

25 August 2020

The Manager

Market Announcements Office
Australia Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Electronic Lodgement
FY20 Full Year Results

Attached is an announcement for release to the market.

Authorised for lodgement by:



Adrian Lucchese

Company Secretary

Investor Relations

investorrelations@a2baustralia.com

0403 372 612



ASX Release

25 August 2020

FY20 Results – Transformation gains pace in a tale of two halves

- \$38m operating cash flow
- \$23.7m net cash
- \$12.3m underlying EBITDA, -\$4.5m underlying NPAT
- Available liquidity of \$48m as at 31 July 2020
- Statutory net loss \$23.7m including \$14.5m impairment on Taxi Licence plates
- 36,902 payment terminals
- Fast growing national transport footprint
- Growing global customer base for Mobile Technologies International
- New products and innovations extending the EFT Solutions payments business
- Building momentum with growth opportunities in transport, mobility platforms and payments
- Cash is being channelled to fuel growth initiatives with no final dividend declared

FY20 was a year of two halves. 1H20 was characterised by a record revenue result following 22% growth in Spotto payment volumes, expansion of the 13cabs brand and network into 8 new regions, a 19% increase in app bookings, and the acquisitions of Mobile Technologies International and Gold Coast Cabs both performing ahead of expectations. Contributions from these sources as well as more recent growth initiatives are expected to resume their growth pattern post pandemic. In 2H20 revenue pressures arose in conjunction with the coronavirus pandemic and associated Government restrictions. A2B's strong cash position enabled ongoing investment in growth initiatives throughout 2H20, during which time A2B focussed on:

- the health and safety of staff, Drivers, Passengers and Customers
- supporting stakeholders with a range of initiatives including temporarily reduced pricing*
- taking swift and decisive action to preserve cash to fuel growth initiatives, including by removing or deferring costs
- continuing to build momentum in technology transformation and the launch of new payment initiatives

Operational highlights in 2H20 include:

- the launch of 13things - a new instant delivery service
- MTI technology installations for clients in Denmark, USA and Canada
- Initiation of vehicle sanitisation services for all Taxi, Government fleet and rideshare vehicles on behalf of the NSW Government

*Stakeholder support initiatives were detailed in our 30 April 2020 ASX release



- Accelerating expansion of the 13cabs network footprint into Dubbo, Forster/Tuncurry, Taree, Laurieton, Townsville, Goondiwindi, Toowoomba, Charters Towers and Darwin.

A2B is making progress converging its mobility technologies into a single platform. The MTI technology offering is being amplified with products and features previously built for 13cabs and Cabcharge, expanding the product suite available to the global market. Leveraging these combined technologies into A2B's own operations in Australia is generating learnings and fast-tracking innovation that has value for industry participants globally. For example, the 13cabs network in Newcastle was at the forefront of a stream of technology upgrades during FY20 and is now generating more bookings than pre-COVID. Fixed price trips, instant app payments, upgraded in-car equipment and our proprietary MyDriver technologies are all contributing to Newcastle's record booking numbers. Each of these initiatives is being progressively deployed into A2B's other 13cabs networks and can be offered to MTI clients globally.

Outlook

A2B is prepared for the level of travel activity and the level of general economic activity to fluctuate for some time as the world and Governments respond to the COVID-19 pandemic. As the pandemic unwinds, A2B expects:

- payment turnover to return to growth on the strength of its handheld payment terminal offerings and recent accelerations in linking bookings and payments
- affiliated fleet, a key driver of subscription revenues, to return to ~10,000 vehicles and resume long term growth rates as the market and population expands

We cannot predict how long or to what extent the pandemic will affect A2B's activities; but we do predict that, relative to our competitors, we will emerge from the pandemic stronger than how we entered. A2B is continuing to innovate, raise service standards, and refine its approach to generating revenue. For example, A2B has transitioned to a payment terminal rental model. As at 30 June 2020 A2B had 3,361 payment terminals generating rental income, of which 2,801 were payment terminals not previously generating a sufficient return.

Opportunities for growth in our mobility business include:

- Expanding the new 13things instant delivery service.
- The ability of our improved service offerings including Fixed Price Trips and automatic app payments to attract new Passengers off rideshare apps.
- Attracting hygiene conscious travellers off public transport and into our professionally presented and sanitised affiliated vehicles.
- Extending the 13cabs network into additional regions in Australia.



Opportunities for growth in our mobility platform business (ie MTI) include:

- Continuing to attract new clients building on the recent successful commissioning of MTI systems in Copenhagen, Baltimore and Vancouver. Uber's recently announced acquisition of Autocab, a UK based MTI competitor, potentially amplifies this opportunity.
- Expanding the MTI product suite to encapsulate the products and technologies previously built by other parts of the enterprise, for example the Cabcharge Account System and the 13cabs MyDriver technologies.
- Providing end to end payment services to MTI clients globally.

Opportunities for growth in our payments business include:

- Scaling up a generic retail payment terminal offering.
- Winning recurring revenue contracts for end to end payment processing services (for example variations of or expansion of the payment services provided to Fluid Management Technology).
- Implementation of the digital smartcard solution for the NSW Taxi Transport Subsidy Scheme (announced on 24 July 2020) and similar payment service contracts and extensions.

A2B has enhanced the value proposition of its existing services and developed a proven ability to grow independently of acquisitions but remains well funded to consider acquisition opportunities. A2B will continue its disciplined approach to testing future opportunities for compelling value or a transformative impact, particularly in the payments industry.

For further information please call Dana Standfield 0403 372 612.