APPENDIX 4D
FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

FLIGHT CENTRE TRAVEL GROUP LIMITED (FLT)

ABN 25 003 377 188

CONTENTS

APPENDIX 4D

RESULTS FOR ANNOUNCEMENT TO THE MARKET

RESULTS IN BRIEF	DECEMBER 2022 $'000	DECEMBER 2021 $'000	CHANGE $'000	CHANGE[3] %
Total transaction value (TTV)[1]	9,885,699	3,262,788	6,622,911	203.0%
Revenue	1,001,837	315,714	686,123	217.3%
EBITDA[2]	76,952	(190,023)	266,975	(140.5%)
Statutory loss before income tax	**(18,320)**	**(276,096)**	**257,776**	**(93.4%)**
Statutory loss after income tax	(20,025)	(194,182)	174,157	(89.7%)
Statutory loss attributable to company owners	(19,778)	(194,184)	174,406	(89.8%)
Underlying EBITDA[2]	**95,084**	**(184,095)**	**279,179**	**(151.6%)**
Underlying loss before tax[2]	**(188)**	**(270,168)**	**269,980**	**(99.9%)**
Underlying loss after tax[2]	(2,450)	(188,019)	185,569	(98.7%)

1 TTV is non-IFRS financial information and is not subject to review procedures, and does not represent revenue in accordance with Australian Accounting Standards. TTV represents the price at which travel products and services have been sold across the group's various operations, both as agent for various airlines and other service providers and as principal, plus revenue and other income from other sources. TTV has been reduced by refunds. FLT's revenue is, therefore, derived from TTV.

2 EBITDA, Underlying EBITDA, Underlying (loss) / profit before tax (PBT) and Underlying (loss) / profit after tax (PAT) are non-IFRS measures and not subject to review procedures. Refer to table below for reconciliation of statutory to underlying results.

3 FLT is currently in a statutory and underlying loss position in both current and prior years, and an EBITDA loss position in the prior year, therefore the % change movement relating to the improved performance (i.e. reduced loss) displays as a negative % change.

DIVIDENDS

The directors have determined it is not prudent to declare an interim dividend for the period ended 31 December 2022 given that the Company is in a recovery phase following the COVID-19 pandemic.

No interim dividend or final dividend was declared for the year ended 30 June 2022.

NET TANGIBLE ASSETS	DECEMBER 2022 $	DECEMBER 2021 $
Net tangible asset backing per ordinary security[1]	(2.09)	(1.24)

1 Net tangible asset backing per ordinary security balances include the value of leased assets as recognised under AASB 16 Leases.

DETAILS OF JOINT VENTURES AND ASSOCIATES

INVESTMENTS IN JOINT VENTURES	DECEMBER 2022	DECEMBER 2021
Pedal Group Pty Ltd	47.3 %	46.5 %

INVESTMENTS IN ASSOCIATES	DECEMBER 2022	DECEMBER 2021
The Upside Travel Company (Upside)	— %	25.0 %
Travel Technology FZ LLC	— %	21.7 %

- During the period, FLT received a dividend of $3,937,000 (2021: $8,873,000) of which 100% (2021: 100%) was received as shares as part of the Pedal dividend reinvestment plan. FLT continues to have joint control.
- The Upside Travel Company (Upside) was dissolved during the period. FLT had previously fully impaired this investment in the year ended 30 June 2020.
- On 13 April 2022, FLT acquired an additional 47.5% interest in Travel Technology FZ LLC and its subsidiaries (TP Connects), a Dubai based, technology-driven business, bringing FLT's shareholding to 70%. As a result of this change in control TP Connects is now accounted for as a subsidiary and is no longer recognised as an investment in associate.

APPENDIX 4D CONTINUED

UNDERLYING ADJUSTMENTS

Reconciliation of statutory to underlying (loss)/profit before tax and after tax provided below:

	HALF-YEAR ENDED 31 DECEMBER	
	2022 $'000	2021 $'000
EBITDA[1]	**76,952**	**(190,023)**
Amortisation and depreciation	(66,136)	(62,835)
Interest income	11,831	3,766
Interest expense	(40,967)	(27,004)
Statutory loss before income tax	**(18,320)**	**(276,096)**
Acquisition transaction costs - Scott Dunn	3,350	—
COVID-19 ROUA impairment reversal	(1,602)	—
Employee retention plans	16,384	11,148
Gain on disposal of right-of-use asset - Southpoint head office lease	—	(5,277)
Cost incurred due to COVID-19 cost base transition[2]	—	57
Total underlying adjustments	**18,132**	**5,928**
Underlying EBITDA[1]	**95,084**	**(184,095)**
Underlying loss before tax[1]	**(188)**	**(270,168)**
Statutory income tax (loss) / profit	(1,705)	81,914
Underlying adjustments associated tax effect	(557)	235
Underlying loss after tax[1]	**(2,450)**	**(188,019)**

1 EBITDA, Underlying EBITDA, Underlying (loss) / profit before tax (PBT) and Underlying (loss) / profit after tax (PAT) are non-IFRS measures and not subject to review procedures.

2 The prior year includes COVID-19 one off costs (redundancies, lease related and IT). Refer to note 1 Segment Information for further details.

COMPLIANCE STATEMENT

The report is based on accounts which have been reviewed by the auditor of Flight Centre Travel Group Limited. There have been no matters of disagreement and a report of the auditor's review appears in the half-year financial report.

The report should be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by FLT in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and *ASX Listing Rules*.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Flight Centre Travel Group Limited (FLT) and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

DIRECTORS

The following persons were directors of FLT during the half year and up to the date of this report:

- G.F. Turner
- G.W. Smith
- J.A. Eales
- R.A. Baker
- C. Garnsey
- K. Rankin (appointed 25 August 2022)

REVIEW OF OPERATIONS AND RESULTS

RESULT OVERVIEW AND HIGHLIGHTS

FLIGHT Centre Travel Group (FLT) today released 2023 fiscal year (FY23) 1H accounts.

As foreshadowed in FLT's January 31 trading update, the company delivered higher than initially expected underlying earnings before interest, tax, depreciation and amortisation (EBITDA) of $95million for the six months to December 31, 2022.

This result was:

- 19% above the mid-point in FLT's initial guidance range for the period ($70million-$90million underlying EBITDA); and
- An almost $280million turnaround from the $184million underlying EBITDA loss recorded during the previous corresponding period (PCP).

On an underlying profit before tax (PBT) basis, the company recorded a similar turnaround, breaking even during the FY23 1H after a $270million underlying loss during the PCP.

FLT was profitable* in both its global leisure and corporate travel divisions and in all geographic segments apart from Asia, which broke-even during the 1H.

Sales recovered strongly, with TTV increasing 203% to $9.9billion (80% of the record FY20 1H result) and revenue increasing 217% to $1billion.

FLT's global corporate travel business delivered record 1H TTV of $5billion, reinforcing its position as one of the world's leading Travel Management Companies (TMCs) and laying the foundations for a record full year well above the $8.9billion in TTV generated during FY19.

The Australian-New Zealand (ANZ) and Europe, Middle East and Africa (EMEA) corporate businesses also generated record 1H TTV, while the United States (US) business finished just below its record FY20 1H contribution.

FLT's leisure recovery gained momentum with TTV reaching $4.4billion, 44% of the group's total and a strong increase on leisure's 25% contribution to group TTV during the PCP.

1H leisure TTV was bolstered by:

- A record $770million contribution from FLT's online businesses; and
- The company's emerging network of lower cost leisure brands and businesses, which contributed almost 40% of leisure TTV during the period.

In line with FLT's strategic objectives, these brands and businesses are gaining scale and cost effectively capturing a larger share of sales.

The company is also achieving its Grow to Win corporate strategic objective, outpacing broader industry recovery and gaining market-share organically by retaining clients and securing new accounts with projected annual spends of $1.25billion.

**Unless specified otherwise, profit refers to underlying EBITDA*

DIRECTORS' REPORT CONTINUED

RESULT OVERVIEW AND HIGHLIGHTS (CONTINUED)

During the 1H, FLT made solid early progress towards its company-wide goals of:

- Converting 40% of incremental revenue to underlying EBITDA. Compared to the PCP, FLT achieved a 39% conversion rate; and
- Achieving a 2% underlying profit before tax (PBT) margin by the end of FY25 through cost margin reduction and gradual revenue margin improvement.

Underlying 1H cost margin, excluding touring cost of sales, decreased to a record low of 9.9%, while revenue margin increased 40 basis points compared to the PCP to 10.1%.

Costs tracked at 70% of pre-COVID levels, as FLT balanced the need to maintain tight controls over expenses against its longer-term objective of continuing to invest significantly in future growth drivers and other key areas.

Short-term profitability was adversely impacted by important, longer-term investments in:

- People - upfront recruitment, training and development spend to service increasing demand, particularly in corporate, and prepare for larger scale recovery
- Technology, including the FCM platform, Melon (Corporate Traveller platform), Flight Centre brand's omni-channel offering and airfare aggregator TP Connects
- The Scott Dunn acquisition, which was completed this month to fast-track FLT's growth in the luxury sector in the United Kingdom (UK), US and Singapore; and
- Sustainability. FLT has now introduced an over-arching sustainability strategy, which includes a net zero commitment.

Lower than normal revenue margins have also adversely impacted profit during the early recovery phase.

While margin movement has predominantly been driven by planned business mix shifts, specifically rapid growth in lower revenue margin businesses (including FCM, leisure online, independent agents and Travel Money), cyclical factors that have now started to normalise have also led to short-term revenue margin reductions, including:

- Abnormally high airfares, given that some revenue is based on fixed dollar fees, rather than percentages of the total fare
- Higher percentages of lower margin, air-only sales given larger volumes of visiting friends and relatives (VFR) and short-haul travel after restrictions were lifted; and
- Heavier than normal corporate weighting before the leisure recovery gained pace.

The previously announced commission reductions from some airlines in ANZ have been implemented. In other locations and in other sectors, including cruise, tours and hotels, supplier margins have generally remained stable or increased, which has allowed FLT to offset some of the commission reduction's impact and achieve year-on-year growth in overall revenue margin.

Airline capacity is also gradually recovering, which is expected to deliver cheaper fares and higher volumes, in addition to positively impacting supply margins in a more competitive environment. In Australia, FLT expects international capacity to increase to 85% of pre-COVID levels by June 30 as a number of key airlines, including Emirates, China Southern and Cathay Pacific, increase services.

China Southern and Cathay, FLT's largest partners in China and Hong Kong respectively, are already ramping up their offerings with China Southern now flying daily from both Sydney and Melbourne to Guangzhou and on to other locations including the UK and Europe.

To improve margins at a time when airlines are investing heavily in New Distribution Capability (NDC), FLT's supply division has now initiated a Fresh Air strategic pathway to deliver new air capability and air content freedom to the business and its customers.

Fresh Air is built around FLT's TP Connects air aggregation platform, which can source differentiated content offered by airlines via NDC or other non-traditional means and deliver that product to customers and travel consultants.

Commercial and operational discussions are already underway with major partners as FLT prepares to deploy its business-to-business and business-to-customer offerings, powered by TP Connects, towards the end of FY23.

FLT has maintained a healthy balance sheet and finished the 1H with $1.1billion in cash and investments.

While no interim dividend was declared, the company has initiated a review of its capital structures ahead of an anticipated uplift in earnings and cash generation. The review will consider the business' cash requirements to fund growth, shareholder returns and debt structures, including FLT's convertible notes.

DIRECTORS' REPORT CONTINUED

CORPORATE TRAVEL

FLT's global corporate business continued its strong recovery, delivering:

- Record 1H TTV of $5billion, almost 150% growth on the PCP; and
- $80million in underlying EBITDA, compared to an underlying $31million PCP loss.

The business outpaced broader industry recovery across key sales metrics, with 1H revenue recovering to 88% of pre-COVID levels, transactions back to 90% and TTV reaching 103%.

In TTV terms, the $1.25billion in 1H account wins are weighted 57% towards FCM and 43% towards Corporate Traveller and will help drive further recovery across both brands. FCM's wins typically came from competing TMCs, while Corporate Traveller won large volumes of business from competitors, disruptors and accounts that were previously unmanaged.

In upcoming periods, the company expects an uplift in corporate profit driven by:

- The COVID-period investments in new platforms, products, rebranding and people – the business has invested ahead of the recovery to win, implement and service a materially larger volume of transactions as part of its Grow to Win strategy
- Better returns on client contracts as recently secured accounts are fully implemented and set-up costs are absorbed
- Scale benefits that will ultimately deliver lower costs per transaction; and
- Asia's reopening – positive signs of recovery are already emerging in China, following last month's reopening, with volumes tracking above pre-COVID levels.

FLT has also hyper-invested in North America to fast-track growth in a key global market.

This investment includes a new Corporate Traveller sales hub in New York City, which will open later in the 2H and will house up to 80 people.

LEISURE TRAVEL

The global leisure businesses' recovery gained momentum with:

- TTV rebounding rapidly – the $4.4billion FY23 1H result was more than five-times the PCP result and 44% of group TTV (up from 25% during the PCP); and
- Profit improving – underlying EBITDA improved from a $140million PCP loss to a $43million profit during the FY23 1H.

As mentioned previously, FLT's diverse network of highly scalable complementary, independent and luxury brands captured almost 40% of its 1H leisure TTV.

This included significant TTV contributions from:

- The luxury Travel Associates brand, which almost reached pre-COVID TTV levels from about half of its pre-COVID ANZ shop network
- The Ignite (MyHolidays) "Holiday in a Box" business, which has performed strongly throughout the pandemic and could deliver up to $500million in TTV during FY23
- Foreign exchange business Travel Money Oz, which was fully hibernated during the pandemic but quickly returned to profitability since reopening late in the FY22 third quarter; and
- The independent agency business, which delivered about 15% of 1H leisure TTV.

The online leisure businesses' $770million TTV contribution was driven predominantly by flightcentre.com, which delivered $445million in 1H TTV globally, 360% growth on the PCP.

While new growth models generally performed solidly, the traditional Flight Centre shop network remained the major contributor to group leisure TTV.

During the 1H, 37 hibernated Flight Centre shops reopened to service the increasing demand for expert travel advice, taking the global shop network to 404 locations predominantly in Australia, New Zealand and South Africa.

In ANZ, Flight Centre's 1H TTV recovered to circa 75% of pre-COVID levels - with just 30-35% of the brand's pre-COVID workforce (FTEs) - highlighting increased consultant productivity, a strong performance from the retained shop network and solid contributions from other sales channels within the brand. Further enhancements are planned as the company continues to develop Flight Centre brand's unique omni-channel offering.

DIRECTORS' REPORT CONTINUED

LEISURE TRAVEL (CONTINUED)

FLT's Scott Dunn acquisition was formally completed on February 7 and has bolstered the company's presence in the luxury travel sector globally. Growth in this sector has been a longstanding strategic priority for FLT, with Scott Dunn providing an attractive entry point into the UK and US markets via a high quality and scalable brand.

FY23 GUIDANCE AND OUTLOOK

As announced previously, FLT will target underlying FY23 EBITDA between $250million and $280million (FY22: $183million underlying loss), excluding Scott Dunn's contribution.

The mid-point in this targeted range implies a 35%-65% earnings split between the first and second halves respectively, with the 2H uplift expected to be driven by:

- Normal seasonality – FLT's peak booking months are generally during the six months to June 30, ahead of peak travel seasons later in the calendar year
- Further top-line growth as normal leisure travel patterns resume and as new corporate accounts are onboarded and start to trade profitably
- Supply chain stability as trading conditions continue to normalise; and
- Operational enhancements, which are expected to improve margins.

While FLT will continue to focus primarily on organic growth, it will also consider further merger and acquisition activity to either fast-track growth in sectors that it is under-represented in or to secure new models, revenue streams, systems or technology.

FLT continues to monitor trading conditions globally but has not seen any noticeable impacts on customer trading patterns as a result of changing macro-economic dynamics.

Sales have continued to recover in January, with:

- The leisure business contributing post-COVID record TTV and profit; and
- Corporate activity escalating after the traditional holiday period, with FCM USA delivering record monthly TTV, reaching $US100million for the first time as 16 of the top 20 clients transacted more than in any other month over the past year.

While travel is gradually becoming more seamless, following the disruption experienced during the pandemic and immediately after restrictions were lifted, some complexity remains. This complexity plays to FLT's strengths and is contributing to strong demand for the person-to-person services that, in conjunction with leading technological solutions, underpin the company's leisure and corporate offerings.

Through its diverse global leisure and corporate networks, FLT is also well placed to capitalise on pent-up demand as travel continues to recover towards pre-pandemic levels.

DIRECTORS' REPORT CONTINUED

MATTERS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

SCOTT DUNN ACQUISITION AND EQUITY RAISE

On 1 February 2023 FLT announced the successful completion of its institutional placement of new fully paid ordinary shares to raise $180,000,000. Approximately 12,300,000 new shares have been issued under the placement at a fixed price of A$14.60 per new share, which represents a 7.8% discount to the last traded price of A$15.83 on 30 January 2023.

A non-underwritten share purchase plan (SPP) was also announced. The SPP is intended to raise $40,000,000 and will close 6 March 2023.

The proceeds of the placement were used to partly fund the acquisition of a 100% interest in Luxury Travel Holdings Limited (Scott Dunn). The acquisition price was GBP 121,000,000 and the transaction completed on 7 February 2023.

Scott Dunn is a leading UK-based luxury travel brand specialising in tailor-made luxury holidays. Scott Dunn provides an entry point into the UK and US luxury travel market through a well-regarded, scalable brand which will be supported by FLT's global platform.

Given the close proximity to half-year, the purchase price allocation has not yet been performed.

Other than disclosed above, there are no material matters since 31 December 2022.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 9.

ROUNDING OF AMOUNTS

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding-off" of amounts in the directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of directors.

G.F. Turner
Director
BRISBANE

22 February 2023

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Auditor's independence declaration to the directors of Flight Centre Travel Group Limited

As lead auditor for the review of the half-year financial report of Flight Centre Travel Group Limited for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Flight Centre Travel Group Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Alison de Groot
Partner
22 February 2023

STATEMENT OF PROFIT OR LOSS

	NOTES	HALF-YEAR ENDED 31 DECEMBER 2022 $'000	2021 $'000
Revenue	2	1,001,837	315,714
Other income	3	16,934	32,679
Share of profit of joint ventures and associates	4	432	9,494
Employee benefits		(601,671)	(384,810)
Sales and marketing		(59,202)	(22,337)
Tour & hotel operations - cost of sales		(38,912)	(6,422)
Amortisation and depreciation		(66,136)	(62,835)
Finance costs	5	(40,967)	(27,004)
Impairment reversal		1,602	330
Other expenses	5	(232,237)	(130,905)
Loss before income tax		**(18,320)**	**(276,096)**
Income tax (expense) / credit		(1,705)	81,914
Loss after income tax		**(20,025)**	**(194,182)**
(Loss) / profit attributable to:			
Company owners		(19,778)	(194,184)
Non-controlling interests		(247)	2
		(20,025)	**(194,182)**

Earnings per share for (loss) / profit attributable to the ordinary equity holders of the company:

		CENTS	CENTS
Basic loss per share	19	(9.9)	(97.4)
Diluted loss per share	19	(9.9)	(97.4)

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

STATEMENT OF OTHER COMPREHENSIVE INCOME

	NOTES	HALF-YEAR ENDED 31 DECEMBER 2022 $'000	2021 $'000
Loss after income tax		**(20,025)**	**(194,182)**
OTHER COMPREHENSIVE INCOME			
Items that have been reclassified to profit or loss:			
Hedging gains reclassified to profit or loss		(1,102)	—
Items that may be reclassified to profit or loss:			
Changes in the fair value of cash flow hedges		4,454	—
(Loss) / Gain on net investment hedges		(547)	1,309
Net exchange differences on translation of foreign operations		8,968	8,246
Income tax on items of other comprehensive income		(842)	(525)
Total other comprehensive income		**10,931**	**9,030**
Total other comprehensive loss		**(9,094)**	**(185,152)**
Attributable to:			
Company owners		(9,094)	(185,154)
Non-controlling interests		—	2
		(9,094)	**(185,152)**

The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

		HALF-YEAR ENDED 31 DECEMBER	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES	NOTES	$'000	$'000
Receipts from customers[1]		971,211	289,757
Payments to suppliers and employees[1]		(1,068,701)	(560,411)
Royalties received		180	—
Interest received		10,047	6,075
Interest paid (non-leases)		(13,060)	(13,756)
Interest paid (leases)	11	(3,677)	(5,092)
Government subsidies received		566	21,427
Net income taxes refunded		11,590	37,109
Net cash outflow from operating activities		**(91,844)**	**(224,891)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries, net of cash acquired	6b	(1,126)	(563)
Proceeds from non-controlling interests in subsidiaries		—	1,907
Payments for property, plant and equipment		(11,401)	(3,552)
Payments for intangibles		(23,039)	(14,341)
Payments for the purchase of financial asset investments		—	(196,122)
Net cash outflow from investing activities		**(35,566)**	**(212,671)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		885	—
Net proceeds from issue of convertible notes	14	—	392,184
Repayment of borrowings		(928)	—
Payment of principal on lease liabilities	11	(49,097)	(44,104)
Lease surrender payments	11	(338)	(2,228)
Proceeds from issue of shares		5,489	3,962
Payments for purchase of shares on market		(1,167)	—
Payments for purchase of treasury shares		(2,618)	(1,962)
Dividends paid to non-controlling shareholders		(608)	—
Dividends paid to non-controlling interests		(189)	—
Net cash (outflow) / inflow from financing activities		**(48,571)**	**347,852**
Net decrease in cash held		**(175,981)**	**(89,710)**
Cash and cash equivalents at the beginning of the half-year		1,210,257	1,290,831
Effects of exchange rate changes on cash and cash equivalents		2,507	9,843
Cash and cash equivalents at end of the half-year	8	**1,036,783**	**1,210,964**

[1] *Including consumption tax.*

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

BALANCE SHEET

		AS AT	
		31 DECEMBER	30 JUNE
ASSETS		2022	2022
Current assets	NOTES	$'000	$'000
Cash and cash equivalents	8	1,043,606	1,226,904
Financial asset investments	9	54,291	—
Trade receivables		646,783	669,325
Contract assets	10	237,075	130,301
Other assets		74,879	44,487
Other financial assets		32,833	9,200
Current tax receivables		16,968	31,007
Derivative financial instruments		7,639	1,282
Total current assets		**2,114,074**	**2,112,506**
Non-current assets			
Financial asset investments	9	4,589	58,977
Property, plant and equipment		70,043	73,089
Intangible assets		803,149	782,293
Right of use asset	11	194,018	198,530
Other assets		31,703	32,290
Other financial assets		2,559	19,497
Investments in joint ventures and associates		50,110	49,678
Deferred tax assets		408,658	403,536
Derivative financial instruments		1,148	1,691
Total non-current assets		**1,565,977**	**1,619,581**
Total assets		**3,680,051**	**3,732,087**
LIABILITIES			
Current liabilities			
Trade and other payables		1,355,984	1,402,378
Contract liabilities	12	56,343	55,064
Financial liabilities	7	3,683	3,683
Lease liabilities	11	86,108	92,424
Borrowings	13	10,730	20,238
Provisions		45,236	43,805
Current tax liabilities		1,880	615
Derivative financial instruments		6,024	7,760
Total current liabilities		**1,565,988**	**1,625,967**
Non-current liabilities			
Trade and other payables		12,924	19,810
Contract liabilities	12	28,467	30,736
Financial liabilities	7	10,513	10,386
Lease liabilities	11	179,467	193,627
Borrowings	13	353,642	354,000
Convertible notes	14	669,937	655,985
Provisions		28,645	27,671
Deferred tax liabilities		3,526	4,227
Derivative financial instruments		34,366	32,216
Total non-current liabilities		**1,321,487**	**1,328,658**
Total liabilities		**2,887,475**	**2,954,625**
Net assets		**792,576**	**777,462**
EQUITY			
Contributed equity	17	1,111,200	1,105,711
Treasury shares	17	(1,702)	(1,055)
Reserves	18	167,119	136,460
Retained profits / (accumulated losses)		(485,063)	(465,285)
Equity attributable to the Company owners		**791,554**	**775,831**
Non-controlling interests		1,022	1,631
Total equity		**792,576**	**777,462**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

	FOR THE PERIOD ENDED 31 DECEMBER							
	NOTES	CONTRIBUTED EQUITY $'000	TREASURY SHARES $'000	RESERVES $'000	RETAINED PROFITS / (ACCUMULATED LOSSES) $'000	TOTAL $'000	NON-CONTROLLING INTEREST $'000	TOTAL EQUITY $'000
Balance at 1 July 2021		**1,099,056**	**—**	**35,614**	**(178,634)**	**956,036**	**—**	**956,036**
Loss for the half-year		—	—	—	(194,184)	**(194,184)**	2	**(194,182)**
Other comprehensive income		—	—	9,030	—	**9,030**	—	**9,030**
Total comprehensive income for the half-year		**—**	**—**	**9,030**	**(194,184)**	**(185,154)**	**2**	**(185,152)**
Transactions with owners in their capacity as owners:								
Non-controlling interest recognised		—	—	—	—	**—**	2,162	**2,162**
Employee share-based payments	17	3,962	—	23,874	—	**27,836**	—	**27,836**
Treasury shares	17	—	(1,217)	—	—	**(1,217)**	—	**(1,217)**
Equity component of convertible bond, net of tax	14	—	—	53,405	—	**53,405**	—	**53,405**
Balance at 31 December 2021		**1,103,018**	**(1,217)**	**121,923**	**(372,818)**	**850,906**	**2,164**	**853,070**
Balance at 1 July 2022		**1,105,711**	**(1,055)**	**136,460**	**(465,285)**	**775,831**	**1,631**	**777,462**
Loss for the half-year		—	—	—	(19,778)	**(19,778)**	(247)	**(20,025)**
Other comprehensive income		—	—	10,931	—	**10,931**	—	**10,931**
Total comprehensive income for the half-year		**—**	**—**	**10,931**	**(19,778)**	**(8,847)**	**(247)**	**(9,094)**
Transactions with owners in their capacity as owners:								
Foreign currency translation reserve	18	—	—	—	—	**—**	(173)	**(173)**
Employee share-based payments	17 / 18	5,489	—	19,728	—	**25,217**	—	**25,217**
Treasury shares	17	—	(647)	—	—	**(647)**	—	**(647)**
Dividends provided for or paid		—	—	—	—	**—**	(189)	**(189)**
Balance at 31 December 2022		**1,111,200**	**(1,702)**	**167,119**	**(485,063)**	**791,554**	**1,022**	**792,576**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

SIGNIFICANT MATTERS

The following significant events and transactions occurred during or after the end of the reporting period:

ACQUISITION SUBSEQUENT TO HALF-YEAR END

Scott Dunn acquisition and equity raise

On 1 February 2023 FLT announced the successful completion of its institutional placement of new fully paid ordinary shares to raise $180,000,000. Approximately 12,300,000 new shares have been issued under the placement at a fixed price of A$14.60 per new share, which represents a 7.8% discount to the last traded price of A$15.83 on 30 January 2023.

A non-underwritten share purchase plan (SPP) was also announced. The SPP is intended to raise $40,000,000 and will close 6 March 2023.

The proceeds of the placement were used to partly fund the acquisition of a 100% interest in Luxury Travel Holdings Limited (Scott Dunn). The acquisition price was GBP 121,000,000 and the transaction completed on 7 February 2023.

Scott Dunn is a leading UK-based luxury travel brand specialising in tailor-made luxury holidays. Scott Dunn provides an entry point into the UK and US luxury travel market through a well-regarded, scalable brand which will be supported by FLT's global platform.

Given the close proximity to half-year, the purchase price allocation has not yet been performed.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1 SEGMENT INFORMATION

(A) BASIS OF SEGMENTATION AND MEASUREMENT

FLT has identified its operating segments based on the internal reports that are reviewed and used by the board and global task force (chief operating decision makers – CODM) in assessing performance and in determining resource allocation.

The company's executive team currently consists of the following members:

- Managing director
- Chief financial officer
- Chief executive officer – Leisure
- Chief executive officer – Corporate; and
- Chief executive officer – Supply

The executive team, together with the below regional Managing Directors (MDs) form the global taskforce:

- MD – The Americas; and
- MD – EMEA

While the MD's play a key role in setting the strategy, they report to the CEOs who then allocate resources and assess performance. Therefore the MDs are not considered as part of the CODM.

Supply is not considered a reportable segment and the disclosable segments are consistent to the prior year - Leisure, Corporate and Other. However, the new senior leadership roles have led to a realignment of brands across each of the segments with the major change being the global experiences business, incorporating touring, ground-handling and hotels, which has moved from Leisure to Other segment. Comparatives have been restated.

LEISURE

The Leisure segment combines the retail store front and online brands for retail customers.

CORPORATE

The Corporate segment includes the FCM brand, Corporate Traveller and other Corporate customer brands.

OTHER

Other segment includes Brisbane-based and other head office support businesses, including Supply, that support the global network (including global head office teams, the India Forex business and the share of profits relating to the investment in Pedal Group). Also included is global experiences business which incorporates touring, ground-handling and hotels.

The group consolidation adjustments are also included in this segment.

ALTERNATIVE PROFIT MEASURES

In addition to using profit as a measure of the group and its segments' financial performance, FLT uses EBITDA, underlying EBITDA and underlying PBT as this information is presented and used by the CODMs. These unaudited measures are not defined under IFRS and are, therefore, termed "non-IFRS" measures.

EBITDA is defined as group earnings before net interest, tax, depreciation and amortisation.

A reconciliation of these non-IFRS measures and specific items to the nearest measure prepared in accordance with IFRS is included in the tables on the following pages.

TOTAL TRANSACTION VALUE (TTV)

TTV is non-IFRS financial information and is not subject to review procedures, and does not represent revenue in accordance with Australian Accounting Standards. TTV represents the price at which travel products and services have been sold across the group's various operations, both as agent for various airlines and other service providers and as principal, plus revenue from other sources. TTV has been reduced by refunds. FLT's revenue is, therefore, derived from TTV.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1 SEGMENT INFORMATION (CONTINUED)

(B) SEGMENT INFORMATION PRESENTED TO THE BOARD OF DIRECTORS AND GLOBAL TASK FORCE

The segment information provided to the board and task force for the reportable segments for the half-years ended 31 December 2022 and 31 December 2021 is shown in the tables on pages 17 to 20.

31 DECEMBER 2022	LEISURE $'000	CORPORATE $'000	OTHER $'000	TOTAL $'000
Segment information				
TTV[1]	**4,388,967**	**5,040,262**	**456,470**	**9,885,699**
Agency revenue from the provision of travel	444,214	447,411	12,064	903,689
Principal revenue from the provision of travel	23,121	4,175	3,278	30,574
Revenue from tour & hotel operations	—	—	52,472	52,472
Revenue from other businesses	3,672	3,735	7,695	15,102
Total revenue from contracts with customers	**471,007**	**455,321**	**75,509**	**1,001,837**
EBITDA[1]	**37,770**	**72,306**	**(33,124)**	**76,952**
Amortisation and depreciation	(40,861)	(17,920)	(7,355)	(66,136)
Interest income	5,998	608	5,225	11,831
Interest expense	(6,881)	(8,230)	(25,856)	(40,967)
Net (loss) / profit before tax and royalty	**(3,974)**	**46,764**	**(61,110)**	**(18,320)**
Royalty	—	—	—	—
Net (loss) / profit before tax	**(3,974)**	**46,764**	**(61,110)**	**(18,320)**
Reconciliation of EBITDA to Underlying EBITDA				
EBITDA[1]	**37,770**	**72,306**	**(33,124)**	**76,952**
Acquisition transaction costs - Scott Dunn[2]	—	—	3,350	3,350
COVID-19 ROUA impairment reversal	(767)	(261)	(574)	(1,602)
Employee retention plans	6,395	7,569	2,420	16,384
Underlying EBITDA[1]	**43,398**	**79,614**	**(27,928)**	**95,084**
Underlying (loss) / profit before tax and royalty[1]	**1,654**	**54,072**	**(55,914)**	**(188)**

1 TTV, EBITDA, underlying EBITDA and underlying PBT are non-IFRS measures and are not subject to review procedures.

2 Acquisition transaction costs are considered head office support expenses and are therefore in the Other segment.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

1 SEGMENT INFORMATION (CONTINUED)

RESTATED[1] 31 DECEMBER 2021	LEISURE $'000	CORPORATE $'000	OTHER $'000	TOTAL $'000
Segment information				
TTV[2]	**810,828**	**2,047,942**	**404,018**	**3,262,788**
Agency revenue from the provision of travel	90,757	189,608	12,308	292,673
Principal revenue from the provision of travel	4,096	1,491	2,321	7,908
Revenue from tour & hotel operations	—	10	7,200	7,210
Revenue from other businesses	1,673	1,839	4,411	7,923
Total revenue from contracts with customers	**96,526**	**192,948**	**26,240**	**315,714**
EBITDA[2]	**(143,363)**	**(36,040)**	**(10,620)**	**(190,023)**
Amortisation and depreciation	(38,697)	(16,060)	(8,078)	(62,835)
Interest income	2,744	358	664	3,766
Interest expense	(4,548)	(2,264)	(20,192)	(27,004)
Net (loss) before tax and royalty	**(183,864)**	**(54,006)**	**(38,226)**	**(276,096)**
Royalty	—	(4,288)	4,288	—
Net (loss) before tax	**(183,864)**	**(58,294)**	**(33,938)**	**(276,096)**
Reconciliation of EBITDA to Underlying EBITDA				
EBITDA[2]	**(143,363)**	**(36,040)**	**(10,620)**	**(190,023)**
Gain on disposal of right-of-use asset - Southpoint head office lease	—	—	(5,277)	(5,277)
Costs incurred due to COVID-19 cost base transition				
Employee benefits	233	205	185	623
Lease related[3]	(679)	(249)	975	47
Communications & IT	(790)	2	175	(613)
Employee retention plans	4,336	4,713	2,099	11,148
Underlying EBITDA[2]	**(140,263)**	**(31,369)**	**(12,463)**	**(184,095)**
Underlying (loss) before tax and royalty[2]	**(180,764)**	**(49,335)**	**(40,069)**	**(270,168)**

1 Restated due to new senior leadership roles which led to a realignment of brands across each of the segments with the major change being the global experiences business, incorporating touring, ground -handling and hotels, which has moved from Leisure to Other segment.

2 TTV, EBITDA, underlying EBITDA and underlying PBT are non-IFRS measures and are not subject to review procedures.

3 Includes right-of-use asset impairment, gain/loss on disposal of right-of-use assets and other occupancy costs.

1 SEGMENT INFORMATION (CONTINUED)

(C) ADDITIONAL INFORMATION PRESENTED BY GEOGRAPHIC AREA

In addition to the pillar segment information provided above, the below table presents geographic revenue disclosures and also profit/(loss) before tax information which has been included to aid user understanding:

ALTERNATIVE PROFIT MEASURES

Underlying information is shown as this is information presented to and used by the CODMs.

Underlying (loss) / profit before tax and royalty[1] (PBT) and underlying (loss) / profit after tax (NPAT) are non-IFRS measures.

A reconciliation of these non-IFRS measures and specific items to the nearest measure prepared in accordance with IFRS is included in the tables on the following pages.

31 DECEMBER 2022	AUSTRALIA & NZ $'000	AMERICAS $'000	EMEA $'000	ASIA $'000	OTHER SEGMENT $'000	TOTAL $'000
Segment information						
TTV[1]	**5,222,277**	**2,110,601**	**1,711,876**	**742,102**	**98,843**	**9,885,699**
Agency revenue from the provision of travel	472,145	208,207	181,889	36,850	4,598	903,689
Principal revenue from the provision of travel	23,675	3,140	1,285	61	2,413	30,574
Revenue from tour & hotel operations	—	—	—	—	52,472	52,472
Revenue from other businesses	7,501	2,146	506	970	3,979	15,102
Total revenue from contracts with customers	**503,321**	**213,493**	**183,680**	**37,881**	**63,462**	**1,001,837**
EBITDA[1]	**70,299**	**6,336**	**35,993**	**(1,373)**	**(34,303)**	**76,952**
Amortisation and depreciation	(38,028)	(10,465)	(9,244)	(2,400)	(5,999)	(66,136)
Interest income	2,899	6,937	7,703	303	(6,011)	11,831
Interest expense	(4,623)	(9,741)	(2,714)	(2,337)	(21,552)	(40,967)
Net (loss) / profit before tax and royalty	**30,547**	**(6,933)**	**31,738**	**(5,807)**	**(67,865)**	**(18,320)**
Royalty	—	—	—	—	—	—
Net (loss) / profit before tax and after royalty	**30,547**	**(6,933)**	**31,738**	**(5,807)**	**(67,865)**	**(18,320)**
Reconciliation of EBITDA to Underlying EBITDA						
EBITDA[1]	**70,299**	**6,336**	**35,993**	**(1,373)**	**(34,303)**	**76,952**
Acquisition transaction costs - Scott Dunn[2]	—	—	—	—	3,350	3,350
COVID-19 ROUA impairment reversal	(970)	(261)	(359)	—	(12)	(1,602)
Employee retention plans	5,960	2,966	3,535	1,270	2,653	16,384
Underlying EBITDA[1]	**75,289**	**9,041**	**39,169**	**(103)**	**(28,312)**	**95,084**
Underlying (loss) / profit before tax and royalty[1]	**35,537**	**(4,228)**	**34,914**	**(4,537)**	**(61,874)**	**(188)**

1 TTV, EBITDA, underlying EBITDA and underlying PBT are non-IFRS measures and are not subject to review procedures.

2 Acquisition transaction costs are considered head office support expenses and therefore are in the Other segment.

1 SEGMENT INFORMATION (CONTINUED)

RESTATED[1] 31 DECEMBER 2021	AUSTRALIA & NZ $'000	AMERICAS $'000	EMEA $'000	ASIA $'000	OTHER SEGMENT $'000	TOTAL $'000
Segment information						
TTV[2]	**1,150,809**	**955,814**	**718,651**	**404,221**	**33,293**	**3,262,788**
Agency revenue from the provision of travel	86,555	101,270	85,250	10,447	9,151	292,673
Principal revenue from the provision of travel	3,072	3,632	442	37	725	7,908
Revenue from tour & hotel operations	—	—	—	10	7,200	7,210
Revenue from other businesses	3,585	1,094	319	770	2,155	7,923
Total revenue from contracts with customers	**93,212**	**105,996**	**86,011**	**11,264**	**19,231**	**315,714**
EBITDA[2]	**(133,431)**	**(23,116)**	**(4,402)**	**(11,003)**	**(18,071)**	**(190,023)**
Amortisation and depreciation	(33,310)	(9,124)	(10,726)	(1,758)	(7,917)	(62,835)
Interest income	2,335	3,217	4,904	271	(6,961)	3,766
Interest expense	(4,203)	(5,663)	(1,489)	(586)	(15,063)	(27,004)
Net (loss) before tax and royalty	**(168,609)**	**(34,686)**	**(11,713)**	**(13,076)**	**(48,012)**	**(276,096)**
Royalty	—	—	(4,288)	—	4,288	—
Net (loss) before tax and after royalty	**(168,609)**	**(34,686)**	**(16,001)**	**(13,076)**	**(43,724)**	**(276,096)**
Reconciliation of EBITDA to Underlying						
EBITDA[2]	**(133,431)**	**(23,116)**	**(4,402)**	**(11,003)**	**(18,071)**	**(190,023)**
Gain on disposal of right-of-use asset - Southpoint head office lease	(5,277)	—	—	—	—	(5,277)
Costs incurred due to COVID-19 cost base transition						
Employee benefits	453	13	28	—	129	623
Lease related[3]	1,266	(690)	(504)	—	(25)	47
Communications & IT	7	(785)	—	—	165	(613)
Employee retention plans	4,146	1,653	2,176	897	2,276	11,148
Underlying EBITDA[2]	**(132,836)**	**(22,925)**	**(2,702)**	**(10,106)**	**(15,526)**	**(184,095)**
Underlying (loss) before tax and royalty[2]	**(168,014)**	**(34,495)**	**(10,013)**	**(12,179)**	**(45,467)**	**(270,168)**

1 Restated due to new senior leadership roles which led to a realignment of brands across each of the segments with the major change to align wholesale in Australia to Other Segment.

2 TTV, EBITDA, underlying EBITDA and underlying PBT are non-IFRS measures and are not subject to review procedures.

3 Includes right-of-use asset impairment, gain/loss on disposal of right-of-use assets and other occupancy costs.

2 REVENUE

	HALF-YEAR ENDED 31 DECEMBER	
	2022	2021
	$'000	$'000
Agency revenue from the provision of travel	903,689	292,673
Principal revenue from the provision of travel	30,574	7,908
Revenue from tour & hotel operations	52,472	7,210
Revenue from other businesses	15,102	7,923
Total revenue from contracts with customers	**1,001,837**	**315,714**

Additional disaggregation of revenue by geographic region is presented in note 1 Segment Information.

3 OTHER INCOME

		HALF-YEAR ENDED 31 DECEMBER	
		2022	2021
	NOTES	$'000	$'000
OTHER INCOME			
Interest		11,831	3,766
Rent and sub-lease rentals	11	4,311	3,168
Loss on financial liabilities		—	(899)
Investment distribution income		—	1,291
Gain on disposal of right-of-use asset - Southpoint head office lease		—	5,277
Net foreign exchange gains		—	1,166
Government subsidies		792	18,910
Total other income		**16,934**	**32,679**

GAIN ON DISPOSAL OF RIGHT-OF-USE ASSET - SOUTHPOINT HEAD OFFICE LEASE

In the prior year, FLT reached an agreement with the lessor for their Brisbane head office (Southpoint) to exit a number of floors before the original lease termination date. This resulted in a reduction in the right-of-use asset and lease liability, with the difference of $5,277,000 taken to the statement of profit or loss. The gain is presented within the Australia & New Zealand geographic area and the Other pillar segment.

GOVERNMENT SUBSIDIES

As at 31 December 2022, the majority of COVID-19 related subsidies have ended, however FLT continues to receive other types of government subsidies related to education & training. Depending on the conditions of the grant, outstanding amounts are recognised as a trade receivable until the payment is received, which is typically within 7-14 days of submission, or where payment has been received in advance, recognised in deferred revenue and released to the statement of profit or loss over the term of the grant.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

4 SHARE OF PROFIT / (LOSS) OF JOINT VENTURES AND ASSOCIATES

	HALF-YEAR ENDED 31 DECEMBER	
	2022	2021
SHARE OF RESULTS	$'000	$'000
Profit from joint ventures	432	9,775
Loss from associates	—	(281)
Total comprehensive income	**432**	**9,494**

Joint venture results include share of profit from Pedal Group of $432,000 (2021: $9,775,000). In addition, during the period FLT received a dividend of $3,937,000 (2021: $8,873,000) of which 100% (2021: 100%) was received as shares as part of the Pedal dividend reinvestment plan. As at 31 December 2022, FLT's holding in Pedal Group is 47.3% (2021: 46.5%).

5 OTHER EXPENSES

		HALF-YEAR ENDED 31 DECEMBER	
		2022	2021
FINANCE COSTS	NOTES	$'000	$'000
BOS interest expense		676	—
Interest and finance charges		12,097	5,843
Amortisation of convertible note at effective interest rate		24,420	15,968
Lease interest expense	11	3,677	5,092
Unwind of make good provision discount		97	101
Total finance costs		**40,967**	**27,004**
OTHER EXPENSES			
Other occupancy costs		20,322	16,700
Rent expense	11	3,372	1,296
Consulting and outsourcing fees		38,650	23,022
Independent agent consulting fees		30,829	9,835
Communication and IT		99,470	69,371
Net foreign exchange losses		549	—
Bad debts expense / (reversal)		8,938	(3,574)
Other expenses		30,107	14,255
Total other expenses		**232,237**	**130,905**

6 BUSINESS COMBINATIONS

(A) CURRENT YEAR ACQUISITIONS

There were no acquisitions in the current period.

(B) PRIOR YEAR ACQUISITIONS

Compl.ai Inc

The accounting for the business combination was finalised prior to 30 June 2022 with no significant changes. The remaining instalments of the acquisition price of USD 800,000 (AUD $1,126,000) were paid during the period.

7 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(A) FAIR VALUE HIERARCHY

There have been no changes to the classification of financial instruments within the fair value hierarchy from 30 June 2022. The valuation techniques of financial instruments are described below:

DERIVATIVE FINANCIAL INSTRUMENTS

Forward foreign exchange contracts

Forward foreign exchange contracts are measured at fair value, which is based on observable forward foreign exchange rates and the respective currencies' yield curves, as well as the currency basis spreads between the respective currencies.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a cash flow hedge. Changes in fair value for derivative instruments that do not qualify for hedge accounting are recognised immediately in the statement of profit or loss.

The forward foreign exchange contracts and cross currency interest rate swaps are classified as Level 2 (30 June 2022: Level 2) under the AASB 13 *Fair value measurement* hierarchy, based on the valuation technique described above.

Cross currency interest rate swap (CCIRS) & Interest rate swap (IRS) contracts

CCIRS & IRS are measured at fair value, which is calculated as the present value of the estimated future cash flows. Estimates of future cash flows are based on quoted swap rates, interbank borrowing rates and forward exchange rates.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a fair value hedge or a net investment hedge. Changes in fair value of derivative instruments that do not qualify for hedge accounting are recognised immediately in the statement of profit or loss.

The CCIRS & IRS are classified as Level 2 under the AASB 13 *Fair value measurement* hierarchy, based on the valuation technique described above.

DEBT SECURITIES

Refer to note 9 for valuation techniques of financial asset investments.

FINANCIAL LIABILITIES

CURRENT	31 DECEMBER 2022 $'000	30 JUNE 2022 $'000
Contingent consideration	3,683	3,683
Total current financial liabilities	**3,683**	**3,683**
NON-CURRENT		
Contingent consideration	222	216
Put option financial liability	10,291	10,170
Total non-current financial liabilities	**10,513**	**10,386**

Contingent consideration and the put option liability is recognised in relation to the acquisitions listed below. FLT has determined that contingent consideration is classified as Level 3 (30 June 2022: Level 3) under the AASB 13 *Fair value measurement* hierarchy as the main valuation inputs outlined below are unobservable.

7 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

(A) FAIR VALUE HIERARCHY (CONTINUED)

Any changes in the fair value of the contingent consideration are recorded through other income in the statement of profit or loss.

The put option liabilities that exist, outlined for each company below, have been recognised as a financial liability and in the acquisition reserve of the parent entity.

AVMIN PTY LIMITED (AVMIN)

The financial liability related to the put option for AVMIN of $3,683,000 (30 June 2022: $3,683,000) has been recorded as part of current contingent consideration. The potential undiscounted amount of this liability has been estimated as the value of future expected cash flows for the settlement of the put option for AVMIN. The expected cash flows are based on a multiple of the average NPAT for the year ended 30 June 2021 and for the year ended 30 June 2022.

TRAVEL TECHNOLOGY FZ LLC (TP CONNECTS)

Concurrent with the acquisition in the year ended 30 June 2022, FLT through its subsidiary Flight Centre Travel Group (UAE Holdings) Limited entered into a call option over the non-controlling shareholders' remaining 30% interest in TP Connects and the non-controlling shareholders entered into a corresponding put option. The call option can be exercised after 1 July 2027 and the put option can only be exercised by TP Connects if the call option is not exercised by FLT.

The financial liability relates to the expected put option exercise price and has been recorded as a non-current financial liability of $10,291,000 (30 June 2022: $10,170,000). The statement of profit or loss includes 100% of the net loss of TP Connects. The carrying value of the liability has been estimated by discounting the value of future expected cash flows for the settlement of the put option at a discount rate of 3.0%. The expected cash flows are based on the forecast EBITDA for FY24, FY26 and FY27. Any change in value, together with the net present value interest unwind on the put option liability, is recorded through the statement of profit or loss.

GRASSHOPPER ADVENTURES LTD (GRASSHOPPER)

The financial liability related to the Grasshopper acquisition has been recorded as part of non-current contingent consideration. The potential undiscounted amount payable per the asset purchase agreement is $222,000 (30 June 2022: $216,000).

Reconciliation of financial liabilities for the period is set out below:

	NOTES	FINANCIAL LIABILITIES $'000
Opening balance at 1 July 2022		**14,069**
Other unrealised (gains) / losses including net foreign exchange movements		127
Closing balance at 31 December 2022		**14,196**

(B) FAIR VALUES OF OTHER FINANCIAL INSTRUMENTS

The group also has a number of financial instruments which are not measured at fair value in the balance sheet.

The carrying amount of the group's non-current receivables, and current and non-current borrowings and convertible notes, approximates their fair values, as commercial rates of interest are earned and paid respectively and the impact of discounting is not significant.

The carrying amount of cash, current receivables and current payables are assumed to approximate their fair value due to their short-term nature.

8 CASH AND CASH EQUIVALENTS

	31 DECEMBER 2022 $'000	30 JUNE 2022 $'000
Cash at bank and on hand	770,305	866,153
Restricted cash[1]	273,301	360,751
Total cash and cash equivalents	**1,043,606**	**1,226,904**

1 Restricted cash relates to cash held within legal entities of the Group for payment to product and service suppliers or cash held for supplier guarantees. Restricted cash includes monies paid to the Group by end consumers for payment to local International Air Transport Association (IATA) for ticketed travel arrangements, and refund monies received from IATA awaiting payment to end consumers.

RECONCILIATION TO STATEMENT OF CASH FLOWS

	31 DECEMBER 2022 $'000	30 JUNE 2022 $'000
Cash and cash equivalents	1,043,606	1,226,904
Bank overdraft	(6,823)	(16,647)
Balance per Statement of Cash Flows	**1,036,783**	**1,210,257**

9 FINANCIAL ASSET INVESTMENTS

	31 DECEMBER 2022 $'000	30 JUNE 2022 $'000
CURRENT		
Debt securities - Fair value through other comprehensive income (FVOCI)	54,291	—
Total current financial asset investments	**54,291**	**—**
NON-CURRENT		
Equity investments - Fair value through profit or loss (FVTPL)	4,589	4,509
Debt securities - Fair value through other comprehensive income (FVOCI)	—	54,468
Total non-current financial asset investments	**4,589**	**58,977**

Debt securities measured at FVOCI have contractual cash flow characteristics that are solely payment of principal and interest and are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Debt securities and repurchase receivables are measured at amortised cost only if both the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest

Debt securities at FVOCI (corporate bonds) are measured at fair value, which is determined by reference to price quotations in a market for identical assets. FLT has determined that they are classified as Level 2 (30 June 2022: Level 2) under the AASB 13 *Fair Value Measurement* hierarchy, based on the valuation technique as described above.

Equity investments at FVTPL are measured at fair value, which is determined by an independent qualified valuer in accordance with Australian Accounting Standards (AASB's) and International Private Equity and Venture Capital Valuation Guidelines as adopted by Australian Private Equity and Venture Capital Association Limited. FLT has determined that they are classified as Level 3 (30 June 2022: Level 3) under the AASB 13 *Fair Value Measurement* hierarchy, based on the valuation technique as described above.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 CONTRACT ASSETS

	31 DECEMBER 2022 $'000	30 JUNE 2022 $'000
Volume incentive receivables	202,011	102,567
Accrued revenue	40,030	36,937
Loss allowance	(4,966)	(9,203)
Total contract assets	**237,075**	**130,301**

11 LEASES

This note provides information for leases where the group is a lessee.

AMOUNTS RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS

	NOTES	31 DECEMBER 2022 $'000	31 DECEMBER 2021 $'000
Rent income from sub-leasing of right-of-use asset	3	4,311	3,168
Interest expense on lease liabilities	5	(3,677)	(5,092)
Rental expense relating to short-term and low-value leases	5	(3,372)	(1,296)
Depreciation/amortisation expense of right-of-use assets		(36,823)	(34,097)
		(39,561)	**(37,317)**

AMOUNTS RECOGNISED IN THE BALANCE SHEET

	RIGHT OF USE ASSETS $'000	LEASE LIABILITIES $'000
Balance as at 1 July 2022	**198,530**	**286,051**
Additions	15,977	15,752
Disposals	57	(1,234)
Depreciation and amortisation expense	(36,823)	—
Impairment reversal	1,602	—
Lease modifications	14,565	13,639
Interest expense	—	3,677
Lease liability repayment	—	(52,774)
Exchange differences	110	464
Balance as at 31 December 2022	**194,018**	**265,575**

CURRENT AND NON-CURRENT CLASSIFICATIONS

	31 DECEMBER 2022 $'000	30 JUNE 2022 $'000
Current	86,108	92,424
Non-current	179,467	193,627
Total lease liabilities	**265,575**	**286,051**

11 LEASES (CONTINUED)

AMOUNTS RECOGNISED IN THE STATEMENT OF CASHFLOW

	31 DECEMBER 2022 $'000	31 DECEMBER 2021 $'000
Operating - payments of interest	(3,677)	(5,092)
Financing - payments of principal	(49,097)	(44,104)
Financing - lease surrender payments	(338)	(2,228)
Total cash (outflow) relating to leases	**(53,112)**	**(51,424)**

12 CONTRACT LIABILITIES

CURRENT	31 DECEMBER 2022 $'000	30 JUNE 2022 $'000
Deferred revenue	50,654	42,309
Revenue constraint	5,689	12,755
Total contract liabilities	**56,343**	**55,064**
NON-CURRENT		
Deferred revenue	28,467	30,736
Total non-current contract liabilities	**28,467**	**30,736**

13 BORROWINGS

CURRENT	31 DECEMBER 2022 $'000	30 JUNE 2022 $'000
Bank loans (including bank overdraft)	10,087	19,779
Net unsecured notes principal	643	459
Total current borrowings	**10,730**	**20,238**
NON-CURRENT		
Bank loans	353,642	354,000
Total non-current borrowings	**353,642**	**354,000**

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

BORROWINGS	31 DECEMBER 2022 $'000
Opening Balance at 1 July 2022	**374,238**
Cashflow - Proceeds from borrowings[1]	885
Cashflow - Repayment of borrowings[1]	(928)
Proceeds from bank overdrafts	—
Repayment of bank overdrafts	(9,823)
Foreign exchange movement	—
Closing Balance at 31 December 2022	**364,372**

1 This includes the bank debt facilities, the periodic use of the repurchase facility and operation of the Business Ownership Scheme (BOS) during the period.

The Group classifies interest paid within cash flows from operating activities.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14 CONVERTIBLE NOTES

		HALF-YEAR ENDED 31 DECEMBER	
		2022	2021
	NOTES	$'000	$'000
Opening Balance at 1 July		**655,985**	**347,239**
Liability component of new issuance	(a)	—	315,892
Amortisation of borrowings at effective interest rate		16,152	9,831
Changes in fair value hedge during the period		(2,200)	(361)
Closing Balance at 31 December		**669,937**	**672,601**

(a) Liability component of issuance during the half-year		
Nominal value of convertible notes issued	—	400,000
Gross equity component of convertible note issued	—	(76,292)
Transaction costs attributable to issuance	—	(7,816)
Total liability component of new issuance	**—**	**315,892**

No convertible note was issued during the period ended 31 December 2022. For the note issued during the period ended 31 December 2021, transaction costs relate to the equity component of $1,359,000 and liability component of $6,457,000. The equity component of the convertible note after tax was $53,405,000.

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

		HALF-YEAR ENDED 31 DECEMBER	
		2022	2021
	NOTES	$'000	$'000
Opening Balance at 1 July		**655,985**	**347,239**
Cashflow - proceeds from issuance of convertible note, net of transaction costs		—	392,184
Gross equity component of convertible note		—	(76,292)
Amortisation of borrowings at effective interest rate		16,152	9,831
Changes in fair value hedge during the period		(2,200)	(361)
Closing Balance at 31 December		**669,937**	**672,601**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15 RATIOS

NET CASH / (DEBT)

	NOTES	31 DECEMBER 2022 $'000	30 JUNE 2022 $'000
Cash at bank and on hand (excluding restricted cash)	8	770,305	866,153
Financial investments - current	9	54,291	—
Financial investments - non-current	9	4,589	58,977
		829,185	**925,130**
Less:			
Borrowings - current	13	10,730	20,238
Borrowings - non-current	13	353,642	354,000
		364,372	**374,238**
Net cash / (debt)[1]		**464,813**	**550,892**

FLT continues to be in a net cash position (30 June 2022: net cash position).

1 Net cash / (debt) = (Cash+ financial investments) – (current and non-current borrowings). The calculation excludes restricted cash (refer note 8) and convertible notes. The calculation also excludes the impact of AASB 16 Leases in respect of the current and non-current lease liabilities.

GEARING RATIO

	NOTES	31 DECEMBER 2022 $'000	30 JUNE 2022 $'000
Total borrowings	13	364,372	374,238
Total equity		792,576	777,462
Gearing ratio[2]		46.0 %	48.1 %

2 Gearing ratio = Total borrowings/Total equity. The calculation excludes the convertible note and lease liabilities from total borrowings. Net cash / (debt) = (Cash+ financial investments) – (current and non-current borrowings).

16 DIVIDENDS

OVERVIEW

When determining dividend returns to shareholders, FLT's board considers a number of factors, including the company's anticipated cash requirements to fund its growth and operational plans and current and future economic conditions.

The directors have determined it is not prudent to declare an interim dividend for the period ended 31 December 2022 given that the Company is in a recovery phase following the COVID-19 pandemic.

A final dividend was not declared for 30 June 2022 (30 June 2021: nil).

17 CONTRIBUTED EQUITY AND TREASURY SHARES

OVERVIEW

Historically, movements in contributed equity have related to shares issued under the ESP and LTRP, which reinforced the importance that FLT places on ownership to drive business improvement and overall results. Where shares in FLT have been acquired by on-market purchases of shares prior to settling the vested entitlement, the cost of the acquired shares is carried as treasury shares and deducted from equity.

RECONCILIATION OF ORDINARY SHARE CAPITAL

The following reconciliation summarises the movements in authorised and issued capital during the period.

Issues of a similar nature have been grouped and the issue price shown is the weighted average. Detailed information on each issue of shares is publicly available via the ASX.

DETAILS	NUMBER OF SHARES	WEIGHTED AVERAGE ISSUE PRICE	$'000
Opening balance at 1 July 2021	**199,347,493**		**1,099,056**
ESP	136,248	$17.20	2,344
ESP matched shares	14,684	—	—
LTRP	9,274	—	—
Treasury shares	100,000	$16.18	1,618
Closing balance at 31 December 2021	**199,607,699**		**1,103,018**
Opening balance at 1 July 2022	**199,813,184**		**1,105,711**
ESP	179,491	$16.00	2,871
ESP matched shares	42,467	—	—
LTRP	—	—	—
Treasury shares	150,000	$17.45	2,618
Closing balance at 31 December 2022	**200,185,142**		**1,111,200**

17 CONTRIBUTED EQUITY AND TREASURY SHARES (CONTINUED)

RECONCILIATION OF TREASURY SHARES

The following reconciliation summarises the movements in treasury shares held in a share trust for future allocation to employee share plans. Items of a similar nature have been grouped and the price shown is the weighted average.

DETAILS	NUMBER OF SHARES	WEIGHTED AVERAGE PRICE	$'000
Opening balance at 1 July 2021	—		—
Purchase of shares by share trust	(120,239)	$16.32	(1,962)
Allocation of shares to ESP matched shares	20,239	$17.00	344
Allocation of shares to LTRP	24,782	$18.98	470
Loss in equity on allocation of shares			(69)
Closing balance at 31 December 2021	**(75,218)**		**(1,217)**
Opening balance at 1 July 2022	**(65,176)**		**(1,055)**
Purchase of shares by share trust	(220,845)	$17.14	(3,785)
Allocation of shares to ESP matched shares	9,381	$16.47	155
Allocation of shares to LTRP	76,190	$16.87	1,285
Allocation of shares to PCRP	102,939	$16.49	1,697
Gain in equity on allocation of shares			1
Closing balance at 31 December 2022	**(97,511)**		**(1,702)**

18 RESERVES

Reserves	31 DECEMBER 2022 $'000	30 JUNE 2022 $'000
Cash flow hedge reserve	2,655	309
Share-based payments reserve	87,109	67,381
Acquisition Reserve	(44,602)	(44,602)
Foreign currency translation reserve	31,046	22,461
Equity component of convertible note	91,335	91,335
Other reserves	(424)	(424)
Total reserves	**167,119**	**136,460**

Total reserves includes $173,000 (31 December 2021: $nil) attributable to non-controlling interests as outlined in the statement of comprehensive income and statement of changes in equity.

19 EARNINGS PER SHARE

OVERVIEW

Statutory earnings per share (EPS) was a loss of 9.9 cents (2021: loss 97.4 cents), an improvement of 89.8% on the prior comparative period. At an underlying level[2], EPS increased 98.7% to a loss of 1.2 cents (2021: loss 94.3 cents).

	HALF-YEAR ENDED 31 DECEMBER	
	2022 CENTS	2021 CENTS
Basic earnings / (loss) per share		
Loss attributable to the company's ordinary equity holders	(9.9)	(97.4)
Diluted earnings / (loss) per share		
Loss attributable to the company's ordinary equity holders[1]	(9.9)	(97.4)
Reconciliations of earnings used in calculating EPS	$'000	$'000
Loss attributable to the company's ordinary equity holders used in calculating basic and diluted earnings per share	(19,778)	(194,184)
Weighted average number of shares used as the denominator	NUMBER	NUMBER
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share[3]	199,764,790	199,432,748

1 Diluted earnings per share is the same as basic earnings per share at 31 December 2022 given the Group has recorded a loss for the period.

2 Underlying EPS are non-IFRS measures and not subject to review procedures. Refer to note 1 for breakdown of underlying PBT used in the calculation of underlying EPS. Underlying NPAT includes the tax impact of underlying adjustments of ($557,000) (31 December 2021: $235,000)

3 The basic EPS denominator is the aggregate of the weighted average number of ordinary shares after deduction of the weighted average number of treasury shares outstanding during the period.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

20 CONTINGENT ASSETS AND LIABILITIES

GENERAL CONTINGENCIES

FLT is a global business and from time to time in the ordinary course of business it receives enquiries from various regulators and government bodies. FLT cooperates fully with all enquiries and these enquiries do not require disclosure in their initial state, however should the company become aware that an enquiry is developing further or if any regulatory or government action is taken against the group, appropriate disclosure is made in accordance with the relevant accounting standards.

As a global business, from time to time FLT is also subject to various claims and litigation from third parties during the ordinary course of its business. The directors of FLT have given consideration to such matters which are or may be subject to claims or litigation at period end and, unless specific provisions have been made, are of the opinion that no material contingent liability for such claims of litigation exists.

The group had no other material contingent assets or liabilities.

21 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

SCOTT DUNN ACQUISITION AND EQUITY RAISE

On 1 February 2023 FLT announced the successful completion of its institutional placement of new fully paid ordinary shares to raise $180,000,000. Approximately 12,300,000 new shares have been issued under the placement at a fixed price of A$14.60 per new share, which represents a 7.8% discount to the last traded price of A$15.83 on 30 January 2023.

A non-underwritten share purchase plan (SPP) was also announced. The SPP is intended to raise $40,000,000 and will close 6 March 2023.

The proceeds of the placement were used to partly fund the acquisition of a 100% interest in Luxury Travel Holdings Limited (Scott Dunn). The acquisition price was GBP 121,000,000 and the transaction completed on 7 February 2023.

Scott Dunn is a leading UK-based luxury travel brand specialising in tailor-made luxury holidays. Scott Dunn provides an entry point into the UK and US luxury travel market through a well-regarded, scalable brand which will be supported by FLT's global platform.

Given the close proximity to half-year, the purchase price allocation has not yet been performed.

Other than disclosed above, there are no significant events since 31 December 2022 which have come to our attention.

22 SEASONALITY

As FLT recovers after COVID-19 it is expected that due to the seasonal nature of a number of key segments, higher revenues, operating profits and operating cash flows are expected in the second half of the year compared with the first six months. This is impacted by:

- higher leisure sales in the lead up to the northern hemisphere summer holiday, particularly in the United States and Canada
- lower sales in the corporate travel agency businesses over the Christmas holiday period

This is partially offset by the seasonality of the touring businesses which earn the majority of their profits in the northern hemisphere summer holiday period, which falls in the first six months.

This information is provided to allow for a proper appreciation of the results, however management have concluded that this does not constitute "highly seasonal" as considered by AASB 134 *Interim Financial Reporting*.

23 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

This general purpose financial report for the interim half-year reporting period ended 31 December 2022 has been prepared on a going concern basis in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Flight Centre Travel Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and *ASX Listing Rules*.

The accounting policies adopted are consistent with those applied at 30 June 2022 unless otherwise stated.

RECLASSIFICATION

Certain prior period amounts have been reclassified to conform to the current period’s presentation.

(B) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

New or amended standards and interpretations that became applicable to FLT for the first time for the 31 December 2022 interim half-year report did not result in a material financial impact to the group’s accounting policies or require any retrospective adjustments.

(C) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2022 reporting period. FLT is in the process of determining the impact of these new standards and amendments.

The group has not elected to apply any pronouncements before their operative date in the interim half-year reporting period beginning 1 July 2022.

AASB 17 INSURANCE CONTRACTS

In July 2017, the AASB issued AASB 17 *Insurance Contracts*, a comprehensive new standard for insurance contracts covering recognition, measurement, presentation and disclosure.

AASB 17 replaces AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts* for for-profit entities. AASB 17 applies to all types of insurance contracts, regardless of the entity that issues them, as well as to certain guarantees and financial instruments with discretionary participation features.

The new standard is effective for reporting periods beginning on or after 1 January 2023, and must be applied retrospectively. This means that it will be applied in the reporting period ending 30 June 2024. FLT does not intend to adopt the standard before its operative date.

The group is yet to assess the effect of AASB 17 on its consolidated financial statements.

AASB 2020-1 AMENDMENTS TO AASs - CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

In January 2020, the AASB issued amendments to paragraphs 69 to 76 of AASB 101 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- what is meant by a right to defer settlement
- that a right to defer settlement must exist at the end of the reporting period
- that classification is unaffected by the likelihood that an entity will exercise its deferral right
- that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. This means that it will be applied in the reporting period ending 30 June 2024. FLT does not intend to adopt the standard before its operative date.

The group does not expect the application of the standard to have a material impact on its consolidated financial statements.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Flight Centre Travel Group Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of Flight Centre Travel Group Limited for the half-year ended 31 December 2022 are in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* ; and;

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

On behalf of the board

G.F. Turner
Director
BRISBANE

22 February 2023

Building a better
working world

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Independent auditor's review report to the members of Flight Centre Travel Group Limited

Conclusion

We have reviewed the accompanying half-year financial report of Flight Centre Travel Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the balance sheet as at 31 December 2022, the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and

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

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (*including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

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

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Ernst & Young

Alison de Groot
Partner
Brisbane
22 February 2023