.A. (**eDreams**) operates as an online travel company internationally. The company offers online travel agency services under the eDreams, Opodo, GO Voyages, Liligo.com, and Travellink brands. It also provides marketing, administration, IT consulting, and metasearch services. The company's travel and travel related services allow customers to access deals for scheduled and low-cost flights, hotels, cruises, car rentals, dynamic packages, and travel insurance.
In FY24, eDreams generated total revenue of EUR 642.6 million and adjusted EBITDA of EUR 87.8 million.

Despegar.com, Corp. (**Despegar**), an online travel company, provides a range of travel and travel-related products to leisure and corporate travelers through its websites and mobile applications in Latin America and the United States. It operates through three segments: Air Packages, Hotels and Other Travel Products and Financial Services.
The company sells airline tickets, travel packages, hotel rooms, car rentals, bus and cruise tickets, travel insurance products, destination services, and other travel-related products, which

enable consumers to find, compare, plan, and purchase travel products through its marketplace. In FY23, Despegar generated total bookings of US$5.3 billion, total revenue of US$706 million and adjusted EBITDA of US$116 million.

lastminute.com N.V. (**lastminute.com**) operates in the online travel industry internationally. It operates websites and mobile applications in approximately 20 languages and 58 countries, which enable travellers to search, compare, and book flights, vacation packages and cruises, hotel accommodations, car rentals, and other travel products and services. The company also operates as a seller of web-based advertising spaces and media content primarily on online travel agency platforms, websites, and third-party partners' available spaces.
Its primary brands include lastminute.com, Volagratis, weg.de, Bravofly, Rumbo, Jetcost, Hotelscan, Crocierissime, and Forward.
In FY23, lastminute.com generated total bookings of EUR 3.8 billion, total revenue of EUR 321.3 million and adjusted EBITDA of EUR 39.7 million.

trivago N.V. (**trivago**) operates a hotel and accommodation search platform internationally. It offers an online meta-search for hotels and accommodation through online travel agencies, hotel chains, and independent hotels. The company provides travel search for different types of accommodations, such as hotels, vacation rentals, and apartments; and enables advertiser access through website and applications.
In FY23, trivago generated total revenue of EUR 91.7 million and adjusted EBITDA of EUR 7.3 million.

Amadeus IT Group (**Amadeus**) operates as a transaction processor for the travel and tourism industry worldwide. The company operates through three segments: Air Distribution, Air IT Solutions and Hospitality & Other Solutions. The company acts as an international network providing real-time search, pricing, booking, and ticketing services, and other processing solutions through its platforms. It also offers travel providers a portfolio of technology solutions, which automate certain mission-critical business processes, such as reservations, inventory management, and departure control.
In FY23, Amadeus generated total revenue of EUR 5.4 billion and EBITDA of EUR 2.1 billion.

Sabre Corporation (**Sabre**) operates as a software and technology company for the travel industry internationally. It operates through two segments: Travel Solutions and Hospitality Solutions. The Travel Solutions segment operates a B2B travel marketplace that offers travel content, such as inventory, prices, and availability from a range of travel suppliers, including airlines, hotels, car rental brands, rail carriers, cruise lines, and tour operators with a network of travel buyers comprising online and offline travel agencies, travel management companies, and corporate travel departments. This segment provides a portfolio of software technology products and solutions through software-as-a-service (**SaaS**) and hosted delivery models to airlines and other travel suppliers.
Its Hospitality Solutions segment provides software and solutions to hoteliers through SaaS and hosted delivery models.
In FY23, Sabre generated total revenue of US$2.9 billion and adjusted EBITDA of US$337 million.

Part Two – KPMG FAS Corporate Finance Financial Services Guide

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by KPMG Financial Advisory Services (Australia) Pty Ltd (**KPMG FAS**) ABN 43 007 363 215, Australian Financial Services Licence Number 246901 (of which KPMG Corporate Finance is a division) (**KPMG Corporate Finance**).

Adele Thomas is an authorised representative of KPMG FAS, authorised representative number 404180 and Sean Collins as an authorised representative of KPMG FAS, authorised representative number 404189 (**Authorised Representatives**).

This FSG includes information about:

- KPMG FAS and its Authorised Representative/s and how they can be contacted;
- The services KPMG FAS and its Authorised Representative/s are authorised to provide;
- How KPMG FAS and its Authorised Representative/s are paid;
- Any relevant associations or relationships of KPMG FAS and its Authorised Representative/s;
- How complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- The compensation arrangements that KPMG FAS has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG FAS. This FSG forms part of an Independent Expert Report (**Report**) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (**PDS**). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits, and costs of acquiring the particular financial product.

Financial services that KPMG FAS and the Authorised Representative are authorised to provide

KPMG FAS holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;
- debentures, stocks or bonds issued or proposed to be issued by government;
- interests in managed investments schemes including investor directed portfolio services;
- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and
- eligible international emissions units,

to retail and wholesale clients.

KPMG FAS provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG FAS to provide financial product advice on KPMG FAS' behalf.

KPMG FAS and the Authorised Representative's responsibility to you

KPMG FAS has been engaged by Webjet Limited (**Client**) to provide general financial product advice in the form of a Report to be included in the Demerger Booklet (**Document**) prepared by the Client in relation to the Demerger (**Transaction**).
You have not engaged KPMG FAS or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG FAS nor the Authorised Representative are acting for any person other than the Client.
KPMG FAS and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice Warning

As KPMG FAS has been engaged by the Client, the Report only contains general advice as it has been prepared without taking your personal objectives, financial situation or needs into account. You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.
You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees KPMG FAS may receive and remuneration or other benefits received by our representatives

KPMG FAS charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay KPMG FAS $438,348 for preparing the Report. KPMG FAS and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.

KPMG FAS officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the **KPMG Partnership**). KPMG FAS' representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG FAS nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures, KPMG FAS operates as part of the KPMG Australian firm. KPMG FAS' directors and Authorised Representatives may be partners in the KPMG Partnership. The financial product advice in the Report is provided by KPMG FAS and the Authorised Representative and not by the KPMG Partnership.

From time to time KPMG FAS, the KPMG Partnership and related entities (**KPMG entities**) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

KPMG entities have provided a range of services to the Client and for which professional fees are received. Over the past two years professional fees of approximately $351,212 have been received from the Client. None of those services have related to the strategic advice relating to the Transaction or alternatives to the Transaction.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG FAS or the Authorised Representative know. Complaints can be sent in writing to:

The Complaints Officer
KPMG
GPO Box 2291U
Melbourne, VIC 3000

or via email (AU-FM-AFSL-COMPLAINT@kpmg.com.au).

If you have difficulty in putting your complaint in writing, please call (03) 9288 5555 where you will be directed to the Complaints Officer who will assist you in documenting your complaint.

We will acknowledge receipt of your complaint, in writing, within 1 business day or as soon as practicable and will investigate your compliant fairly and in a timely manner.

Following an investigation of your complaint, you will receive a written response within 30 calendar days. If KPMG FAS is unable to resolve your complaint within 30 calendar days, we will let you know the reasons for the delay and advise you of your right to refer the matter to the Australian Financial Complaints Authority (**AFCA**).

External complaints resolution process

If KPMG FAS cannot resolve your complaint to your satisfaction within 30 days, you can refer the matter to AFCA. AFCA is an independent body that has been established to provide free and impartial assistance to consumers to help in resolving complaints relating to the financial services industry. KPMG FAS is a member of AFCA (member no 11690).

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly at:

Address: Australian Financial Complaints Authority Limited, GPO Box 3, Melbourne Victoria 3001

Telephone: 1800 931 678

Email: info@afca.org.au.

The Australian Securities and Investments Commission also has a free call Customer Contact Centre info-line on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG FAS has compensation arrangements for loss or damage in accordance with section 912B of the *Corporations Act 2001* (Cth). KPMG FAS holds professional indemnity insurance which, subject to its terms, provides cover for work performed by KPMG FAS including current and former representatives of KPMG FAS.

Contact Details

You may contact KPMG FAS using the below contact details:

KPMG Corporate Finance (a division of KPMG Financial Advisory Services (Australia) Pty Ltd)
Level 38, International Towers Three
300 Barangaroo Avenue
Sydney NSW 2000

PO Box H67
Australia Square
NSW 1213
Telephone: (02) 9335 7621
Facsimile: (02) 9335 7001

Defined Terms.

Defined Terms.

Term	Definition
AASB	means Australian Accounting Standards Board.
AASB 16	means Australian Accounting Standard AASB 16 Leases.
Aggregate Substantial Interest	has the meaning given in Section 6.6.1.
AEST	means Australian Eastern Standard Time.
AGM	means annual general meeting.
ASIC	means Australian Securities and Investments Commission.
ASX	means the Australian Securities Exchange market, as operated by ASX Limited ABN 98 008 624 691.
ASX Listing Rules	means the rules, as amended from time to time, that govern the admission, quotation, suspension and removal of entities from the Official List.
ASX Settlement	means ASX Settlement Pty Limited ABN 49 008 504 532.
ATO	means Australian Taxation Office.
AUD, A$, $ or Australian dollar or cent	means the lawful currency of the Commonwealth of Australia.
Australian Accounting Standards or AAS	means the Australian Accounting Standards and other authoritative pronouncements including interpretations issued by the AASB.
B2B	means business to business.
B2B Entities	mean WEB Travel Group and its subsidiaries conducting WEB Travel Group Business following Implementation.
B2C	means business to consumer.
B2C Entities	has the meaning given to that term in Section 4.8.1.
Business Day	means any day that is each of the following: (a) a "Business Day" within the meaning given in the ASX Listing Rules; and (b) a day that banks are open for business in both Sydney, New South Wales and Melbourne, Victoria.
CAGR	means compound annual growth rate.
Capital Reduction	means an equal reduction of the share capital of Webjet by the Capital Reduction Amount, to be effected and satisfied by the transfer of Webjet B2C Shares.
Capital Reduction Amount	means the amount of Webjet's share capital that is to be reduced in accordance with the following formula: **A = (B / (B+C)) x D** where: **A** = Capital Reduction Amount; **B** = Webjet B2C market value, being the VWAP of Webjet B2C Shares for the first five trading days starting from the date of the commencement of trading (including on a conditional and deferred settlement basis) of Webjet B2C Shares on the ASX multiplied by the number of Webjet B2C Shares transferred to Webjet Shareholders (or the Sale Agent) under the Demerger (which will equal the number of Webjet Shares on issue on the Demerger Record Date); **C** = Webjet market value, being the VWAP of Webjet Shares for the first five trading days starting from the date of the commencement of trading (including on a conditional and deferred settlement basis) of Webjet B2C Shares on the ASX multiplied by the number of Webjet Shares on issue on the Demerger Record Date; and **D** = Webjet Share Capital Amount.
CEO	means the Chief Executive Officer.
CFO	means the Chief Financial Officer.

Term	Definition
CGT	means Australian capital gains tax.
Change of Name Resolution	means the special resolution to approve a change of company name for Webjet under section 157(1)(a) of the Corporations Act, to be considered by Webjet Shareholders at the Extraordinary General Meeting, the form of which is set out in Resolution 2 of the Notice of Meeting in this Demerger Booklet.
CHESS	means the clearing house electronic subregister system of share transfers operated by ASX Settlement in accordance with the Corporations Act.
Class Ruling	means the class ruling Webjet has applied for from the Commissioner confirming that certain income tax implications of the Demerger for Webjet Shareholders, including that: (a) demerger tax relief will be available under Division 125 of the ITAA 1997 in relation to the Demerger; and (b) no determination will be made under section 45B of the Income Tax Assessment Act 1936 (Cth) in respect of the Capital Reduction or the Demerger Dividend, as referred to in Section 5.
Closely Related Parties	of a Webjet KMP means any of the following: • a spouse, child or dependant of the Webjet KMP; • a child or dependant of the Webjet KMP's spouse; • anyone else who is one of the Webjet KMP's family and may be expected to influence, or be influenced by, the Webjet KMP in the Webjet KMP's dealings with Webjet; • a company the Webjet KMP controls; or • a person prescribed by regulations – as at the date of this notice, no additional persons have been prescribed by regulation.
Commissioner	means the Australian Commissioner of Taxation.
Conditional and deferred settlement trading	means, as further described in Section 6.9, trading on the basis that settlement of the trades will occur at a later time than the usual T+2 settlement (i.e. deferred) and that, if the Demerger is terminated before implementation, all trades conducted prior to the date of termination will be invalid and will not settle (i.e. conditional on the implementation of the Demerger).
Conditions Precedent	means the conditions precedent to the Demerger set out in Section 4.1.
Convertible Notes	means the $250 million convertible notes issued by Webjet due April 2026.
Corporations Act	means the Corporations Act 2001 (Cth).
Demerger	means the proposed demerger of Webjet B2C from Webjet, to be implemented pursuant to the Capital Reduction and the Demerger Dividend in the manner more fully described in this Demerger Booklet.
Demerger Booklet	means this document, including each Annexure and the Notice of Meeting.
Demerger Booklet Date	means the date of this Demerger Booklet, being 8 August 2024.
Demerger Distribution Amount	means the VWAP of Webjet B2C Shares for the first five trading days starting from the date of commencement of trading (including on a conditional and deferred settlement basis) of Webjet B2C Shares on the ASX, multiplied by the number of Webjet B2C Shares transferred to Webjet Shareholders (or the Sale Agent) under the Demerger (which will equal the number of Webjet Shares on issue at the Demerger Record Date).
Demerger Dividend	means the dividend to be determined to be paid on each Webjet Share as part of the Demerger, being equal to the Demerger Dividend Amount divided by the number of Webjet Shares on issue at the Demerger Record Date.
Demerger Dividend Amount	means the Demerger Distribution Amount less the Capital Reduction Amount.
Demerger Implementation Deed	means the demerger implementation deed entered into on or about the Demerger Booklet Date between Webjet and Webjet B2C which sets out certain steps required to be taken by each of them to give effect to the Demerger, the principle terms of which are outlined in Section 4.8.2.

Term	Definition
Demerger Record Date	means the time and date which determine the entitlements of Shareholders to Webjet B2C Shares under the Demerger, which is expected to be 7.00pm (AEST), 24 September 2024 or such other date determined by the Webjet Board and advised to Shareholders.
Demerger Resolution	means an ordinary resolution of Webjet Shareholders to approve the Demerger, including the reduction of capital in Webjet in order to effect the Demerger, the form of which is set out in Resolution 1 of the Notice of Meeting in this Demerger Booklet.
Demerger Tax Relief	has the meaning given in Section 5.
EBIT	means earnings before interest and tax.
EBITDA	means earnings before interest, tax, depreciation and amortisation.
EGM Record Date	means the time and date which determine eligibility of Webjet Shareholders to vote at the Extraordinary General Meeting.
Eligible Shareholder	means a Shareholder whose address is shown in the Webjet Share Register on the Demerger Record Date in the following jurisdictions: • Australia and its external territories; • Hong Kong; • New Zealand; • Singapore; • United Kingdom; • United States; or • any other jurisdiction in which Webjet reasonably believes it is not prohibited or unduly onerous or impractical to implement the Demerger and to transfer Webjet B2C Shares to the Shareholder.
Executive Incentive Resolution	means the ordinary resolution to approve the incentive arrangements for Mr John Guscic to be considered by Shareholders at the Extraordinary General Meeting, the form of which is set out in Resolution 3 of the Notice of Meeting in this Demerger Booklet.
Extraordinary General Meeting	means the extraordinary general meeting of Webjet Shareholders to be held at 9.00am on Tuesday, 17 September 2024 to consider the Demerger Resolution, the Change of Name Resolution and the Executive Incentive Resolution.
FAR	means total fixed annual remuneration (including superannuation).
FATA	means the Foreign Acquisitions and Takeovers Act 1975 (Cth).
Financial Information	means the Webjet Group Historical Financial Information, the WEB Travel Group Pro Forma Historical Financial Information and the Webjet B2C Pro Forma Historical Financial Information.
FY21 Performance Rights	means the performance rights issued by Webjet under the Webjet LTIP in respect of the financial year ended 31 March 2021.
FY22	means the 12-month period ended 31 March 2022.
FY22 Performance Rights	means the performance rights issued by Webjet under the Webjet LTIP in respect of the financial year ended 31 March 2022.
FY23	means the 12-month period ended 31 March 2023.
FY23 Performance Rights	means the performance rights issued by Webjet under the Webjet LTIP in respect of the financial year ended 31 March 2023.
FY24	means the 12-month period ended 31 March 2024.
FY24 Annual Report	means the annual report of Webjet for the financial year ended 31 March 2024.
FY24 Performance Rights	means the performance rights issued by Webjet under the Webjet LTIP in respect of the financial year ended 31 March 2024.
FY25	means the 12-month period ended 31 March 2025.
GDS	means Global Distribution System.
GST	means goods and services or similar tax imposed in Australia.

Term	Definition
IATA	means the International Air Transport Association.
IFRS	means International Financial Reporting Standards.
Implementation	means performance of the final implementation steps of the Demerger and the transfer of Webjet B2C Shares to Eligible Shareholders (other than Selling Shareholders) and the Sale Agent pursuant to the Demerger Resolution, which is expected to be 30 September 2024 or such other date as determined by the Webjet Board.
Implementation Date	means the date of Implementation.
Independent Expert	means KPMG Financial Advisory Services (Australia) Pty Ltd, AFSL 246901.
Independent Expert's Report	means the report of the Independent Expert (a version of which is set out in Section 8). A copy can be obtained by calling the Webjet Share Registry on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia) on Business Days between 8.30am and 5.00pm (AEST) or from Webjet's website (www.webjetlimited.com), and any update to such report that the Independent Expert issues.
Independent Limited Assurance Report	means the independent limited assurance report of the Investigating Accountant on the Financial Information set out in Section 7.
Ineligible Shareholder	means a Webjet Shareholder who is not an Eligible Shareholder.
Investigating Accountant	means Deloitte Corporate Finance Pty Limited ABN 19 003 833 127.
IPO	means initial public offering.
ITAA 1997	means the Income Tax Assessment Act 1997 (Cth).
JV Entities	means Search Republic Limited (Company Number 7496476), a company incorporated in New Zealand and TaguchiMarketing Pty Ltd ACN 135 429 793, a company incorporated in Australia.
Management Vested FY24 Performance Rights	has the meaning give in Section 4.6.3
NDC	means New Distribution Capability.
Notice of Meeting or Notice of Extraordinary General Meeting	means the notice of Extraordinary General Meeting set out in this Demerger Booklet.
NPAT	means net profit after tax.
Official List	means the official list of entities that the ASX has admitted to and not removed from listing.
OTA	means online travel agent.
Performance Right or Webjet Right	means a right granted by Webjet under the Webjet LTIP which entitles the holder to one Webjet Share upon vesting of the right.
Proxy Form	means the proxy form for the Extraordinary General Meeting accompanying this Demerger Booklet (or any replacement or substitute proxy form).
Recommendations	means the 4th edition of the Corporate Governance Principles and Recommendations developed by the ASX Corporate Governance Council.
Remuneration Report	means the remuneration report for the financial year ended 31 March 2024, as set out in the FY24 Annual Report.
Restructure	means the proposed restructure of Webjet and Webjet B2C prior to the Implementation Date.
Restructure Deed	means the restructure deed to be entered into by Webjet and Webjet B2C to procure that all steps necessary to effect the transfer of the Webjet B2C Business from the Webjet Group to the Webjet B2C Group are undertaken prior to the Implementation Date, the principle terms of which are outlined in Section 4.8.1.
Restructure Documents	means the documents entered into by Webjet and Webjet B2C to effect the Restructure, as identified in Section 4.8.1.
Sale Agent	means the person nominated by Webjet to sell or facilitate the sale of Webjet B2C Shares under the Sale Facility as described in Section 4.7.

Term	Definition
Sale Facility	means the facility to be established by Webjet and managed by the Sale Agent under which Ineligible Shareholders' Webjet B2C Shares and Selling Shareholders' Webjet B2C Shares may be sold in accordance with the terms described in Section 4.4.2.
Sale Facility Form	means the form to be completed by a Small Shareholder to elect to participate in the Sale Facility.
Sale Facility Proceeds	means the cash proceeds (free of any brokerage costs or stamp duty, but after deducting any applicable withholding tax) from the sale of an Ineligible Shareholder's Webjet B2C Shares and a Selling Shareholder's Webjet B2C Shares under the Sale Facility, calculated on an averaged basis so that all Ineligible Shareholders and Selling Shareholders receive the same price for each Webjet B2C Share sold on their behalf.
Selling Shareholders	means Small Shareholders who validly elect to have their Webjet B2C Shares sold pursuant to the Sale Facility.
Separation Date	means the date Webjet and Webjet B2C separate (expected to be 12:01am (AEST) on 30 September 2024), with final implementation steps including the transfer of Webjet B2C Shares to Eligible Shareholders (other than Selling Shareholders) and the Sale Agent pursuant to the Demerger Resolution, to occur by the Implementation Date or such other date as determined by the Webjet Board.
Separation Deed	means the separation deed to be entered into between Webjet and Webjet B2C that addresses the issues arising from and in connection with the separation of Webjet B2C from the Webjet Group, the principle terms of which are outlined in Section 4.8.3.
Shareholder	means a Webjet Shareholder.
Small Shareholder	means an Eligible Shareholder who individually holds 500 or fewer Webjet Shares as at the Demerger Record Date.
Special Exertion Fees	has the meaning given in Section 6.2.
Substantial Interest	has the meaning given in Section 6.6.1.
Transitional Services Agreement	means the transitional services agreement to be entered into between WEB Travel Group and Webjet B2C for the provision of historical group shared services, whereby WEB Travel Group will provide services to Webjet B2C and Webjet B2C will provide services to WEB Travel Group, the principle terms of which are outlined in Section 4.8.4.
TTV	means total transaction value.
Voting Record Date	means 7.00pm (AEST), Sunday, 15 September 2024.
VWAP	means the volume weighted average price of the shares traded on the ASX during the relevant period, except for trades otherwise than in the ordinary course of trading.
WEB Travel Group	means Webjet Group (Post-Demerger).
WEB Travel Group Business	means the business operating under the "WebBeds" brand and all other existing and former businesses and operations undertaken by Webjet excluding the Webjet B2C Business.
WEB Travel Group Pro Forma Historical Financial Information	has the meaning given in Section 3.6.
WEB Travel Group Shares	means a fully paid ordinary share in WEB Travel Group.
Webjet	means Webjet Limited ABN 68 002 013 612.
Webjet B2C	means Webjet Group Limited ACN 679 116 762.
Webjet B2C Board	means the board of directors of Webjet B2C from time to time.
Webjet B2C Business	means the B2C business comprising Webjet OTA, GoSee and Trip Ninja.
Webjet B2C Constitution	means the constitution of Webjet B2C to take effect on or prior to Webjet B2C's listing on the ASX.
Webjet B2C Director	means each of the directors of Webjet B2C from time to time.

Term	Definition
Webjet B2C Group	means Webjet B2C, its subsidiaries and the JV Entities.
Webjet B2C Group Pro Forma Historical Financial Information	has the meaning given in Section 2.6.
Webjet B2C KMP	means the Webjet B2C Key Management Personnel, which will at implementation of the Demerger include Katrina Barry, Managing Director and Layton Shannos, Chief Financial Officer.
Webjet B2C Listing	means the admission of Webjet B2C to the Official List.
Webjet B2C LTIP	means the Webjet B2C Long Term Incentive Plan described in Section 2.12.4.
Webjet B2C Right	means a right granted by Webjet B2C under the Webjet B2C LTIP which entitles the holder to one Webjet B2C Share upon vesting of the right.
Webjet B2C Share	means a fully paid ordinary share in the capital of Webjet B2C.
Webjet B2C Share Register	means the register of Webjet B2C Shares.
Webjet B2C Share Registry	means Automic Pty Ltd.
Webjet B2C Shareholder	means a registered holder of a Webjet B2C Share.
Webjet Board	means the board of directors of Webjet from time to time.
Webjet Director	means each of the directors of Webjet from time to time.
Webjet Group	means Webjet and its subsidiaries.
Webjet Group (Post-Demerger)	means Webjet Group excluding Webjet B2C.
Webjet Historical Financial Information	has the meaning given in Section 3.6.
Webjet KMP	means the key management personnel of Webjet, being those persons having authority and responsibility for planning, directing, and controlling the activities of Webjet, whether directly or indirectly. It includes all Webjet Directors (executive and non-executive) and certain senior executives of Webjet. The Webjet KMPs during the year ended 31 March 2024 are listed in the Remuneration Report contained in the FY24 Annual Report of Webjet.
Webjet LTIP	means the Webjet Long Term Incentive Plan described in Section 4.6.
Webjet Option	means an option granted by the Webjet under the Webjet LTIP which entitles the holder to one Webjet Share upon vesting of the option.
Webjet Plan Securities	means a Webjet Option or a Performance Right.
Webjet Share	means a fully paid ordinary share in the capital of Webjet.
Webjet Share Capital Amount	means the balance in Webjet's share capital account immediately prior to the Separation Date.
Webjet Share Register	means the share register of Shareholders maintained by or on behalf of Webjet in accordance with section 168(1) of the Corporations Act.
Webjet Share Registry	means Computershare Investor Services Pty Ltd ABN 48 078 279 277.
Webjet Shareholder	means a registered holder of a Webjet Share.

10.

Notice of Extraordinary General Meeting.

Notice of Extraordinary General Meeting.

Notice is given that the Extraordinary General Meeting (**EGM** or **Meeting**) of the members (**Shareholders**) of Webjet Limited (**Company** or **Webjet**) will be held on **Tuesday, 17 September 2024** at **9.00am** (**AEST**).

Registration will open from 8.30am (AEST). The EGM will be a hybrid meeting, both in-person at Webjet's corporate office at Level 2, 509 St Kilda Road, Melbourne, Victoria, as well as virtually through the Computershare online platform at https://meetnow.global/MZCZR4J.

The Explanatory Statement that accompanies and forms part of this Notice of Meeting describes in more detail the matters to be considered at the EGM. Please ensure that you read the Explanatory Statement in full.

Terms used in this Notice of Meeting and the Explanatory Statement have the same meaning as set out in the Defined Terms in Section 9 of this Demerger Booklet (of which this Notice of Meeting forms part), unless indicated otherwise.

Business of the Meeting.

Demerger Resolution
(Resolution 1)

To consider and, if thought fit, pass the following Resolution as an ordinary Resolution that:

(a) for the purposes of section 256C(1) of the Corporations Act, the Company's share capital be reduced on the Implementation Date by the Capital Reduction Amount, with such amount being applied equally against each Webjet Share on issue on the Demerger Record Date and the reduction, together with the Demerger Dividend, being effected and satisfied by distributing in-specie the Webjet B2C Shares to Eligible Shareholders (and the Sale Agent in respect of Ineligible Shareholders and Selling Shareholders); and

(b) the Demerger of Webjet Group Limited from the Company as described in the Demerger Booklet and all relevant agreements and arrangements entered into by Webjet Group Limited and the Company and their respective related bodies corporate to give effect to the Demerger are approved for all purposes.

Note: This Resolution requires approval by a simple majority of votes cast (i.e., more than 50%) by Shareholders entitled to vote on the Resolution at the Extraordinary General Meeting.

Change of company name
(Resolution 2)

To consider and, if thought fit, pass the following Resolution as a special Resolution:

> That, subject to and conditional upon Resolution 1 being passed and for the purposes of section 157(1)(a) of the Corporations Act and all other purposes, the Company change its name from "Webjet Limited" to "WEB Travel Group Limited".

Note: This Resolution is a special Resolution and requires approval by at least 75% of the votes cast by Shareholders entitled to vote on the Resolution at the Extraordinary General Meeting.

Approval of grant of Webjet Rights to the Managing Director, John Guscic
(Resolution 3)

To consider and, if thought fit, pass the following Resolution as an ordinary Resolution:

> That, subject to and conditional upon Resolution 1 being passed, and for the purposes of ASX Listing Rule 10.14 and all other purposes, the grant of Webjet Rights to Mr John Guscic (or his nominee) under the Webjet LTIP as described in the Explanatory Statement is approved.

Note: This Resolution requires approval by a simple majority of votes cast (i.e., more than 50%) by Shareholders entitled to vote on the Resolution at the Extraordinary General Meeting.

Notes.

If it is necessary for the Company to give further updates on the arrangements for the EGM, we will inform you through the ASX Market Announcements Platform and our investor website (www.webjetlimited.com).

Participating in the Meeting – voting in person

To vote in person, attend the Meeting on the date and place as set out above.

Whilst Shareholders are welcome to attend the Meeting in person, we encourage all Shareholders to vote by proxy ahead of the meeting by following the instructions set out in this Notice of Meeting and the enclosed proxy form.

Participating in the Meeting – voting through the virtual platform

By participating in the Meeting online, Shareholders and proxyholders will be able to:

- hear from representatives of the Company and view the Meeting presentations;
- submit questions at the appropriate time whilst the Meeting is in progress – the chairperson will announce the appropriate time during the Meeting; and
- vote during the Meeting.

Whilst Shareholders will be able to vote on the Resolution online during the Meeting in real time, Shareholders are encouraged to lodge a proxy ahead of the meeting, even if they are participating online. If you are unable to attend, please lodge your vote online at www.investorvote.com.au.

If you choose to participate in the Meeting online, registration will open at 8.30am (AEST) on Tuesday, 17 September 2024.

To participate in the Meeting online, Shareholders and proxyholders will need to enter this URL in the browser of their computer or mobile device: https://meetnow.global/MZCZR4J.

Once you have entered the URL, you will need the following information to participate in the EGM in real-time:

Shareholders:

- Your SRN/HIN as set out in your proxy form; and
- The postcode registered to your holding if you are an Australian Shareholder. Overseas Shareholders should select the country code registered to your holding from the drop-down menu on the log-in page.

Proxyholders:

- Please contact Computershare Investor Services on +61 3 9415 4024 prior to the Meeting to request your unique email invitation link.

Further information regarding participating in the EGM online, including browser requirements, is detailed in the Virtual Meeting Guide available at: www.computershare.com.au/virtualmeetingguide.

The Company's decision to conduct voting at the EGM in this way is supported by the Company's constitution which provides that the chairperson may determine the manner in which a poll at a general meeting of the Company will be taken. The constitution of the Company also allows for a general meeting to be held in two or more places, using technology to facilitate it.

Technical difficulties

Technical difficulties may arise during the course of the Meeting. The chairperson has discretion as to whether and how the Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the chairperson will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Meeting is affected.

Where the chairperson considers it appropriate, the chairperson may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, Shareholders are encouraged to lodge a proxy in accordance with the instructions below even if they plan to attend online.

Proxy forms and voting

- A Shareholder entitled to attend and vote at the Meeting has the right to appoint a proxy.
- A proxy does not need to be a Shareholder of the Company.
- A Shareholder who is entitled to cast two or more votes may appoint up to two proxies and, in the case of such an appointment, may specify the proportion or number of votes each proxy is appointed to exercise.
- If a Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes which each proxy may exercise, each proxy may exercise half of the votes.
- Proxies may be appointed using the proxy form (**Proxy Form**). Detailed instructions for appointing a proxy are provided on the Proxy Form.
- Proxy appointments (and any necessary supporting document) must be received by the Company no later than **48 hours before the commencement of the Meeting**. Proxies received after this deadline will **not** be effective for the scheduled meeting.
- Completed Proxy Forms may be lodged as follows:

  By mail to:
  Computershare Investor Services Pty Limited
  GPO Box 242
  Melbourne VIC 3001

  By facsimile to:
  Computershare Investor Services Pty Limited
  (within Australia) 1800 783 447
  (outside Australia) +61 3 9473 2555

  Online:
  by visiting www.investorvote.com.au
  and following the instructions and information provided on your Proxy Form

  Custodian voting:
  For Intermediary Online subscribers only (custodians), please visit
  www.intermediaryonline.com
  to submit your voting intentions

- If a Proxy Form is signed on behalf of a Shareholder under a power of attorney, then either the original power of attorney, or a certified copy of it, must be lodged with the Proxy Form (before the deadline for the lodgement of proxies), unless the power of attorney has already been sighted by the Share Registry.
- A proxy may decide whether to vote on any item of business or other Resolution put before the Meeting, except where the proxy is required by law or the Company's constitution to vote or abstain from voting in their capacity as proxy. If the proxy's appointment directs the proxy how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If the proxy's appointment does not direct the proxy how to vote on an item of business or any other Resolution before the Meeting, the proxy may vote as he or she thinks fit on that item or Resolution.
- If a Shareholder appoints two proxies, neither is entitled to vote (as proxy for that Shareholder) on a show of hands at the Meeting. However, each can vote if a poll is taken on an item of business.
- If the same person (such as the chairperson of the Meeting) is appointed as proxy for two or more Shareholders and those Shareholders have specified different ways for the proxy to vote on an item of business, then the proxy is not entitled to vote (as proxy) on a show of hands on that item.

Appointment of corporate representatives

- A body corporate that is a Shareholder and entitled to attend and vote at the Meeting, or that has been appointed as proxy of a Shareholder entitled to attend and vote at the Meeting, may appoint an individual to act as its representative at the Meeting. The appointment must comply with section 250D of the Corporations Act. The representative must provide to the Company adequate evidence of his or her appointment, including any authority under which the appointment is signed, unless that evidence has previously been provided to the Share Registry.

Appointing the chairperson of the Meeting as your proxy

The Proxy Form accompanying this Notice or Meeting contains detailed instructions regarding completion of the Proxy Form in circumstances where a Shareholder wishes to appoint the chairperson of the Meeting as his or her proxy. You should read those instructions carefully.

- By appointing the chairperson of the Meeting as your proxy in relation to any Resolutions, you expressly authorise the chairperson to exercise your vote on those Resolutions unless you have directed the chairperson how to vote on the Resolutions by marking the appropriate box at Step 2 of the Proxy Form.
- The chairperson intends to exercise all available proxies by voting in favour of all Resolutions on the agenda.
- If you do not wish the chairperson of the Meeting to exercise the proxy in accordance with the chairperson's stated voting intentions on a Resolution, you should ensure that a box other than the 'For' box is clearly marked against each of the Resolutions in the Proxy Form.

Shareholders should refer to the notes below for information regarding voting restrictions.

Voting by proxy holders

Under the Corporations Act:

- if proxy holders vote, they must vote all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the chairperson of the EGM, who must vote the proxies as directed.

Proxy vote if appointment specifies way to vote

Section 250BB of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular Resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;
- if the proxy has two or more appointments that specify different ways to vote on a Resolution – the proxy must not vote on a show of hands;
- if the proxy is the chairperson of the meeting at which the Resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e., as directed); and
- if the proxy is not the chairperson of the meeting – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e., as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular Resolution at a meeting of the company's shareholders; and
- the appointed proxy is not the chairperson of the meeting; and
- at the meeting, a poll is duly demanded on the Resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the Resolution,

the chairperson of the Meeting is taken, before voting on the Resolution closes, to have been appointed as the proxy for the purposes of voting on the Resolution at that meeting.

All resolutions will be by poll

The chairperson intends to call a poll on each of the Resolutions set out in this Notice of Meeting.

Voting restrictions

The Corporations Act and the ASX Listing Rules require that certain persons must not vote, and the Company must disregard any votes cast by or on behalf of certain persons on Resolution 3 to be considered at the EGM. The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of any director who is eligible to participate in the Webjet LTIP (or an associate of that person or those persons).

However, this does not apply to a vote cast in favour of **Resolution 3**:

- by a person as proxy or attorney for a person entitled to vote on the Resolution in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- by the chairperson of the EGM as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chairperson to vote on the Resolution as the chairperson decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on those Resolutions; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, a vote on Resolution 3 must not be cast as a proxy by a person who is a member of the Webjet KMP at the date of the EGM or their Closely Related Parties where the proxy appointment does not specify the way a proxy is to vote on the Resolution, unless:

- the proxy is the chairperson of the EGM; and
- the proxy appointment expressly authorises the chairperson to exercise the proxy event though the Resolution is connected directly or indirectly with the remuneration of a Webjet KMP member.

Questions and comments from Shareholders

In accordance with the Corporations Act, a reasonable opportunity will be given to the Shareholders, as a whole, to ask questions at the EGM about, or make comments on, the items of business before the EGM.

Shareholders attending the Meeting (either in-person or via the online platform) will have the opportunity to ask questions (at the Meeting, or using the online platform during the Meeting, as applicable). Please note that only Shareholders may ask questions online. It may not be possible to respond to all questions raised during the Meeting. Shareholders are therefore encouraged to lodge questions prior to the Meeting.

For this purpose, Shareholders may submit written questions to the Company in advance of the EGM. Questions to the Company may be submitted:

- by email to agm@webjetlimited.com; or
- by mail addressed to the
  Company Secretary,
  Webjet Limited,
  Level 2, 509 St Kilda Road,
  Melbourne VIC 3004,

and must be received no later than five business days before the EGM.

All questions will be collated and, during the Meeting, the chairperson will seek to address as many of the more frequently raised topics as possible. If written answers are tabled at the EGM, they will be made available to all Shareholders (on the Company's website) as soon as practicable after the EGM.

If there is not sufficient time available at the EGM to address all topics raised, the Company will endeavour to provide a subsequent written answer to each question submitted. The Company cannot guarantee that an individual response will be sent to each Shareholder.

Attendance Determination of voting entitlements

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the Meeting, only those persons registered as the holders of Shares as at 7:00pm (AEST) on 15 September 2024 will be able to vote at the Meeting and only on their shareholdings at that time.

Explanatory Statement

Please read the enclosed Explanatory Statement for an explanation of the business of the EGM.

Definitions

Words that are defined in Section 9 of the Demerger Booklet have the same meaning when used in this Notice of Meeting unless the context or the definitions in this Notice of Meeting provide otherwise.

By Order of the Webjet Board

Tony Ristevski
Company Secretary
Webjet Limited
Dated: 8 August 2024

Explanatory Statement.

The purpose of this Explanatory Statement (which is included in and forms part of the Notice of Meeting) is to provide Shareholders with an explanation of the business of the Extraordinary General Meeting (**EGM** or **Meeting**) and the Resolutions to be considered at the EGM as well as to assist Shareholders to determine how they wish to vote on each Resolution.

The EGM will be held both in-person for those Shareholders who wish to, and are able to attend physically, and virtually using the Computershare software platform at https://meetnow.global/MZCZR4J, for those Shareholders who prefer to attend remotely, on **Tuesday, 17 September 2024** at **9.00am** (**AEST**). Registration will open from 8.30am (AEST).

Demerger Resolution (Resolution 1)

The proposed Demerger involves the separation of the Webjet B2C Business to create a standalone, ASX-listed entity in Webjet Group Limited, and the transfer of Webjet B2C Shares to Eligible Shareholders in the manner more fully described in the Demerger Booklet. The Demerger is conditional on, among other things, this Resolution being passed. Detailed information on the Demerger is contained in the Demerger Booklet (of which this Notice of Meeting forms part).

This Resolution seeks Shareholder approval pursuant to section 256C of the Corporations Act for Webjet to undertake an equal capital reduction in its share capital under section 256B of the Corporations Act.

The Capital Reduction, as described in the Demerger Booklet, is a return of capital on Webjet Shares which will be applied, together with the Demerger Dividend, equally to all Webjet Shares as consideration for the transfer of Webjet Group B2C to Eligible Shareholders (and, in the case of Ineligible Shareholders and Selling Shareholders, a transfer of the Webjet B2C Shares receivable by those Shareholders to the Sale Agent) as part of the Demerger.

Shareholders are not required to make any payment to receive Webjet B2C Shares under the Demerger.

Under the Demerger, the Capital Reduction Amount will be calculated using the following formula:

A = (B / (B+C)) x D

where:

A = Capital Reduction Amount;

B = Webjet B2C market value, being the VWAP of Webjet B2C Shares for the first five trading days starting from the date of the commencement of trading (including on a conditional and deferred settlement basis) of Webjet B2C Shares on the ASX multiplied by the number of Webjet B2C Shares transferred to Shareholders (or the Sale Agent) under the Demerger (which will equal the number of Webjet Shares on issue on the Demerger Record Date);

C = Webjet market value, being the VWAP of Webjet Shares for the first five trading days starting from the date of the commencement of trading (including on a conditional and deferred settlement basis) of Webjet B2C Shares on the ASX multiplied by the number of Webjet Shares on issue on the Demerger Record Date; and

D = Webjet Share Capital Amount.

What is the Webjet Board's recommendation?

The Webjet Board recommends that Shareholders vote in favour of Resolution 1. Each Webjet Director who holds or controls Webjet Shares intends to vote in favour of Resolution 1 at the EGM.

Change of company name (Resolution 2)

Webjet proposes to change its name from "Webjet Limited" to "WEB Travel Group Limited". This change reflects Webjet Limited and Webjet Group Limited's transition into two independent businesses whilst retaining their identities as part of the recognized Webjet brand.

Webjet Limited's ASX listing code (WEB) will remain unchanged.

In order for the Company to change its name, Shareholders must adopt the name by way of a special resolution in accordance with section 157(1)(a) of the Corporations Act. If such resolution is passed, the Company will lodge with ASIC the appropriate forms and documents to effect the change of name and alter the Company's registration details.

What is the Webjet Board's recommendation?

The Webjet Board recommends that Shareholders vote in favour of Resolution 2. Each Webjet Director who holds or controls Webjet Shares intends to vote in favour of Resolution 2 at the EGM.

Approval of grant of Webjet Rights to the Managing Director, John Guscic (Resolution 3)

Background

At Webjet's annual general meeting to be held on 29 August 2024 (**AGM**), Shareholder approval is being sought for the grant of 362,812 Webjet Rights to Mr Guscic (**Proposed FY25 Grant**).

For further information on the Proposed FY25 Grant, please see the Notice of AGM which is available from Webjet's website (www.webjetlimited.com) or the ASX website (www.asx.com.au).

If Webjet Shareholders approve the Demerger Resolution and the Demerger is implemented, the Proposed FY25 Grant will not proceed. Instead, Webjet intends to make an alternative grant of Webjet Rights to Mr Guscic on the terms set out below.

Why is Webjet Shareholder approval being sought?

Listing Rule 10.14 provides that Shareholders of an ASX listed company must approve the issue of securities (including options and performance rights) to a director under an employee incentive scheme. Accordingly, the Webjet Board seeks Shareholder approval under Resolution 3 for the grant of Webjet Rights to the Managing Director, Mr Guscic. The grant is conditional on Webjet Shareholders approving the Demerger Resolution and the Demerger being implemented.

Summary of terms of Mr Guscic's proposed Webjet Rights grant

Entitlements under LTI offer	Mr Guscic will be offered a number of Webjet Rights calculated by dividing the LTI maximum opportunity amount (being 200% of the FAR) by the 20-day VWAP of Webjet's Shares commencing on 1 October 2024, being the first trading day of Webjet's shares following Implementation. Example:

	Number of Webjet Rights
Based on 20 day VWAP of $7.50	426,666
Based on 20 day VWAP of $7.75	412,903
Based on 20 day VWAP of $8.00	400,000

	If Shareholder approval is not obtained, the Webjet Board will consider alternative arrangements to appropriately remunerate and incentivise Mr Guscic. Each Webjet Right will give Mr Guscic a right to acquire one Webjet Share at nil cost if the applicable performance conditions are satisfied.
Date of grant	The Webjet Rights will be granted to Mr Guscic as soon as practicable after Implementation. In any event, they will not be granted more than 1 year after the Implementation Date.
Why are Webjet Rights used for Mr Guscic's LTI?	Webjet uses Webjet Rights because they ensure alignment with long-term Shareholder outcomes and reward strong outperformance but do not provide the full benefits of share ownership (such as dividend and voting rights) unless and until the Webjet Rights vest. The use of Webjet Rights is aligned with typical market practice.

Summary of terms of Mr Guscic's proposed Webjet Rights grant

Performance conditions

The vesting conditions for the vesting of the Webjet Rights will comprise the following two metrics each with a weighting of 50%:

- a relative total shareholder return (**TSR**) metric tested over the applicable 2.5-year vesting period compared to ASX 200 listed entities excluding banks, resource companies, listed property trusts and ETF/index-based companies; and
- an underlying diluted earnings per share (**EPS**) growth metric tested over the applicable 2.5-year vesting period.

The vesting scales to be used for each vesting condition metric are:

TSR Metric

Webjet's TSR ranking	Percentage of TSR metric achievement	Percentage of Webjet Rights that will vest
Below the 40th percentile	0%	0%
At the 40th percentile	25%	12.5%
Above the 40th percentile and below the 50th percentile	25% plus an additional 1% for each 1 percentile increase above the 40th percentile	12.5% plus an additional 0.5% increase for each 1 percentile increase above the 40th percentile
At the 50th percentile	35%	17.5%
Above the 50th percentile and below the 75th percentile	35% plus an additional 2.6% for each 1 percentile increase above the 50th percentile	17.5% plus an additional 1.3% increase for each 1 percentile increase above the 50th percentile
At or above the 75th percentile	100%	50%

EPS Metric

Webjet's scaling 2.5-year underlying diluted EPS	Percentage of metric achievement	Percentage of Webjet Rights that will vest
Less than 10%	0%	0%
At 10%	30%	15%
Above 10% and below 13%	30% plus an additional 0.1% for each 1 bps above 10%	15% plus an additional 0.05% for each 1 bps above 10%
At 13%	60%	30%
Above 13% and below 16%	60% plus an additional 0.06667% for each 1 bps above 13%	30% plus an additional 0.03334% for each 1 bps above 13%
At 16%	80%	40%
Above 16% and below 20%	80% plus an additional 0.05% for each 1 bps above 16%	40% plus an additional 0.025% for each 1 bps above 16%
At or above 20%	100%	50%

Performance period and vesting

The performance conditions for the Webjet Rights will be tested over a 2.5-year period from 1 October 2024 until 31 March 2027.

The performance period will commence on 1 October 2024 as it is the first day following implementation of the Demerger, and will end on 31 March 2027 in order to remain aligned with Webjet's reporting period. It is expected that future grants will be subject to a 3 year performance period.

Subject to satisfaction of the performance conditions, the Webjet Rights will vest following testing of the performance conditions expected to occur after the release of Webjet's results for FY27 at the end of May 2027.

Exercising vested performance rights

Once vested, the Webjet Rights may be exercised (into ordinary Webjet Shares) at any time within five years of the vesting date.

Price payable

Mr Guscic will not be required to make any payment to Webjet on the grant or exercise of the Webjet Rights.

Summary of terms of Mr Guscic's proposed Webjet Rights grant

Value of the Webjet Rights	The number of Webjet Rights to be issued to Mr Guscic will be determined in accordance with the fair value attributable to the Webjet Rights and on the basis of delivering an LTI equal to 200% of Mr Guscic's FAR. However, given that the accounting for the fair value of the Webjet Rights is calculated on the date of issue of the Webjet Rights, the ultimate fair value of the Webjet Rights to be accounted for in Webjet's financial statements will not be known until the issue of the Webjet Rights. The realised value of the Webjet Shares allocated to Mr Guscic following exercise of the Webjet Rights will depend on the price of the Webjet Shares on that date.
Dividend and voting rights	The Webjet Rights granted to Mr Guscic do not carry any dividend or voting rights prior to vesting. Once vested, if Webjet determines to pay a dividend to its Shareholders, Mr Guscic may be entitled to, by way of cash or Webjet Shares, a payment equivalent to the value of dividends that would have been payable to him had he been the holder of the underlying Webjet Shares over which the Webjet Right is exercisable during a period determined by the Webjet Board.
Adjustments to performance rights	Webjet reserves the right to adjust the outcome where appropriate for acquisitions and/or disposals or other events/circumstances which may unreasonably skew the outcome.
Trading restrictions	Mr Guscic will not be permitted to dispose of, or otherwise deal with, the Webjet Rights. Subject to compliance with applicable laws and Webjet's Share Trading Policy, Mr Guscic will not be prevented from dealing with any Webjet Shares acquired by him upon the vesting of the Webjet Rights.
Cessation of employment	If Mr Guscic's employment is terminated for cause, the clawback provisions (described below) will apply. Where Mr Guscic'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 Webjet Rights. In all other circumstances, subject to the clawback provisions, Mr Guscic will retain a pro-rata proportion (based on the portion of FY25 which has elapsed) of the number of Mr Guscic's unvested Webjet Rights which will be retained for testing at the end of the performance period.
Clawback	The Webjet Rights are subject to customary clawback provisions under which, subject to the discretion of the Webjet Board, will lapse if, among other things, Mr Guscic materially breaches his obligations to Webjet or has acted fraudulently in relation to the affairs of Webjet.
Change in control	If a change of control event occurs, the Webjet Board has discretion to determine that all or a portion of the Webjet Rights will, subject to the vesting conditions remaining capable of being satisfied at that time, vest at an earlier date to be determined by the Webjet Board.
Mr Guscic's total remuneration package for FY25	Listing Rule 10.15.4 requires this Notice of EGM to include details (including the amount) of Mr Guscic's current total annual remuneration:

Fixed Annual Remuneration (including superannuation) (**FAR**)	$1.6 million
Short term incentive	100% of FAR at maximum, subject to the achievement of both financial and non-financial measures.
Long term incentive	200% of FAR at maximum.

Shareholders are referred to Webjet's most recent Remuneration Report for full details of Mr Guscic's remuneration.

Summary of terms of Mr Guscic's proposed Webjet Rights grant

Other information required by Listing Rule 10.15	Following Implementation: 1. Mr Guscic is a director of Webjet and accordingly falls into the category of people contemplated under Listing Rule 10.14.1. 2. Mr Guscic is the only director of Webjet entitled to participate in, and receive securities, under the Webjet LTIP. 3. 4,500,000 Webjet Options and 435,908 Webjet Rights have been granted to Mr Guscic for nil cost in respect of prior year Webjet LTIP grants. No loans have been provided by Webjet to Mr Guscic in connection with the grant of such Webjet Options or Webjet Rights or allocation of shares on vesting and exercise of those Webjet Options or Webjet Rights. 4. Details of any securities issued under the Webjet LTIP will be published in the Annual Report of Webjet for the period in which the securities were issued, along with a statement that Shareholder approval for the issue was obtained under Listing Rule 10.14. 5. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Webjet Plan Securities under the Webjet LTIP after Implementation and who are not named in this Notice of EGM will not participate until approval is obtained under that rule. 6. A voting exclusion statement in respect of Resolution 3 has been included in this Notice.

What is the Webjet Board's recommendation?
Noting that each executive director is excluded from voting their Shares on Resolution 3 (as set out in the voting exclusion statement in the Notes), the Webjet Board (with Mr Guscic abstaining) recommends that Shareholders vote in favour of Resolution 3.

How to vote.

To vote on the Resolutions, Shareholders will need to do one of the following:

Either:

- Attend the Meeting on the date and place as set out above.

Or

- Attend the virtual Meeting.

Or

- Complete the enclosed Proxy Form and return it by facsimile or mail or vote online and, in each case, the completed Proxy Form must be received, or the online voting must have occurred, by no later than 9.00am (AEST) on Sunday, 15 September 2024:

By mail to:
Computershare Investor Services Pty Limited
GPO Box 242, Melbourne VIC 3001

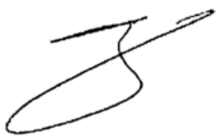
By facsimile to:
Computershare Investor Services Pty Limited
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

Online:
by visiting www.investorvote.com.au
and following the instructions and information provided on your Proxy Form

Custodian voting:
For Intermediary Online subscribers only (custodians), please visit
www.intermediaryonline.com
to submit your voting intentions

Queries.

If you have any queries about the Meeting or the Resolutions being considered at the Meeting, please contact the Company Secretary by telephone on +61 3 9828 9592.



Tony Ristevski
Company Secretary
Webjet Limited
Dated: 8 August 2024

Corporate directory.

Company
Webjet Limited
Level 2, 509 St Kilda Road
Melbourne VIC 3004
Phone: +61 3 9828 9500
Website: www.webjetlimited.com

Legal Advisor
DLA Piper Australia
No. 1 Martin Place
Sydney NSW 2000

Independent Expert
KPMG Financial Advisory Services
(Australia) Pty Ltd
Tower Two, Collins Square
727 Collins Street
Melbourne VIC 3000

Registry
Computershare Investor Services Pty Limited
Level 5, 115 Grenfell Street
Adelaide SA 5000

Shareholder enquiries:
Telephone: 1300 556 161 (within Australia)
or +61 3 9415 4000 (outside Australia)
Website: www.computershare.com

Financial Advisor
Goldman Sachs Australia Pty Ltd
Governor Phillip Tower, 1 Farrer Place
Sydney NSW 2000

Investigating Accountant
Deloitte Corporate Finance Pty Limited
477 Collins Street
Melbourne VIC 3000

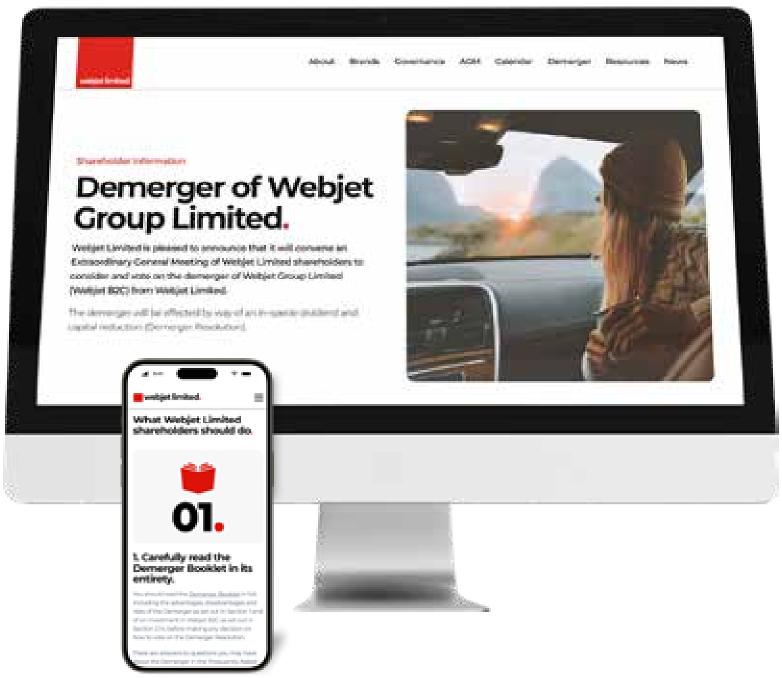
Tax Advisor
Deloitte Tax Services Pty Ltd
477 Collins Street
Melbourne VIC 3000

Auditor
Deloitte Touche Tohmatsu
477 Collins Street
Melbourne VIC 3000

Visit our Investor Centre.

If you have any questions about the Demerger Booklet or the Demerger, please consult your financial, legal, taxation or other professional adviser, call the Shareholder Information Line on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia) on Business Days between 8:30am and 5:00pm (AEST) or visit the Webjet website.

www.webjetlimited.com →



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