

## Webjet Limited 2024 Annual General Meeting Transcript

Thursday, 29 August 2024, 9am AEST

### Start of Transcript

**Roger Sharp:** Morning, ladies and gentlemen, it's just after 9:00 o'clock Melbourne time and I'd like to extend a very warm welcome to you to the Webjet Annual General meeting for 2024. My name is Roger Sharp, I'm chair of Webjet and I'll be chairing today's meeting.

I'd like to start by acknowledging the Traditional Owners and Custodians of the land on which we meet today, the Bunurong People of the South-Eastern Kulin Nation. I'd also like to pay my respects to their Elders past and present, and Aboriginal Elders of other communities who may be here today.

Our Company Secretary, Tony Ristevski, confirms the quorum is present and that no other items of business have been notified. Therefore, we'll work to the agenda published within the Notice of Meeting.

I now declare the meeting open.

Today, we are convening the meeting as a hybrid meeting and I thank you all for taking the time to either join in-person or online via the Computershare platform. For members attending the meeting in-person, can you now please turn off your mobile phones, photographic equipment and recording devices?

I'd like to introduce my fellow directors who are present. Joining us today, to my immediate left, Deputy Chair, Don Clarke. To my right, our Managing Director, John Guscic. Our Remuneration and Nomination Committee Chair and Non-Executive Director, Brad Holman. And to my far left, our Audit Committee Chair and Non-Executive Director, Denise McComish. All directors are here in our Melbourne office.

I'd also like to take this opportunity today to introduce senior members of the management team. There are, of course, too many to call out individually. And from experience, if I try, I'll miss someone important. So I'm just going to acknowledge our Chief Financial Officer and Company Secretary, Tony Ristevski. To my far right, Global Chief Operating Officer, Shelley Beasley. And our Webjet B2C CEO, Katrina Barry, until recently, was sitting on this Board. Finally, I'd also like to acknowledge the presence of our audit partner from Deloitte, Chris Biermann, who has led the audit for the Company's accounts for the second successive year.

There'll be two major components to today's meeting. Firstly, an update on the business and secondly the formal business of the meeting. I'll start by making some introductory comments about the

business, about FY24 and subsequent events in my Chair address. I'll then hand over to John, who will update you on the Company's performance and outlook. We'll then move to the formal business as set out in the Notice of Meeting. I'll start by tabling the Company's 2024 Financial Report and Accounts. I'll then formally farewell two directors, Shelley Roberts and Katrina Barry who departed in '24. We'll then put four resolutions to the meeting.

Now, a few notes on questions and voting. All share and proxy holders will be given an opportunity to ask questions or make comments today. For those shareholders and their representatives attending in-person, please raise your blue attendee card when called upon to do so. You may speak once you've been acknowledged by me as Chair of the meeting. For those attending online, you can submit questions or comments from now until the close of the meeting using the Computershare online platform.

To ask a question verbally, please follow the instructions below the broadcast window on the virtual meeting platform and the moderator will facilitate your participation at the appropriate time. To ask a question in writing, please press the "Q&A" icon on your screen, select the topic your question relates to, type the question in the text box, then press the "send" button. Written questions can be submitted online at any time during the meeting and will be addressed at the appropriate time.

Now, I'd encourage shareholders who are attending online to submit questions or comments as early as possible. Due to time constraints, we may run out of time to answer all your questions. If this happens, we will respond by email.

I'll take questions and comments from shareholders and proxy holders who are attending in-person first, followed by anything from online attendees. Online attendee questions may be moderated, or if we receive multiple questions on one topic, amalgamated together. We do reserve the right to limit the number of questions from any share or proxy holder if this denies the opportunity for other shareholders to ask questions or make comments.

All resolutions today are ordinary resolutions and will be passed by simple majority. The voting restrictions are included in the 'voting restrictions' section of the explanatory notes in the Notice of Meeting. Voting will be held by way of a poll on all items. I hereby appoint Nigel Bulling from Computershare, our share registry as the Returning Officer. To provide you with enough time, I'll shortly open the poll and voting will remain open until I declare the poll closed at the end of the meeting.

For share and proxy holders attending in-person, as I mentioned a few minutes ago, you've got your blue attendee card with instructions on the reverse. If there's anybody attending who believes they're entitled to vote that doesn't have a blue card, please make your way to the back and see the smiling,

friendly Computershare team who will sort you out. By completing the voting paper, you're deemed to have voted in accordance with those instructions.

In respect of any open votes a proxyholder may be entitled to cast, you need to mark a box beside the motion to indicate how you intend casting your open votes. Shareholders and attorneys of shareholders need to mark a box beside the motion to indicate how you wish to vote. Once you've completed the voting paper, please print your name at the bottom of the paper and sign it. One of the Computershare team will collect your completed voting paper at the appropriate time.

For shareholders and proxyholders who are attending online, the "vote" icon will appear at the top of the screen on the Computershare platform. Selecting this icon will bring up the resolutions and present you with voting options. To cast your vote, simply select one. You don't need to hit enter as your vote will be automatically recorded. A tick will appear to confirm receipt of your vote. You can change your vote until the time voting is declared closed. To do so, just hit "Click Here" to change your vote and select a different option.

Now, if you run into technical difficulties during the meeting, I do have the discretion to determine whether and how the meeting will proceed. If I'm required to exercise this discretion, we will have regard to the number of shareholders impacted and the extent to which participation in the business of the meeting is affected. If you experience any difficulty submitting a question, please consult the online user guide at [computershare.com.au/virtualmeetingguide](https://computershare.com.au/virtualmeetingguide) or you can contact Computershare on 03 9415 4024.

I now declare voting open on all resolutions. I'll give you a warning before closing voting at the end of the meeting.

During the formal business of the meeting, we will display the proxy votes received on the screen behind me before voting by poll is conducted. You'll note that the votes received prior to the meeting were posted to the ASX last night after the close of trading. I'll now briefly recap on the 2024 Financial Year. I'll also comment on the demerger proposal that's due to come before you on 17 September. Then, I'll pass to John for a more detailed commentary on 2024 and the outlook for the business.

Webjet continued its strong recovery in 2024 with key metrics showing a significant uplift over the prior year. Our statutory net profit after tax was \$72.7 million, up from last year's \$14.5 million result. Earnings per share were 18.9 cents, a 15.1 cent increase over FY23. For clarity, that's not 15%, that's 15 cents per share uplift. The uplift was driven by a 21% increase in bookings to 8.7 million, a 29% increase in TTV or Total Transaction Value to \$5.6 billion, and a 29% increase in revenues to \$472 million. Costs were well-contained which, of course, in combination enabled the business to scale effectively. Underlying and statutory EBITDA increased respectively by 40% to \$188 million and by 66% to \$191

million. The Group's revenue margin remained constant at 8.4% while our EBITDA margin improved by 290 basis points to 39.9%.

A few words on cash balance sheet and capital management. Cash flow from operations was \$184 million, driving a closing cash balance of \$630 million, up \$116 million on FY23. The Company's net cash position as of 31 March 2024 was \$406 million.

The pandemic certainly highlighted the value of cash and the flexibility that low gearing brings. As we've previously telegraphed, the Company's bias is towards retaining a significant cash balance, both in case of future acquisitions and as a buffer in case of unforeseen turbulence. Shareholders will be aware that Webjet completed a \$250 million convertible note issue on the 8th of April 2021. The final maturity date for the notes is on or about 12 April 2026, with pricing at \$6.35 per ordinary share (to be adjusted should the demerger proceed), implying the issue of 39.37 million ordinary shares on a business as usual basis.

Earlier this year, the Notes passed a key milestone when no redemption notices were received on their 12 April 2024 put date. The logical implication is that all things remain as they are, there will be conversion of the Notes. There are various forms of capital management tools available to us and during FY24, the Company launched a strategy to reduce the potentially dilutive effect of Notes conversion as we announced to the market in September 2023. That strategy remains on foot and I would just note, the Board is not inclined to pay dividends until we know whether the Notes are redeemed or converted. It may appear they're going to be converted at this stage, but we would prefer to wait until '26.

A few words on sustainability. The Board recognises the growing interest from some shareholders in understanding how we manage the key environmental, social, and governance drivers of our business. Our Sustainability Report, which was released in May this year, outlines some of the initiatives underway in the areas that we consider most material to Webjet. We're taking steps to align to new international and Australian climate reporting standards. This year, we completed a climate-related risks and opportunities assessment while maintaining our carbon-neutral operation certification.

I'll move now to the demerger that's proposed. We will convene another meeting. This time, an extraordinary general meeting on the 17th of September. You may ask, why aren't we doing both together? It's a very fine question. It simply was not feasible. We will convene an EGM on 17 September to consider and vote on the proposed demerger of Webjet B2C from Webjet Limited.

If approved, the demerger will form two independent ASX-listed companies with leadership positions in their respective businesses and with their own distinct operating profiles, strategies, and growth opportunities. Those are:

- the existing listed company, which will be renamed Web Travel Group which will own WebBeds, the global B2B travel distribution business;
- and then, the soon to be listed spin-off, which we know as Webjet Group Limited which will comprise our B2C businesses, namely, Webjet Online Travel Agent, the number one OTA in Australia and New Zealand, and GoSee, a global travel e-commerce business that specialises in car and motorhome rentals. Webjet B2C will also own Trip Ninja – a company we acquired in the last couple of years – a provider of technology that automates the highly manual process of aggregating complex, multi-stop travel itineraries for travel intermediaries.

The Board's decision to pursue a demerger of the Webjet B2C business from Webjet reflects an assessment of the attractive but divergent growth opportunities available to both of these businesses.

Over time, we've formed a view that operating B2B and B2C as standalone businesses, with independent boards, management teams, and capital structures, will enhance value for our shareholders by enabling both businesses to pursue their own strategic priorities and growth agendas.

Further details of the demerger are obviously contained in the Demerger Booklet which was released to ASX on the 8th of August and dispatched to shareholders on the 16th of August. All shareholders and proxyholders will be given an opportunity to ask questions or make comments regarding the demerger at the EGM in a couple of weeks, but of course, we're very happy to field questions today.

To conclude, noting that this may well be our last AGM as a combined business and team, I'd like to express my thanks to the Webjet team, the executive team, and the Board for an exceptional performance in FY24. I would like to, once again, thank our loyal shareholders, particularly those who stood beside us when times were extremely difficult during the pandemic.

John, over to you.

**John Guscic:** Thank you, Roger. Introductory remarks seem to be getting longer and longer each year, Roger. So as Roger just highlighted, it's a very exciting time for the business. We've had a phenomenal FY24 and we have a high degree of optimism for what FY25 looks for all of our businesses. Let's just go through the key metrics which is Slide 2 for those following online. All metrics, as Roger's already covered off, he stole a little bit of my thunder which I'm not that happy about, but all metrics are at record level, materially ahead of FY23 and massively ahead of pre-pandemic. Bookings are up to 8.7 million for FY24. TTV, which Roger's already explained is total transaction values, is at \$5.6 billion, up 29%. Revenue's up 29% to \$471.5 million and EBITDA is up an even more impressive 40% to \$188.1 million.

Moving to the next slide. We have articulated over the journey in the last few years about what our strategies are for our respective business units to continue that exemplary growth. We can clearly see that our strategy contributes to the outperformance of our business in FY24. The B2B business delivered \$162.4 million which is up 39% (or 27% based on functional currency). We did have some tailwinds during the year, which has been to our benefit. All key metrics were at record levels, significantly ahead of FY23 and pre-pandemic levels with \$4 billion of TTV.

During the course of the year, we did outline a strategy roadmap of how we're going to get to \$10 billion in TTV for the WebBeds business by FY30. And I can confirm, as I will in the outlook statement, that we're on track to deliver against that objective.

The OTA business (or webjet.com.au), impressive 25% improvement at EBITDA level to \$54.2 million. Strong growth on all key metrics. And as we have spoken about for the last two AGMs, we've invested in a business called Trip Ninja, which is increasing our ability to successfully sell international airfares at a greater rate than we have historically. And it'll be fair to say from a standing start, Trip Ninja has contributed circa \$4 million of incremental EBITDA to our results. So fabulous job done by the Webjet OTA team.

GoSee business delivered \$1.7 million, 6% up on FY23. As has been highlighted, the underlying cars business within GoSee has continued to perform well. The motorhomes has struggled as long term, tourists coming to New Zealand and Australia are less likely to entertain longer holidays. And the shortage of supply and pricing of motorhomes has become a little bit prohibitive, which are some of the challenges that the GoSee business face.

Total cash is now \$630 million, \$116 million up on March 23. And we had a phenomenal cash conversion number during the year in excess of 100% of our operating metrics.

Moving on to Slide 5. WebBeds, the key metrics in summary are all at record levels and significantly ahead of FY23. Bookings at 7 million for the year, TTV at \$4 billion, revenue at \$327.9 million, up 39%, EBITDA up 39% as well at \$162.4 million.

Moving to the next slide. The pillars of growth will be the same pillars of growth that we'll report in the years ahead, and it talks about how we view the market and how we view the opportunity that we have in front of us and what we're doing to specifically address those opportunities. Growing our existing portfolio is, in essence, what's system growth or market growth, and we saw that at circa 7% in FY24 and that's just us staying with the pack. Number 2 is what do we do to get new customer supply and market. We think that contributed circa 13% of our growth. And then, conversion, which is the ability for per search to have a higher level of bookings made on our tech platform and that contributed circa 10%.

So, the aggregate of all of that is the 30% growth rate that's the driver of the outperformance of our B2B business. It's a big business now. When you're doing circa 7 million bookings – I used to know this, but I'm not that good at dividing 7 million by the minutes in a year – but it's sort of like a booking every two minutes or something like that. And TTV at \$4 billion shows that we have scaled our business nicely over the journey, and we haven't wasted the period of inactivity during COVID to ensure that we have the most robust platforms that enable our business to continue to scale and put us on the journey to circa \$10 billion by 2030 at a 50% EBITDA margin.

And as I've already said, we are on track to deliver that \$5 billion in FY25, which is a 25% increase on the \$4 billion that we did in FY24. And to put it another way, which without being self-aggrandising, is we've delivered or we're on track to deliver a billion of TTV organically in FY25 without any artificial stimulants – it's just the core business doing what I've highlighted in the previous slide which is winning new customers, increasing the supply of inventory that we have, penetrating new markets, and doing a better job at converting sales for every search within our business.

Moving on to the Webjet OTA business, again, very strong results. Bookings at 1.3 million, which is up 5% on FY23. TTV at \$1.4 billion, which is up 6%. Revenue at \$121.2 [million] up 12%. And fabulous cost control and focus on delivering a superior outcome where EBITDA was up \$54.2 million for the year, which is a great result. To talk about how we achieved it and what those metrics look like against the competition, we have done a great job in increasing the share that Webjet has within our competitor set. Our total market share is up 46%. Most impressive is the international bookings is up 33% compared to pre-COVID and domestic bookings are up 19% against pre-COVID against our competitor set.

Already highlighted earlier about the contribution of Trip Ninja. It's helping drive international performance and it will be something that we will extend as product offering within the Webjet OTA business going forward and it will be a key contributor to that superior performance that we expect from the Webjet OTA business in '25 and beyond. We are an award-winning OTA and we've had significant service improvements during the year, which is a credit to the entire Webjet team who've done a phenomenal job in driving improved levels of customer service in what's been a challenging environment over the last few years.

So moving on to the trading update, Webjet is on track to deliver \$5 billion TTV in FY25 and Webjet OTA international bookings continue to grow. So let's break it down the outlook into our two major component pieces. Starting with WebBeds, all markets are performing well with TTV and bookings tracking significantly ahead of FY24. There was some issues within our business that were impacted by a number of things which I'll just cover off, which have moderated our expectations on margins for the business going forward.

The first one and the most impactful was the collapse of FTI Group. FTI is the third largest tour operator in Germany. As I've sort of joked historically, no tour operators go bankrupt the month before summer, they all go bankrupt the month after summer. FTI went against trend and went bankrupt in June. The consequence was that circa \$2 billion worth (Aussie dollars) of hotel rooms that had previously been out of the market, then flooded back into the market and that created distortion in the market and it impacted our margins for the months of June, July and August.

The trading was also impacted by the Paris Olympics. It impacted demand for France. To put that into context, France is our number one destination in Europe for the months of, across the full year, France is number one. Across June and July, France fell to number five destination in Europe. So the markets of Spain, Italy, Greece and the UK were ahead of France which was clearly a surprise. It's the first time we've experienced the Olympics in a European destination since we've launched the WebBeds business with the previous Olympics in London being in 2012 when our business didn't exist.

The other impact in June, July was the European football championships reduced German outbound travel. Unlike the rest of our markets, German outbound travel was actually flat year-on-year in June and July.

So they're the distortions to the market that we experienced in the months of June and July. August, we've seen a strong rebound in Europe. Created bookings are up more than 30%, which is ahead of the prevailing run rate of our business which augurs well for what we think will come forward in September and October from those August bookings.

The net impact of all of those things that I've just described is that TTV and revenue margins for first half will be circa 7% and we anticipate margins to improve in the second half of FY25. So what does that all mean? As of a couple of days ago, August 25th, bookings today are up more than 20%, TTV is up more than 5%, and EBITDA is tracking ahead of where we were at the same period of last year. And EBITDA margins remain at circa 50% for the first half.

Moving on to the Webjet OTA business. Bookings continue to be subdued reflecting ongoing cost of living pressures and we know that Rex Airlines went into administration a couple of months ago. On our side, international bookings continue to grow and the Webjet OTA continues to take share in our category against other OTAs. The decline in our TTV reflects the ongoing price deflation in international which has been, I think, well captured by every other travel business that's recorded their results. And Qantas, this morning and Air New Zealand this morning, also have validated that assertion. And as of August 25th, bookings are down circa 5%, TTV down 10%, and EBITDA is tracking ahead of the same period last year because we have been selling higher margin product. And as I highlighted in the results in FY24, tremendous cost control within the Webjet OTA business.



So with that, Roger, I would like, as you have thanked all of the team within Webjet for their phenomenal efforts in FY24. And notwithstanding that we may be separated shortly, I'm sure they'll have tremendous results for both businesses in FY25. Back to you.

**Roger Sharp:** Thank you, John. I'll invite share and proxy holders attending in-person to ask questions now relating to either my or John's addresses but not relating to the formal business of the meeting. Could you please raise your blue attendee card if you wish to speak to the meeting. Once you've been handed a microphone, please could you give your name and who you represent prior to asking your question or providing a comment.

**Henry Stephens:** Thank you. My name's Henry Stephens and I'm from the Australian Shareholders' Association. I've got a couple of questions, pretty quick questions. Just want to clarify your dividend policy. It sounds like you won't be paying a dividend for almost two years because the convertible notes don't mature until April 2026. So I just want to make sure, is that assumption correct?

Second question is on the P&L Statement, there's a \$25.3 million profit on re-measurement of the Company's convertible notes. Can you explain that to me? I don't really know what that means and how you made such a hefty profit.

The third question is FTI Group, you mentioned, I'm just wondering why that went into receivership. What happened? That was a pretty big organisation.

And the fourth question is last year, I asked that the Annual Report indicate how many years the audit firm has been auditing the Company for. I couldn't find this information in this year's Annual Report. Shareholders should know the tenure of the audit firm, especially if there's been no change in the audit firm for many years. This is especially relevant in the light of the PwC debacle. I'm just wondering if you can tell me how long Deloitte has been appointed the Company's auditor and if you'll put that information in the Annual Report in next year's Annual Report. Thank you.

**Roger Sharp:** Thanks, Henry. Well, we might just take those one by one. The first question, you are correct about the dividends, that is our plan. Second question, I think was it the \$25.1 million on the convertible? I'll address that to Tony.

**Tony Ristevski:** What happened there... sorry, the microphone. What happened there is when we initially did the bond in 2021, there was an accounting process where you bifurcate the equity from the debt component, and that was done over three years because we couldn't be certain that it would not roll beyond the three-year put. As a consequence of the three-year put occurring, we've had to re-measure that over five years. So that bifurcation had to be re-adjusted or re-calculated as if it was always five years. So the interest that we expensed through the P&L was overstated, so we had to unwind that expense.

**Roger Sharp:** Tony, if you'd like to address the Deloitte –

**Tony Ristevski:** And the auditors have been appointed for the first time in 2018. So obviously, with the 2024 audit, that would've been six years or seven years in terms of the audit that they've undertaken thus far. And we'll include that going forward in the Annual Report as an enhancement.

**John Guscic:** The FTI question is why did they go bankrupt? FTI never fully recovered post-COVID. FTI group received massive loans from the German government to survive during that post-COVID period, and the competitive nature of the tour operating market in Germany meant that the top two guys continued to pick up share. FTI were capital constrained in their businesses. The consequence was that they weren't able to pick up share as quickly as the other two guys and they ran out of cash. The irony, if you want to go into the detail, is they had a deal on the table to inject capital and it was literally two weeks from being closed when they went out of business. So it was a high wire act, and the German government is now, I think, circa one and a half billion – I'm guessing at this point – but it's circa one and a half billion out of pocket because that's how much they funded the business over the COVID period. That's Aussie dollars, not Euros.

**Roger Sharp:** Thanks, John. Thank you, Henry. Any other questions from the room please?

**Patrick Irwin:** Thank you. Patrick Irwin, IFT Holdings, shareholder. I noticed you opened the meeting with a statement promoting the Aboriginal industry. Why is Webjet doing this? Are you aware that many Australians regard this industry as divisive, exploitative and racist? And what benefit can this possibly be to shareholders? Thank you.

**Roger Sharp:** Well, thank you for your question, Patrick, which you're perfectly entitled to ask. It's a protocol across the ASX companies. We don't take it to the extremes that many other companies do. It's a sign of respect and you're completely entitled to disagree with it. Thank you.

Carolyn, our Head of Investor Relations, Carolyn Mole, any questions online please?

**Carolyn Mole:** There aren't at the moment, Roger.

**Roger Sharp:** All right, thank you. Now, I'll now move to the formal business of the meeting. The minutes of the previous AGM of members held on 31 August 2023, being in order, were signed and are tabled for the information of shareholders. The Notice of Meeting and Explanatory Statement were made available to shareholders on 26th July in compliance with the Company's constitution, and I propose to take them as read unless there are any objections.

The first item of ordinary business on today's agenda is to receive and consider the Financial Report, the Director's Report and the Auditor's Report for the Company for the financial year ended 31 March 2024. Although this is not a voting item, we'll be pleased to receive questions and comments. As we've noted

Chris Biermann, our audit partner, is also available to answer questions on the conduct of the audit, the Auditor's Report, the Company's accounting policies, and the independence of the auditor. No written questions for the auditor were received in advance of the AGM.

I now invite shareholders and proxyholders to submit or ask questions or make comments and if you do, please raise your blue card if you wish to speak to the meeting.

No questions from the floor. Carolyn, anything online? All right. Thank you.

I would just like, at this point, to formally record the Board's thanks to Shelley Roberts and Katrina Barry for their service to the Company. Shelley moved to the UK a number of years back and resigned as a director of the Company on 22 November 2023, having served as a member of the Board since April 2016. Shelley was a valued member of both the Audit and Remuneration and Nomination Committees, and simply left due to workload and time zones. Katrina, who joined more recently, resigned as a director on 24 June to commence her new role as CEO of Webjet B2C. The Board formally extends its thank you to Katrina. I think we're in pretty good hands moving forward at B2C.

Before we move to today's resolutions, which will be voted by a poll, I'll give you ample warning before closing the poll after the conclusion of the final item of business.

The Resolution 1 is to consider and, if thought fit, pass the following resolution as an ordinary resolution: that, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report set out in the Annual Report for the financial year ended 31 March 2024 be adopted.

This resolution is advisory and while it does not bind the directors or the Company, we take its signalling effect seriously.

Please note that key management personnel of the Company (including directors) and their closely related parties are excluded from voting in any capacity on this resolution as per the Notice of Meeting.

However, as Chair of the meeting, I will be voting undirected proxy votes where I've been appointed as proxy in favour of the resolution.

I now draw your attention to the proxy votes received as shown on the screen behind. Are there any questions on this resolution from shareholders or proxyholders present? If so, please raise your blue card. Henry?

**Henry Stephens:** I've just got one question. The CEO is subject to a relative total shareholder return performance measure for the vesting of 50% of his performance rights. I'd like to know why 25% of his

rights vest at only the 40th percentile ranking, which seems overly generous when most companies' performance rights do not vest until at least the 50th percentile ranking is met.

**Roger Sharp:** Brad, are you happy to take that one?

**Brad Holman:** Thank you, Henry, for the question. From the Remuneration Committee's review of the market in terms of the capabilities of the Managing Director and setting those targets, if you take it to the 50th percentile, that suggests that executives in the LTI program throughout the country, you either, 50% of you won't make anything effectively. We feel that a 40% percentile, that is reasonable to consider an entry level of validation, if you like, or rights to vest at that 25% level. And you'll notice though, all rights don't vest until we hit the 75th percentile, which is the stretch target, again, compared to other ASX-listed companies to the same, I guess, comparison set that you are looking at, Henry.

**Roger Sharp:** Carolyn, any questions online? Right okay, thank you. I'll now put the motion to vote as an ordinary resolution. Please lodge your vote for Resolution 1 by marking your voting paper if you're attending in-person or using the vote icon if you're attending online.

We now move to Resolution 2, and as it relates to my own re-election as a director, I'll hand the chair over to Don Clarke, the Deputy Chair of Webjet Limited for this resolution.

**Don Clarke:** Thank you, Roger. Rule 10.2 of the Company's constitution requires that a director must not hold office (without re-election) past the third Annual General Meeting following the director's appointment or three years, whichever is the longer. The Managing Director is exempt under the Company's constitution from this requirement. As Roger retires at this AGM, and being eligible for re-election, will be seeking re-election as a director today. Roger's background is set out in the Notice of Meeting. I will now hand over to Roger to say a few words in support of his re-election.

**Roger Sharp:** Thank you, Don. I'm going to carbon date myself now because I've got nearly 40 years' experience in the tech sector, with a focus, over the last 30-odd years, on the travel industry. During my career, I have led teams that have built, financed and advised many technology companies, more than a few travel tech businesses. I part-own and chair a technology investment bank. I also chair another ASX200 technology company called Iress.

I'm proud to have served as a director of Webjet since the 1st of January 2013 and as chair since the 21st of June, just 18 months before the pandemic struck. It occurs to me, looking back, that around half my time as Chair has been during a crisis or abnormal times, and I must say, it's fantastic to be back in normal times. I'm very proud of the vision, resilience and discipline this team has shown through a remarkably volatile period.

I've been in this business assisting since we launched our B2B division from very small beginnings, through all the acquisitions we've made. I was here, at the time, helping John and Tony when we did an emergency – I think we can fairly say it was an emergency refinancing, can't we, John?

**John Guscic:** Emergency.

**Roger Sharp:** Yes, it was. So today, I'm seeking to be re-elected for a 3-year term which will enable us to complete the Company's proposed demerger and to refresh its Board. The market opportunity is such that this Company post-demerger, assuming it is approved, will likely enter the ASX100 in a few years. And I'm keen to lead its governance transition through that journey while retaining the entrepreneurial spirit that has built so much value for shareholders over the past 25 years. So I'd certainly seek your support as I seek re-appointment. Back to you, Don.

**Don Clarke:** Thank you, Roger. The proxy votes received are shown on the screen? Yep. Are there any questions on this resolution from shareholders or proxyholders attending in-person? Yes, Henry?

**Henry Stephens:** My question is that, Roger, you've been on the Board for 11 years and Don, you've been on the Board for 16 years. I'm just wondering what sort of succession plans you're putting in place? And the second question is about replacing the two directors that have left the Board, what's the process for replacing them and what sort of people are you looking for?

**Roger Sharp:** Now, that's an excellent question. Should I –

**Don Clarke:** Do you wish to answer it, Roger, or –

**Roger Sharp:** Yeah, I'll answer that.

**Don Clarke:** And I'll answer it for my part.

**Roger Sharp:** Yeah, that's good. So I'll speak for the B2B business. Clearly, we're, our Board numbers are slightly temporarily depleted. We are in market for another couple of directors. We are close to appointing one and have our eyes on another. I would hope that by Christmas, Henry, we'll have a full complement and a gender balance that will keep, I think, will be a little more contemporary than what you see at the front table today. We are looking for financial skills, we're looking for remuneration skills, we're looking for people who, you know, have been at this for some time, that do not have training wheels on. And of course, that will include, you know, people's likely successors as well.

**Don Clarke:** For my part, as the incoming Chairman of Webjet Group Limited, we are certainly looking to add to our director numbers. We have a candidate who is likely to join the Board, again, diversifying the skill set of the existing Board members. And I'm actually delighted that I have two of the continuing directors also on my Board. But I certainly don't intend to be here for any longer than more than a

couple of years, so I can assure you that I've well and truly done my time, I think. But equally, I think the Company can benefit from having, in both companies, from people of both Roger and my own experience on the Boards during the transition period.

**Henry Stephens:** Thank you.

**Don Clarke:** Are there any other questions? Carolyn, any? I will now put the motion to a vote as an ordinary resolution. Please lodge your vote for Resolution 2. And well, before I hand over back to Roger, I think on the proxy numbers I can reasonably safely assume he will be re-elected, so I congratulate Roger on his re-election as a director. Thank you, Roger.

**Roger Sharp:** Thanks, Don.

Very good. All right, let's move to Resolution 3, which is the re-election of Denise McComish as a director. Once again, Rule 10.2 of the Company's constitution requires that a director must not hold office without re-election past the third Annual General Meeting following the director's appointment or three years, whichever is longer. Denise retires at this AGM and being eligible for re-election, will be seeking re-election as a director today. Her background is set out in the Notice of Meeting. However, I will now hand over to Denise who will say a few words to sing for her supper.

**Denise McComish:** Thanks, Roger. I was privileged to be appointed to the Board in 2021, and I also hold the roles of Chair of the Audit Committee and I'm a member of the Risk Committee. My executive background was a 30-year partner with KPMG, specialising in audit and advisory services, and I worked closely with major companies in many industries and on a global basis. I also bring diverse experience gained from other board roles as a non-executive director and regularly as chair of audit or audit and risk committees.

My current boards include companies in mining and mining services and construction, in electricity generation and retail, and in mental health. I'm also a member of the Australian Takeovers Panel. I serve on the WA Division Council of the AICD and chair a university school advisory board. I joined the Webjet Board in 2021, the year after the start of COVID-19 and after the emergency fundraising that Roger mentioned, and I've really witnessed the resilience and vision that the team has shown. Webjet has emerged stronger than ever and it's embarking on its next successful growth phase, potentially as two distinct businesses on the completion of the proposed demerger.

So today, I am seeking re-election for a 3-year term. My financial, audit, risk and governance expertise and my corporate experience in strategy, M&A and international operations, I think, are all very relevant to Webjet, and I believe this makes me well-placed to support Webjet's Board and management team and serve our shareholders and other key stakeholders, while at the same time, helping safeguard the

long-term governance, viability and sustainability of the Company. So, I would appreciate your support for my re-appointment.

**Roger Sharp:** Thank you, Denise. The proxy votes received are now shown on the screen behind us. Could I ask if there are any questions on this resolution from share or proxy holders that are attending in-person? Carolyn, anything online? All right, well, I will now put the motion to vote as an ordinary resolution. If you could now vote for Resolution 3. And as Don said a minute ago, it looks entirely likely that Denise will be re-elected. Congratulations and I think I owe you lunch because you beat me by about 5%. So, congratulations, Denise.

Resolution 4 is the approval of a grant of rights to Managing Director, John Guscic. In fact, 362,812 performance rights. During FY23, the Board conducted a pretty comprehensive review of fixed remuneration and incentive arrangements for all executive KMP, with assistance from an independent remuneration consultant, Godfrey Remuneration Group. In particular, the review assessed the forward-looking remuneration arrangements for our Managing Director.

On the 10th of May 2023, the Board announced a new ongoing service agreement with John, which included changes to the at-risk components of his package, particularly his LTI. Key changes including moving to an annual grant priced using the volume weighted average price or VWAP of the company shares traded on the ASX in the 20 days after full year results. His entitlement to the LTI is also subject to performance conditions assessed over a 3-year performance period.

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 Board seeks shareholder approval for the grant of 362,812 performance rights to John as part of his remuneration package applicable to FY25. There are no changes made or proposed to his fixed annual remuneration for FY25.

As disclosed in the Demerger Booklet on the 8th of August, the performance conditions for the grant of performance rights to John are determined on a 'business as usual' basis and do not consider the impact of the demerger. If the demerger proceeds, the grant of performance rights contemplated by Resolution 4 will not actually be made to John. Webjet shareholder approval is separately being sought at the Extraordinary General Meeting on 17 September for a revised grant of FY25 performance rights to John, which will be conditional on the demerger being implemented.

The proxy votes received on Resolution 4 are now shown on the screen behind us, and I'd like to ask if there are any questions on this resolution from share or proxy holders present today. Carolyn, anything online? All right, thank you. I now put the motion to a vote as an ordinary resolution. Please lodge your vote for Resolution 4.

Now, do any shareholders or proxyholders have any final questions or comments on the resolutions to be voted on today which have not been addressed? Carolyn? I feel like we're getting off too lightly. No more questions from the floor?

Well, that concludes our discussion on the formal items of business.

In a couple of minutes, I will close voting. Please, could you ensure that you've cast your vote on all four resolutions. And I'll now pause to allow you time to finalise those votes.

But please note that for in-person attendees, you need to complete your voting paper before putting it in one of the ballot boxes that will be circulated. And a reminder that you must indicate the manner in which your votes should be cast by marking the relevant box, printing your name at the bottom of the paper and signing the voting paper. If you have any difficulty completing your voting paper, please raise your hand and Computershare will come and assist you. And a final reminder for online attendees, simply press the 'vote' icon.

We'll give it a couple of minutes.

Well, I now declare the poll closed and formally charge Nigel Bulling as returning officer to count the votes.

Ladies and gentlemen, that concludes our proceedings today. My fellow directors and I would like to thank shareholders for their continuing support. Once the votes have been counted, the results of the poll will be released to the ASX later today, will also be available on our website at [webjetlimited.com](http://webjetlimited.com).

I thank shareholders, proxyholders and visitors for their attendance and now declare the meeting closed.

**End of Transcript**