



STATEMENT TO AUSTRALIAN SECURITIES EXCHANGE – March 14, 2022

**FLIGHT CENTRE TRAVEL GROUP STRENGTHENS CONNECTION TO NEW
WORLD OF TRAVEL DISTRIBUTION VIA TP CONNECTS INVESTMENT**

THE Flight Centre Travel Group (FLT) has reinforced its commitment to providing customers with the widest choice of airfares by increasing its investment in travel technology business TP Connects (TPC).

The company has agreed to increase its equity interest from 22.5% to 70% in the Dubai-based software as a service (SaaS) business, which has been at the forefront of ongoing changes to traditional distribution models.

FLT initially invested in TPC in February 2020 with a view to supercharging the development of TPC's innovative technology platform, which aims to shape the future of travel distribution by aggregating content from multiple sources including:

- Global distribution systems (GDSs), which airlines have traditionally utilised to distribute air content and which have continued to deliver FLT's largest source of airline content
- Direct feeds from low-cost carriers (LCCs)
- Emerging supplier-direct channels, specifically airlines' New Distribution Capability (NDC) offerings; and
- Other third party NDC aggregators

TPC has a proven track record in NDC and provides a centralised NDC Gateway which services customers in both the aviation and travel agency sectors.

The business offers travel agents a range of solutions to access aggregated air content via the TPC universal API (application programming interface), which can be directly integrated into any user interface, or via agency business-to-business (B2B) platforms such as the NDCmarketplace portal.

For airline customers, TPC offers advanced NDC solutions via its middleware (API) offer and order management services.

"The traditional airline distribution model is being disrupted, with growth in direct connections between buyers and sellers, the proliferation of new commercial models, the rise of new

entrant technology providers and continued enhancements in connectivity,” FLT leisure and supply chief executive officer Melanie Waters-Ryan said.

“Within this ever-changing distribution landscape, we have taken proactive steps to complement our very strong GDS partnerships and ensure we can source and deliver the best content from multiple sources to our leisure and corporate customers globally by investing in TPC.

“TPC has been at the heart of the evolution in airfare distribution during the past decade, is now ingrained in our business and is integral to the new operating systems and platforms we are delivering in both the leisure and corporate sectors.

“By investing further in the business, we have greater influence over future developments and the product’s ongoing evolution, while ensuring we continue to deliver the widest choice of airfares to our customers. Greater influence over future developments will also provide FLT with a better opportunity to be ahead of our competitors’ comparable solutions.”

Other potential commercial benefits to FLT include:

- Lower costs – the ability to cost effectively access and book a broad range of NDC content via TPC and avoid the surcharges that some airlines are now applying to bookings made via GDSs. FLT can also access TPC content at a lower rate than it pays to aggregation competitors
- Margin improvement, through access to TPC’s margin management tools and ability to control decisions relating to where air content is sourced from
- Access to NDC-related incentives that airlines are increasingly offering to their travel agency partners
- Enhanced ability to offer and distribute exclusive private fares for airlines; and
- Access to new revenue streams through TPC’s offerings to airlines and other travel agency groups

TPC was established in 2012 by Rajendran Vellapalath and Praveen Kumar, both of whom maintain an involvement in the business and will become part of the new TPC board. In addition to the TPC board, Mr Vellapalath will continue to be involved in Kerala Pravasi Association, a non-government organisation led by the expatriate community based in India.

The business has a proven track record in developing NDC solutions for airlines and aggregating these for travel sellers and has been recognised globally by the International Air Transport Association (IATA) as both an IT Provider and Aggregator. FLT’s involvement in TPC allowed the company to become the first global travel management company to receive IATA Level 4 certification, the highest level available at the time (achieved in 2020).

“FLT’s investment comes at an important time, given the rapid changes that are taking place in the distribution of air content and with the development of the Airline Retailing Maturity Index, which IATA is now pioneering,” Mr Vellapalath said, “This is one of the biggest industry disruptions in recent years, with NDC and IATA’s new ONE Order customer record system at its core.

“The strong relationship between TPC and FLT will ensure that both companies remain at the forefront of this ongoing change and play a lead role in the future evolution of distribution.”

The terms of FLT’s investment are currently confidential and are not disclosed.

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The Flight Centre Travel Group Limited’s board has authorised this announcement.