

29 October 2020

The Manager

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

**Electronic Lodgement - 2020 Annual Report**

Attached is an announcement for release to the market.

Authorised for lodgement by:



**Adrian Lucchese**

Company Secretary

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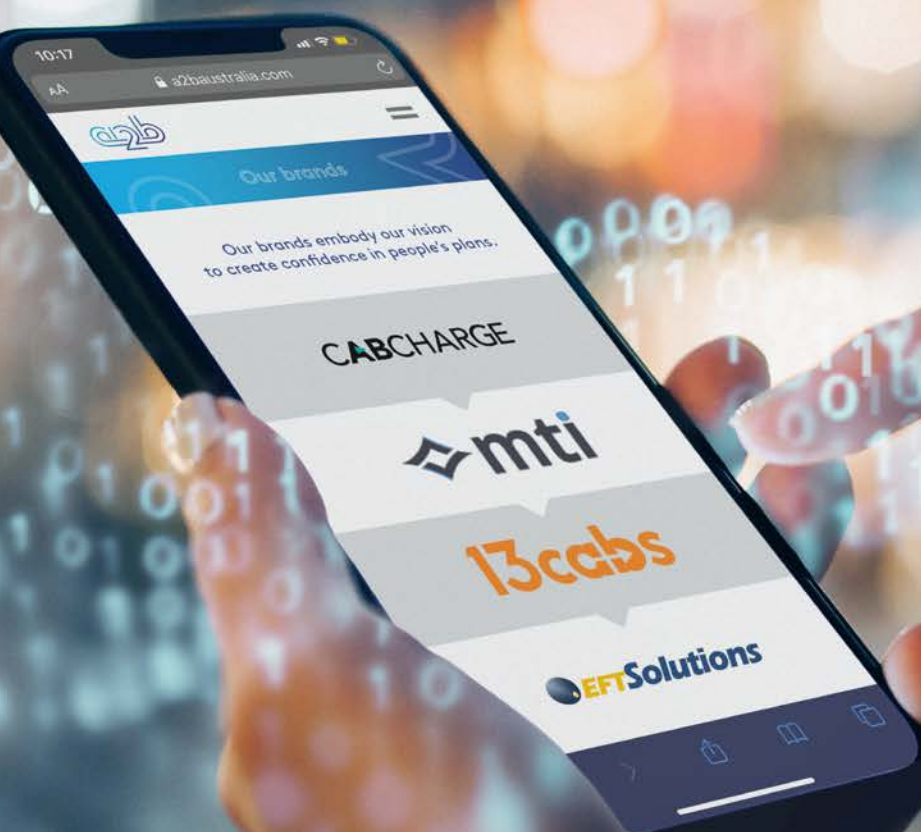
# Annual Report 2020



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Prompt and  
decisive Cash  
Preservation

**\$38M**

OPERATING CASH FLOW

**\$23.7M**

NET CASH POSITION

Sanitisation  
Services  
at all our  
locations

**\$10.8M**

DIRECTLY SUPPORTING  
INDUSTRY PARTICIPANTS

There  
when you  
need us





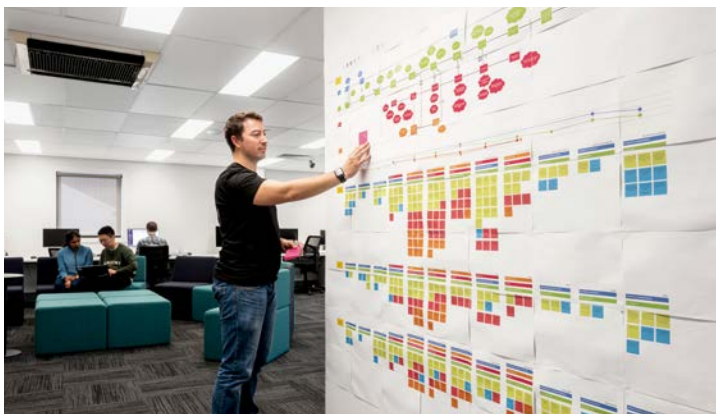
## Driven by technology

A2B's deep knowledge and experience of payments in the personal transport industry coupled with its proprietary technologies create a strong foundation to deliver class leading solutions on a global scale.



## Innovation that solves transport problems

In creating solutions our technologists focus on user centric techniques to clearly understand and define what works best for our customers.

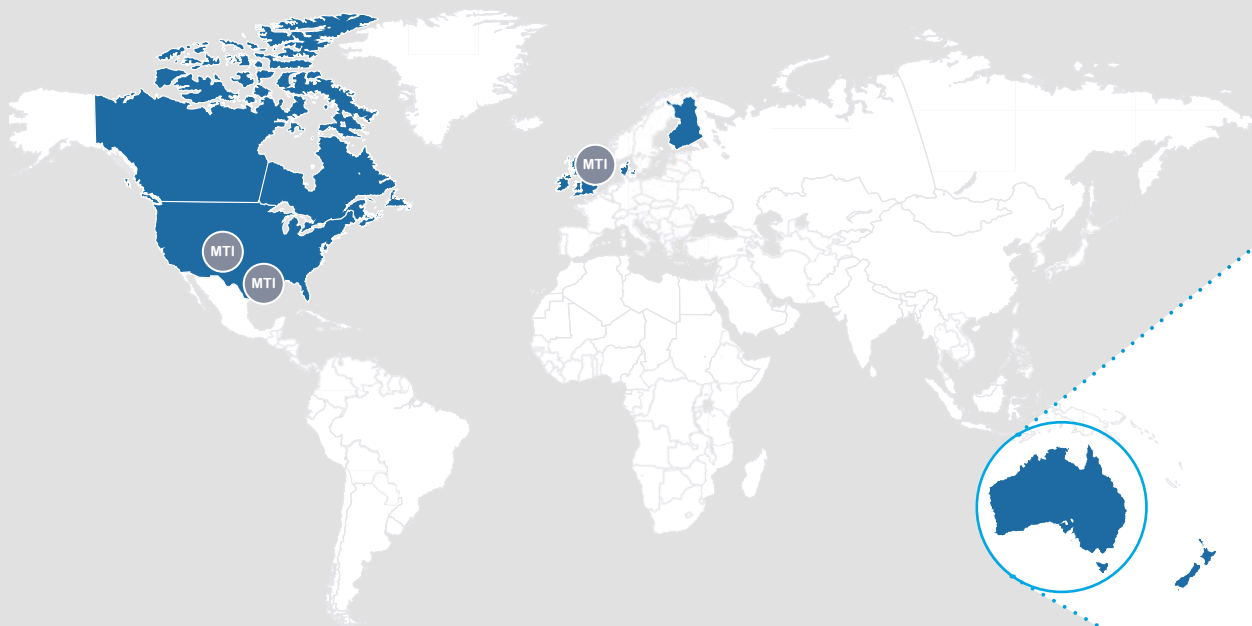


## Looking ahead

A2B is broadening its revenue streams, focusing on the growth of its mobility platform and extending its payments capabilities beyond the mobility sector.

# Operations overview

A2B is working closely with clients to create customised solutions across the globe.



## KEY

● Network

○ EFT EFT Solutions

○ MTI MTI

7

COUNTRIES

19

OFFICES

17

NEW REGIONS

5,000+

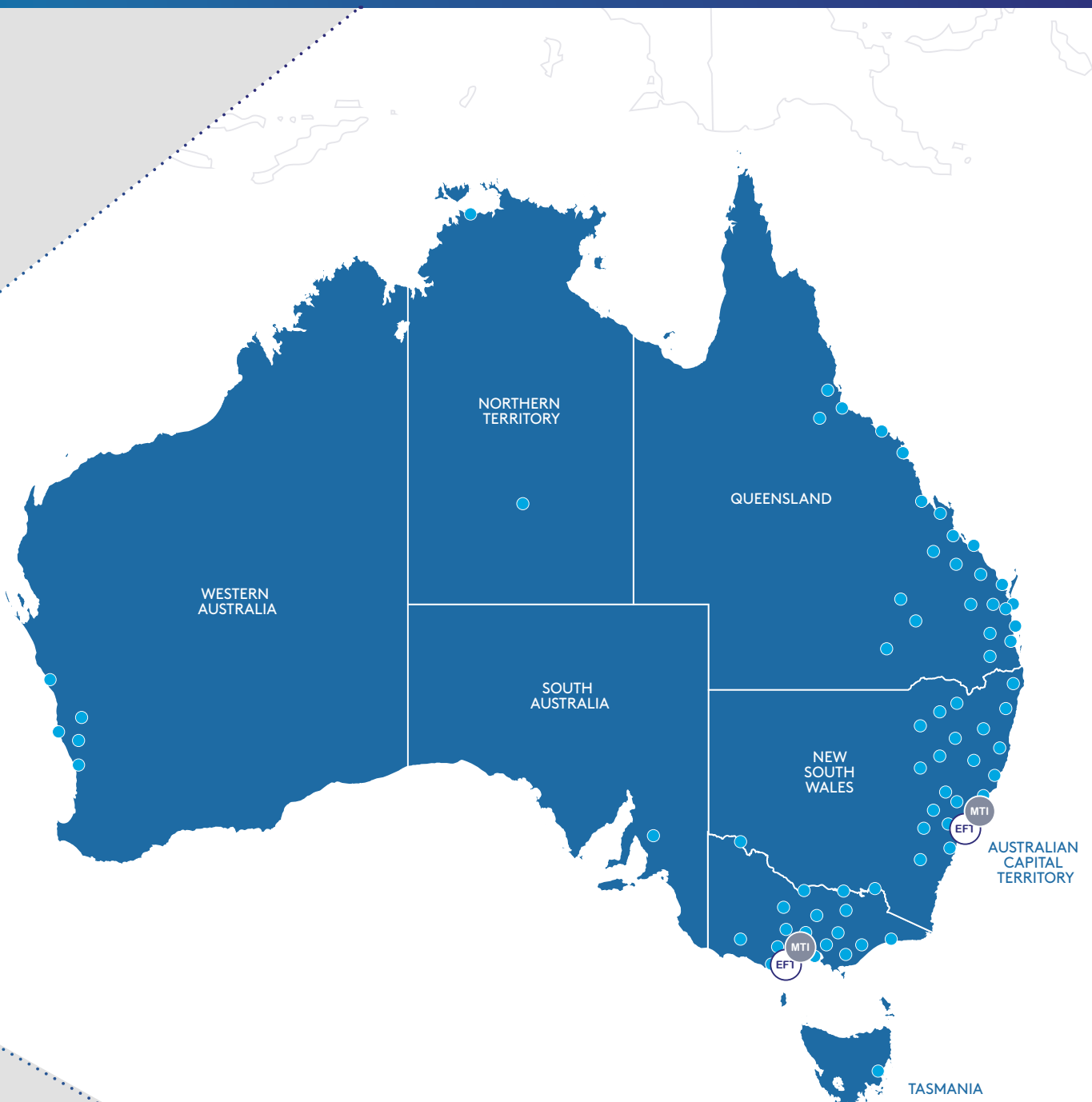
NEW DRIVERS JOINED

36,000+

PAYMENT TERMINALS

40,000+

13CABS DRIVERS



# Letter from the Chairman



2020 has been a year that has tested the resilience of all Australians. As a nation we have stood together and answered the challenges raised by devastating bushfires and the coronavirus pandemic.

At A2B when meeting challenges we carefully consider the impact on all our stakeholders – our employees, Operators, Drivers, Passengers, Customers, communities where we deliver our essential services and shareholders.

From the outset of the coronavirus outbreak our strong balance sheet together with management's swift and decisive actions to preserve cash enabled the payment in April of an interim dividend of 4 cents per share to shareholders. In addition, not only was the Company able to maintain investment in growth opportunities despite the tightening restrictions throughout 2020 but we also extended assistance through a range of initiatives to Operators, Drivers, Passengers and Customers. One example is our partnership with the NSW State Government to sanitise the vehicles of all participants in the personal transport sector regardless of affiliation as well as emergency services vehicles promoting the safe transport of Passengers and contributing to the containment of the coronavirus pandemic. In all other States we are providing sanitisation services to our fleets at no cost to Drivers and Operators.

We recognise the efforts of Drivers especially those in Victoria who have continued to offer essential, accessible, dependable and equitable transport services to our community. We are also grateful of Government recognition that these services are vital for businesses and residents (particularly those with disabilities) and support their connection with and participation in the life of their communities.

Our world class technology offerings have encouraged the continued growth of our national footprint and defines an important part of our competitive advantage and difference. These offerings have also been pivotal in extending our international presence and are being used by a growing number of product and service providers in sectors outside personal transport.

On the governance front A2B continued to maintain its high standards that have been a leading indicator of the growth and maturity of the business. The clarity and transparency of our disclosures encouraged 99% of shareholders to approve our 2019 remuneration report. As Chairman of the Audit and Risk Committee, Rick Millen has been central to the improvements in our financial reporting processes and practices. Rick has decided to retire from the Board after the conclusion of this year's Annual General Meeting. A2B extends its sincere thanks to Rick for his insights, experience and passion for this Company and industry. We all wish Rick every success and thank him for his outstanding contributions to A2B.

After a rigorous search and selection process that took into account the Board's skills and diversity matrix, the challenges and opportunities presented by our developing technological sophistication, and our growing organisational footprint in local and international markets I am pleased to welcome two outstanding new Directors to the A2B Board.

David Grant joined the A2B Board on 2 June 2020. David has held various senior executive roles including Group M&A Director at Goodman Fielder Limited and Chief Financial Officer of Iluka Resources Limited. With broad financial and commercial experience David will be invited to Chair the Audit and Risk Committee after Mr Millen's retirement.

As an experienced Non-executive Director David is currently on the Boards of Event Hospitality and Entertainment Limited, Retail Food Group Limited and The Reject Shop Limited. David has a Bachelor of Commerce from the University of NSW, is a graduate of the Australian Institute of Company Directors and a member of Chartered Accountants Australia & New Zealand.

Jennifer Horrigan was appointed as a Director on 11 September 2020. Jennifer brings 25 years' experience across investment

banking, financial communications and investor relations. Formerly the Chief Operating Officer in Australia of the independent investment bank Greenhill & Co, Jennifer has extensive experience in enterprise management, including the supervision and management of compliance, HR and financial management.

Holding a Bachelor of Business (QUT), Graduate Diploma in Applied Finance (FINSIA) and Graduate Diploma in Management (AGSM), Jennifer is also a Non-executive Director of APN Funds Management Limited, QV Equities, Yarra Funds Management Limited and is Chairman of Redkite (national cancer charity supporting children with cancer and their families).

At A2B not only are we are proudly Australian but we are equally proud of the essential services that we provide to the community. We are confident that we have the right mix of people, skills, experience and technologies to address the fluctuations in the level of travel and economic activity as the world and Governments respond to and emerge from the COVID-19 pandemic.

As the pandemic unwinds, we expect the resumption of long term growth rates as the market and population expands. For A2B this will mean payment turnover returning to growth and our affiliated fleet size returning to around 10,000 vehicles.

A2B is continuing to innovate, raise service standards, and refine its approaches to generating traditional and new revenue streams. Through the focused investment in scalable value-creating technologies A2B is primed to provide best in class fully integrated payments and mobility offerings on a global scale.

On behalf of the Board, I would like to thank the A2B team for their efforts this year and our customers and shareholders for their ongoing support.



**Paul Oneile**  
Chairman

# Letter from the CEO

A2B began 2020 on an exciting footing. After a sustained focus on raising service standards A2B was positioned to benefit from strengthening offerings in the personal transport sector.

Enhanced performance in the personal transport sector helps generate returns for our payments business which has built a strong position in the sector over many years. A2B's operating footprint, scale and addressable markets are benefitting from the success of Mobile Technologies International adding to its global client base, EFT Solutions developing new payment initiatives, and the 13cabs offering being embraced by industry participants throughout Australia.

The decision to increase our investment in technology and brands three years ago is generating results. Following three years of growth, revenue reached record levels (pre-COVID-19). The key drivers of growth during this period were network subscriptions and, in recent times, an increasingly compelling Spotto handheld payment terminal. Meanwhile the acquisitions of Gold Coast Cabs and Mobile Technologies International are performing ahead



of expectations. Tough decisions to raise Driver service and vehicle standards came with short term costs but are now flowing through to strengthening brand sentiment and higher feedback scores on our services, and ongoing innovations in the 13cabs app are consistently generating a class leading 4.8 star rating.

In March A2B commenced a comprehensive response to the emergence of COVID-19 in Australia. Health and Safety was, and remains, first and foremost. We supported Passengers and Drivers with professional sanitisation services and COVID-19 safety procedures and education. Our sanitisation services quickly caught the eye of media and in turn the NSW Government, leading to an opportunity to win

tenders for sanitisation services that we anticipate will carry through into several months of FY21. We accelerated our development of no touch payments, progressing to the point we can confidently require all app bookings to include payment information, removing the need for physical payment at the end of each trip. These technologies are being extended to web and other booking channels.

A2B provided substantial financial support for Taxi Operators and Drivers, ranging from significant price support on affiliation fees, deferral of loans, and reduced lease rates for vehicles and for taxi licences. We committed to these initiatives with the purpose of emerging from the pandemic with the strongest possible customers and the broadest possible customer base. A2B's strong balance sheet and the long term cash generating ability of its businesses facilitated our robust stance on stakeholder support. Nevertheless, our stakeholder support initiatives come at the expense of short term profits, and we acknowledge and are grateful for Shareholders who stand with us as we focus on long term growth. We also acknowledge the many taxi licence holders who have in effect directly subsidised Taxi Operators through temporarily reduced licence lease fees in Queensland, New South Wales and South Australia.

A2B directly supports the provision of essential services throughout Australia and, via Mobile Technologies International, throughout the world. The response of our staff to the challenges of recent months was fantastic. The business was able to respond – and quickly – to a host of new and sudden customer imperatives. Many staff willingly accommodated changes to their work environments as we established new safety protocols, socially distanced, split teams to ensure continuity, and reset business priorities. Focus, creativity and commitment enabled our team to implement initiatives

that not only supported clients through the pandemic but also set the business up for long term success. Massive improvements to end of trip payment processes and a pivot into deliveries, including the launch of 13things, are highlights from this challenging period.

A2B is set to emerge from the pandemic with a healthier and bigger business. We are continuing to innovate and raise service standards. New features such as MyDriver – enabling Passengers to nominate their preferred Drivers at the time of booking – are gaining traction and supporting the growth of our network businesses around Australia. Since the beginning of FY20, a combination of new bureau partnerships and direct market entry initiated by local demand have extended our network offering into Tweed Heads, Hervey Bay, Mackay, Airlie Beach, Lakes Entrance, Albury, Wodonga, Perth, Dubbo, Tuncurry, Forster, Taree, Laurieton, Goondiwindi, Townsville, Charters Towers, Darwin, Toowoomba, Apollo Bay, Wellington, Mareeba, Mandurah, Geraldton and Wollongong. Globally, Mobile Technologies International launched new technology for clients in the USA, Canada, Denmark and Finland, finding a way to overcome the logistical challenges of COVID-19 and undertake successful commissioning of new systems.

We are also refining our approach to how we generate revenue. While period on period growth of Spotto turnover reached 28% pre-COVID-19, we made substantial progress in transitioning to a recurring revenue model with almost 4,000 payment terminals now contracted to generate rental income. In July we were delighted to announce that Transport for NSW selected A2B to deliver a digital smartcard payment solution to support the NSW Taxi Transport Subsidy Scheme. This important milestone reflects our digital payment credentials and mirrors longstanding arrangements in Queensland, Victoria, ACT, NT and Tasmania.

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**"A2B is set to emerge from the pandemic with a healthier and bigger business.**

**We are continuing to innovate and raise service standards."**

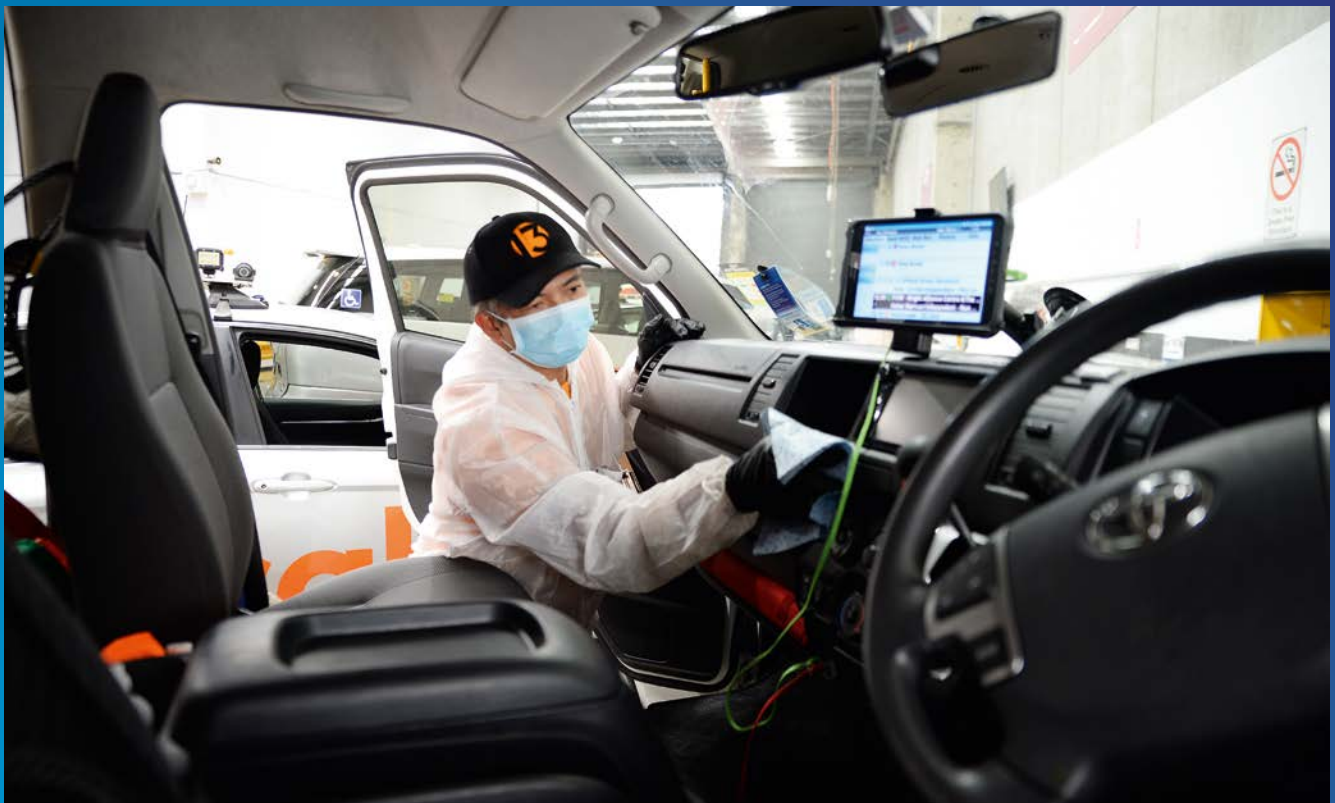
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A2B is building capabilities that solve real world problems, enabling us to strengthen the value proposition of our offerings across payments and mobility. We are advancing our strategy of expanding the reach of our business, including bringing unsurpassed fleet coverage across Australia to the instant delivery sector. Many of the advances we are making in payments and technology to drive our business forward in Australia are equally beneficial for mobility businesses throughout the world and we anticipate supporting our Mobile Technologies International clients with a growing range of solutions. With cash in the bank and a new three year funding arrangement in place A2B is positioned to augment organic growth with acquisition opportunities. We deploy a disciplined approach to scanning for opportunities that deliver compelling value or a transformative impact, particularly in payments.



**Andrew Skelton**  
Chief Executive Officer  
and Managing Director

# Supporting our communities



## Responding to the pandemic

COVID-19 brought unexpected changes and challenges to the personal transport industry. We quickly pivoted our operations to leverage our widespread coverage and technologies keeping people and businesses connected during these uncertain times.

To protect Passengers and the community we launched four sanitisation stations offering professional sanitisation services to all Taxis, rideshare and a selection of Government vehicles in Sydney, Newcastle, Albury and Prestons.

13cabs delivered much needed medical supplies and care packages to local community organisations such as Local Support in Sydney, RACV Inverloch Club in Victoria and Legacy in Brisbane. Around the globe MTI used its unique and scalable technology for the launch of Taksii Helsinki's MediTaksi service which transports medicines direct from pharmacy to customer and to facilitate the launch of Glasgow Taxis' 'Separated, Sanitised, Safe campaign'.

"At A2B we believe in the importance of accessible, dependable and equitable transport."

## Helping hands

A2B partners with and contributes to community organisations and outreach programs. This year 13cabs supported the Melbourne Junior Lord Mayor competition which helps fund the education of thousands of children, was a sponsor of the AVEO Retirement Villages Open Day and was again the Official Travel Partner of the 2020 Murray Rose Malabar Magic Ocean Swim.

We believe in creating events that engage and support our local communities: the annual 13cabs Driver Partner Memorial Cup provides a fun day out for our hard working Taxi Drivers and raises money for the Monash Children's Hospital; and the 13cabs Gold Coast Annual Athletics Championships provides children with a disability their own athletics carnival focused on participation while at the same time providing a valuable stepping stone for those wishing to progress to higher levels of competition.

We are proud to actively support organisations like the Royal Children's Hospital, Royal Brisbane and Women's Hospital Foundation and Guide Dogs Australia.



# Board of Directors



**Paul Oneile**

Independent  
Chairman

Paul was appointed as Chairman in February 2017. He is a member of the Remuneration and Nominations Committee and a member of the Audit and Risk Committee. Paul is currently a Non-executive Director of Thorn Group Limited. He was formerly the independent Chairman of Intecq Limited from September 2012 to December 2016. Paul has over 30 years of executive experience across many industries including leisure and entertainment, retail, manufacturing,

property, software and technology. His other executive roles included CEO and Managing Director of Aristocrat Leisure Limited (2003–2008), Chairman and CEO of United International Pictures (1996–2003), Non-executive Director of Village Roadshow Limited (1990–1996), and Managing Director of The Greater Union Organisation Pty Ltd (1990–1996).

Paul holds a Bachelor of Economics degree from the University of Sydney.



**David Grant**

Independent  
Non-executive Director

David was appointed as a Director of A2B on 2 June 2020. He is a member of the Audit and Risk Committee and the Remuneration and Nominations Committee. David is an experienced Non-executive Director and currently on the Boards of Event Hospitality and Entertainment Limited, Retail Food Group Limited and The Reject Shop Limited. With broad financial and commercial experience David has held various senior executive roles including Group M&A

Director at Goodman Fielder Limited and Chief Financial Officer of Iluka Resources Limited.

David has a Bachelor of Commerce from the University of NSW, is a graduate of the Australian Institute of Company Directors and a member of Chartered Accountants Australia & New Zealand.



**Jennifer Horrigan**

Independent  
Non-executive Director

Jennifer was appointed as a Director in September 2020. She is a member of the Remuneration and Nominations Committee and a member of the Audit and Risk Committee. Jennifer brings 25 years' experience across investment banking, financial communications and investor relations. Formerly the Chief Operating Officer in Australia of the independent investment bank Greenhill & Co, Jennifer has extensive experience in enterprise management, including the supervision

and management of compliance, HR and financial management.

Jennifer is also a Non-executive Director of APN Funds Management Limited, QV Equities, Yarra Funds Management Limited and is Chairman of Redkite (national charity supporting children with cancer and their families).

Jennifer's qualifications include Bachelor of Business (QUT), Graduate Diploma in Applied Finance (FINSIA) and Graduate Diploma in Management (AGSM).



**Louise McCann**  
Independent  
Non-executive Director

Louise was appointed as a Director in August 2017. She is the Chairman of the Remuneration and Nominations Committee and a member of the Audit and Risk Committee. Louise is currently the Chairman of Grant Thornton Australia Limited and a Non-executive Director of Credit Union Australia Limited and the University of Notre Dame Australia. Louise was previously a Non-executive Director of Macquarie Media Limited (2015–2019) and iiNet Limited (2011–2015). Louise has over 25 years of experience in media, publishing and market research in Australia and internationally.

Her previous executive roles include CEO for Asia and Managing Partner for Australia for Hall & Partners (2009–2012), CEO and Chairman of Research International (ANZ) (2004–2009), and CEO of OzTAM Pty Ltd (2001–2004).

Louise holds a Master of Management from Macquarie Graduate School of Management and is a fellow of the Australian Institute of Company Directors, the Institute of Managers and Leaders, and the Royal Society for Arts, Manufacturers and Commerce.



**Richard Millen**  
Independent  
Non-executive Director

Rick was appointed as a Director in June 2014. He is the Chairman of the Audit and Risk Committee and a member of the Remuneration and Nominations Committee. He also served as Chairman from November 2016 to February 2017. Rick has extensive experience in corporate transactions, corporate finance and accounting. He spent over 30 years with PwC where his senior executive roles included leading its first Corporate Finance practice and subsequently the firms'

broader Advisory practice. Rick has a strong background in corporate responsibility. He led PwC's internal Corporate Responsibility agenda and is currently a Director of Australia for UNHCR.

Rick holds an MA Hons Jurisprudence (Law) from Oxford University, is a graduate of the Australian Institute of Company Directors and is a member of the Institute of Chartered Accountants in Australia and New Zealand.



**Clifford Rosenberg**  
Independent  
Non-executive Director

Clifford was appointed as a Director in August 2017. He is a member of the Remuneration and Nominations Committee and a member of the Audit and Risk Committee. Clifford is currently a Non-executive Director of Bid Corporation Limited, Nearmap Limited and Technology One Limited. Clifford was previously a Non-executive Director of Afterpay Limited (2017–2020) and has over 20 years of experience in the digital space as an entrepreneur and as an executive, with specific experience in disrupting businesses.

His previous executive roles include Managing Director, South-East Asia, Australia & New Zealand for LinkedIn (2009–2017), Managing Director of Yahoo! Australia & New Zealand (2003–2006) and Founder and Managing Director of iTouch Australia and New Zealand, one of the largest mobile content and application providers in Australia.

Clifford holds a Master of Science in Management from the Ben Gurion University of the Negev, and a Bachelor of Business Science (Honours) in Economics and Marketing from the University of Cape Town.



**Andrew Skelton**  
Chief Executive Officer  
and Managing Director

Andrew was appointed CEO in June 2014 and Managing Director in December 2014. Andrew was the Group Corporate Counsel and Company Secretary from December 2011 until his appointment as CEO. Andrew has over 20 years of experience in the personal transport industry. He has held senior management and executive roles in Taxi Networks, payments and operations, including as Chief Operating Officer of Black Cabs Combined from 2005 to 2011. Prior to this Andrew was a lawyer

at K&L Gates in Melbourne specialising in mergers and acquisitions.

Andrew holds an MBA, Bachelor of Laws, Bachelor of Commerce and a Graduate Diploma of Applied Corporate Governance.

# Operating and Financial Review

A2B provides payment solutions, technologies, products and support services that enable the successful operation of personal transport services and instant deliveries.

## Background and Overview

A2B's technologies support a broad range of participants and stakeholders in the personal transport industry. A2B specialises in facilitating bookings, trips and payments, including closed loop digital payment systems. A2B's capabilities in dispatch and payments technology are being leveraged by Taxi and private hire networks globally. A2B's payments capabilities extend beyond transport and are utilised by retailers in Australia.

A2B began as a payments company that diversified into Taxi Networks beginning in 2002. For the last three years a key focus has been raising service standards and channelling additional investment in the technologies and brands leveraged by A2B's Taxi Networks. During this period the Taxi Networks business has grown significantly and begun achieving benefits of scale as brands, technologies and processes become increasingly standardised in A2B networks throughout Australia. A2B willingly shares its brands and technologies with independent Taxi Networks, and these 'Bureau Services' have extended the coverage and profile of the 13cabs brand across Australia. A2B's Taxi Networks operate a variety of related mobility services, such as school buses and couriers, and recently pivoted into instant deliveries. Following steady expansion, this

broad mobility business currently contributes the majority of A2B's cashflow and serves as a proving ground for innovations and technologies that A2B sells globally. A2B's commitment to and involvement in the personal transport industry generates insights and scale for the payments business, and A2B is a market leader in the provision of payment services to the mobility sector.

A2B has now entered the next phase of its transformational period which focuses on growing revenues from the provision, via Mobile Technologies International (MTI), of its mobility platform to Taxi and private hire businesses globally, and by building out its EFT Solutions payments business in additional categories beyond mobility, initially in the Australian market.



## Brands and activities

13cabs

Silver Service

lime

APPLE TAXIS

CHAMP

TAXI  
TECH

mantux

ZER5  
200Yellow  
Cab  
CoGold Coast  
Cabs

Taxi Network services, instant delivery services, sanitisation services, training, administration support, vehicle sales, equipment provision, insurance and financing throughout Australia and in Manchester (UK).

mti

CABCHARGE

The acquisition of MTI in 2018 evidences A2B's commitment to supporting Taxi Networks globally. MTI provides dispatch systems and related technologies that are core to the efficient operation of booking services including apps, contact centre technologies and client and Driver relationship management tools. MTI's technologies are utilised in each of A2B's Taxi Networks and by many networks overseas. The MTI business is transitioning to become a leading provider of software focussed automotive dispatch, booking and payment solutions supporting personal transport providers throughout Australia, New Zealand, USA, Canada, Finland, Sweden, Denmark and the UK.

Prior to the acquisition of MTI, A2B developed various technologies for use in its proprietary Taxi Networks. Examples of these technologies include a 4.8 star rated booking app and the revolutionary MyDriver technologies that enable Passengers to select their preferred Drivers. Products and technologies built for the 13cabs and related businesses are being steadily transitioned across to MTI. This convergence of technologies under the MTI umbrella enables a best in breed approach for end to end business management for MTI clients globally, including 13cabs.

The Cabcharge offering is similarly being transitioned so that it becomes available to MTI clients globally. Cabcharge combines a world class client portal and innovative digital products for corporate and government travellers, enabling unparalleled control, tracking, accountability and management of travel costs.

EFT Solutions

GIRAFFE  
PAYMENTS

spotto

EFT Solutions provides payment services, consulting services and bespoke product innovation for payment terminal providers including banks and retailers across Australia. EFT Solutions supports the provision of in-vehicle and handheld payment terminals and payment processing for Taxi networks, Drivers and hire cars throughout Australia. EFT Solutions has partnered with Fluid Management Technology to facilitate an end to end payment service for unattended payment terminals at fuel pumps. EFT Solutions recently entered the generic payment terminal market with its first direct to merchant Flamingo payment terminal.

## Operating and Financial Review (continued)

### Mobility

A2B provides Taxi Network services under brands including 13cabs, Silver Service, Maxi Taxi, Lime Taxis, Apple Taxis and Champ to Taxi Operators and Drivers across Australia. A2B also operates the Mantax Black Cab network in the UK city of Manchester. Services provided include facilitation of efficient booking dispatch through world-class Apps, web and call centre operations, instant delivery services, full Taxi fit outs (including branding and installation of in-car Taxi equipment), sanitisation services, repairs to assist Operators in managing a high-quality fleet of cars, vehicle finance and insurance to assist Operators as small business owners, and Driver education, training and uniforms to support service levels to Passengers. Our Networks also broker Taxi licence plates on behalf of the owner to Taxi Operators.

The fixed monthly fee received from Taxi Operators for affiliation to a branded network represents the majority of Taxi Network revenue. Brokered Taxi plate licence income and payments to the licence owner are on a monthly fee basis set by market conditions for each type of Taxi licence plate. Other Taxi related services not provided as part of the Network subscription fee generate revenue as the services are provided.

A2B owns and operates a fleet of 431 Taxis across its Networks in Brisbane, Adelaide and Sydney. A2B receives income through the rental of these vehicles by independent Drivers.

### Global Mobility Platform

MTI is a global provider of innovative dispatch and booking technology. With an industry-driven perspective and an advanced SaaS automotive dispatch offering, MTI seeks to equip its customers with the latest in innovative solutions. MTI's class leading dispatch technology coupled with A2B's innovative payment and passenger booking platforms provide a scalable best in class fully integrated mobility offering.

### Payments

A2B provides payment services to participants in the personal transport industry in Australia, USA and Canada and to other industries, including banks and large retailers, in Australia. The personal transport payment services enable Passengers to discharge their obligation to pay the Driver without using cash. A2B provides Passengers with a range of payment solutions to meet their personal transport needs. For Corporate Clients A2B offers innovative products to charge Taxi expenditure on account and delivers real time trip information that facilitates efficient management of travel expenditure.

A2B receives service fee income on non-cash Taxi payment transactions based on the value of fares processed by its FAREWAYplus and Spotto payment terminals. A2B also receives a monthly rental income for its Giraffe product (a handheld terminal for Hire Car Drivers) and recently introduced monthly rental plans for a portion of its FAREWAYplus payment terminal fleet.

Outside the personal transport industry A2B develops software solutions for clients in the banking and retail sectors (clients include Australia Post, Woolworths, Westpac and Verifone). This business is being transitioned to a payments facilitation model aimed at generating recurring revenue streams.

### Other activities

School bus route services in Adelaide generate revenue based on contracts with the State Government. A2B also generates income by providing processing services for State and Territory Taxi transport subsidy schemes; courier services in Queensland; and A2B owns a national portfolio of Taxi licence plates which are leased at monthly rates set by market conditions for each Taxi plate licence type.

### Strategy and prospects

A2B's vision is to be Australia's leading personal transport business and the first choice for personal and corporate Passengers, the preferred payment and Network service partner for Drivers and Taxi Operators and the employer of choice in the personal transport sector.

Investment decisions at A2B are backed by a clear strategic focus:

- Developing world class technologies and effective marketing initiatives
- Improving the value proposition for Passengers to capture the growing demand for personal transport
- Supporting Drivers and Operators in the personal transport sector
- Engaging with Taxi Networks globally through the supply of world class technology and support services
- Building a Payments business with recurring revenue and growth prospects beyond the mobility category

During FY20 A2B maintained its commitment to investing in marketing and technology; attracted 4,991 new Drivers through a strong Driver value proposition; and strengthened the 13cabs Network via geographic expansion across 12 new locations while brand investment continued in pursuit of its mission to be a leader in the growing personal transport sector.

In FY20 A2B made the following progress:

- **Technology Investment for Enhanced User Experience:** Continuous refinement and upgrade, such as introduction of the revolutionary MyDriver technology enabling Passengers to select their preferred Drivers, sustained the class leading 4.8 star rating of the 13cabs booking app.
- **Marketing and Brand Development:** Marketing investment continued to strengthen the 13cabs brand. Marketing initiatives coupled with service improvements are building positive momentum in brand recognition and Net Promoter Score. In FY20 13cabs demonstrated its commitment to service quality and safety through the launch of professional vehicle sanitisation services

in early March and by closing the loop on in car payments providing a smooth and hygienic end of trip experience.

- **Stronger Driver/Operator Value Proposition:** Continued growth of our national footprint and Driver base. New features and revenue opportunities were introduced including the MyDriver technology and instant deliveries through 13things.
- **Growing Taxi Networks:** The strength of the technology and branding of 13cabs drove accelerating expansion of the network's national footprint. During FY20 13cabs initiated bureau service arrangements for local Taxi networks in Forster, Tuncurry, Taree, Laurieton, Dubbo, Townsville, Mackay, Hervey Bay, Tweed Heads and Goondiwindi. In response to demand from local operators, 13cabs has launched proprietary networks in Perth, Albury/Wodonga, Toowoomba, Darwin and Wollongong. These expansions are in addition to the acquisition of Gold Coast Cabs in July 2019.

## Setting the scene for growth

At the end of 1H20 A2B was on track to deliver a second record revenue result following a step up in technology and brand investments that began in FY18. Financial momentum was overshadowed in 2H20 as COVID-19 and Government restrictions impacted travel and economic activity generally, in addition to which A2B promptly introduced a range of financially based stakeholder support initiatives. Internally, A2B responded swiftly and decisively to preserve its financial resilience.

After a recent focus on standardising, scaling and raising service standards in the mobility business, A2B has begun making inroads into growing its international technology business and building its payments business in Australia. This diversification is projected to materialize through growth of the MTI business globally and growth of the EFT Solutions payments business, initially focussed in Australia.

### Mobility

FY19 revenue  
\$146 million

13cabs

Silver Service

lime

- Highly cash generative
- Australia's largest fleet of Taxis
- National footprint
- Class leading technology
- Winning value proposition
- Opportunity for domestic growth

### Mobility Platform

FY19 revenue  
\$42 million

mti

CABCHARGE

- Operations in Australia, USA, Canada, UK, Finland, Sweden, and Denmark
- Class leading product offering in a single platform through amalgamation of A2B's dispatch, payment, booking and network management technologies
- Differentiated offering creating growth opportunities in overseas markets
- Extension of payment services to global customer base.

### Payments

FY19 revenue  
\$10 million

EFT Solutions

spotto

GIRAFFE PAYMENTS

- Our innovative software skills, payment infrastructure and implementation experience provide a platform for expansion into new categories in the Australian payments market
- Support 37k terminals processing ~\$1bn per annum including ~\$100m in North America
- Transition from one-off consulting projects to a product-centric recurring revenue model
- Unique "digital pass" technology that allows us to further differentiate

## Operating and Financial Review (continued)

### Financial Results

The COVID-19 pandemic has significantly impacted the communities and stakeholders that A2B serves. While the financial impact was significant for A2B in FY20, the Group responded swiftly and decisively to support its stakeholders and to preserve its financial resilience.

In the first half of the year A2B was on track to deliver its second consecutive year of record revenue following a step up in technology and brand investment in FY18. Revenue in 1H20 ended at \$105 million, up 4% on pc. This improvement was overshadowed as sudden revenue and earnings pressures were experienced following the impact of COVID-19 and A2B's ensuing stakeholder support initiatives.

In FY20 revenue decreased \$27 million or 13.7% to \$170.9 million (FY19 \$197.9 million) while statutory loss after tax for the year ended at -\$23.7 million (FY19 \$11.9 million profit).

Specific items influencing the company's results include the impact of COVID-19, asset impairments of \$15 million and \$2.1 million in asset write-offs and accelerated depreciation.

Unless otherwise stated, full year results disclosed in this Operating and Financial Review are underlying results from continuing operations excluding significant items. Underlying profit is a non-statutory measure for the purpose of assessing the performance of the group.

| Underlying financial results        | FY20<br>\$m  | FY19<br>\$m  | Change<br>over PCP |
|-------------------------------------|--------------|--------------|--------------------|
| <b>Revenue</b>                      | <b>170.9</b> | <b>197.9</b> | <b>(13.7%)</b>     |
| Other income                        | 9.0          | 0.3          |                    |
| Expenses                            | (167.6)      | (161.8)      |                    |
| <b>EBITDA</b>                       | <b>12.3</b>  | <b>36.4</b>  | <b>(66.2%)</b>     |
| Depreciation & Amortisation         | (17.5)       | (14.6)       |                    |
| <b>EBIT</b>                         | <b>(5.2)</b> | <b>21.8</b>  | <b>(123.8%)</b>    |
| Net interest                        | (1.2)        | (0.6)        |                    |
| <b>Profit before tax</b>            | <b>(6.4)</b> | <b>21.3</b>  | <b>(130.0%)</b>    |
| Income tax                          | 1.9          | (6.4)        |                    |
| <b>NPAT</b>                         | <b>(4.5)</b> | <b>14.9</b>  | <b>(130.0%)</b>    |
| EBITDA margin                       | 7.2%         | 18.4%        |                    |
| EBIT margin                         | (3.0%)       | 11.0%        |                    |
| Underlying earnings per share (AUD) | (3.7 cents)  | 12.4 cents   |                    |

| Reconciliation of underlying profit to statutory profit              | FY20<br>\$m   | FY19<br>\$m  | Change<br>over PCP |
|----------------------------------------------------------------------|---------------|--------------|--------------------|
| Underlying profit before tax                                         | (6.4)         | 21.3         | (130.0%)           |
| Acquisition and integration related costs (incl MTI retention costs) | (1.1)         | (2.1)        |                    |
| Asset write-offs and accelerated depreciation                        | (1.7)         | -            |                    |
| Once-off advisory costs                                              | (0.5)         | -            |                    |
| Rebranding cost                                                      | (0.1)         | (1.7)        |                    |
| Taxi license plate impairment charges                                | (14.5)        | -            |                    |
| Other Impairment charges                                             | (0.5)         | -            |                    |
| Employee separation cost                                             | (0.7)         | (0.3)        |                    |
| Other Write offs                                                     | (0.4)         | -            |                    |
| <b>Total items excluded from underlying profit before tax</b>        | <b>(19.5)</b> | <b>(4.1)</b> | <b>(379.3%)</b>    |
| <b>Statutory profit before tax</b>                                   | <b>(25.9)</b> | <b>17.2</b>  | <b>(250.9%)</b>    |
| Income tax                                                           | 2.2           | (5.3)        |                    |
| <b>Statutory NPAT</b>                                                | <b>(23.7)</b> | <b>11.9</b>  | <b>299.8%</b>      |
| Statutory earnings per share (AUD)                                   | (19.7 cents)  | 9.9 cents    | 299.8%             |

## COVID-19 impacts and responses

Revenue growth continued for A2B when entering 2H20 until the effects of COVID-19 emerged in March, significantly impacting the markets in which A2B operates. Payment turnover dropped ~80% while active fleet levels contracted ~30% shortly after Governments began applying restrictions on activity in March.

Declines in payment turnover and affiliated fleet had a direct impact on revenues in March and subsequent months. In addition, A2B initiated a range of financial relief measures to support Drivers and Operators locally and to ensure continuity of services for the community. These measures included:

- A 60% temporary reduction in monthly network fees
- A 3% bonus on electronic transactions processed through FAREWAYplus and Spotto
- Taxi licence lease fee relief
- Deferral of interest and principal payments on vehicle leases and business loans

A2B supported global clients of Mobile Technologies International (MTI) by initiating nominal support fees for April, May and June 2020.

Revenue in 2H20 declined \$31 million or 32% to \$65.9 million (2H19 \$96.9 million). The adverse revenue impact following COVID-19 has been partially mitigated through a range of initiatives and measures.

### • Cash preservation

Rapid and disciplined response focussed on cost reduction and cash preservation. Initiatives were implemented in March and included a temporary stand down of 350 staff members, termination of agreements with external contractors, temporary closure of branch offices in Sydney and Melbourne, deferral of capital expenditure, suspension of a range of marketing initiatives, and cessation of non-essential travel and consulting spend. A total benefit of \$4.1 million was realised through these initiatives in 2H20.

### • Government incentives and subsidies

The Australian Federal Government's JobKeeper package delivered \$6.9 million and accelerated the return to work of the majority of stood down staff. Separately, and having exited from membership of a number of State based Taxi Industry bodies, A2B took the lead in advocating for direct industry support. Engagement with State Governments focussed on outcomes for front line Taxi Industry participants. For example, A2B advocated for an increase in transport subsidies for Passengers with a disability, a temporary waiver of Government levies and charges on Taxi trips, and the option for Drivers to retain the portion of fares comprised of third party charges (eg tolls and airport charges). A2B's advocacy efforts were ultimately successful in some States. A2B has a vertically integrated strategy in NSW, Queensland and South Australia and received, alongside other participants, \$1.7 million to encourage the ongoing operation of our essential services such as wheelchair accessible taxis. During the FY20 financial year A2B received \$0.2 million in Government incentives for its MTI operations in the United Kingdom.

## Operating and Financial Review (continued)

- **New revenue initiatives**

While cash preservation initiatives were put in place the organisation explored other revenue opportunities to further alleviate the adverse impact of COVID-19. During the pandemic A2B won Government tenders for the provision of vehicle sanitisation services for all Taxi and rideshare vehicles regardless of network affiliation and for a selection of Government fleet vehicles. Currently A2B is providing sanitisation services on behalf of the NSW Government across four locations.

- **Expanding Operating Footprint**

While short term revenue was sacrificed to support clients, MTI continued to expand its global footprint by signing up new customers in the USA, Canada and Denmark. Locally the strength of the 13cabs offering drove accelerating expansion of the network's national footprint across NSW, Vic, Qld, WA and NT.

A2B's strong balance sheet at the start of the pandemic coupled with early decisive action on cost and cash preservation have positioned the company well. As at 30 June 2020 A2B had available cash of \$25.8 million. In addition a \$25 million finance facility has been secured maturing 1 July 2023.

### Impact of AASB 16 Leases

A2B is reporting full year results in accordance with the new leasing standard AASB 16 which impacts statutory results. Comparative information has not been restated. The initial adoption of AASB 16 impacted the following items in the Consolidated Statement of Financial Position on 1 July 2019:

- Recognition of right-of-use assets: \$19.9 million
- Recognition of lease liabilities: \$19.9 million

Under AASB 16 operating lease expenses are no longer recognised. Instead, depreciation of a right-of-use asset and financing costs associated with lease liabilities are recognised in the Consolidated Statement of Comprehensive Income. The adoption of AASB 16 resulted in a favourable EBITDA impact of \$3.2 million and an unfavourable impact on Net Profit After Tax of \$0.4 million.

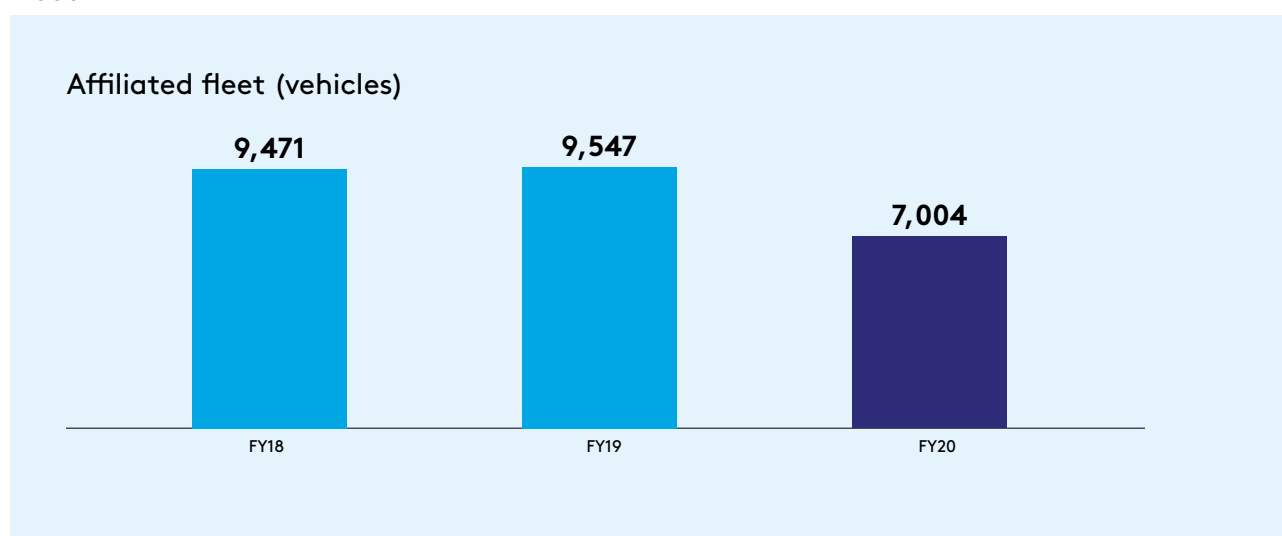
### Revenue

A2B recorded total revenue of \$170.9 million (FY19 \$197.9 million), a decrease of \$27 million or 13.7% compared to prior year.

In 1H20 total revenue for the Group ended at \$105 million (1H19 \$101 million), an increase of \$4 million or 4%. In 2H20 total revenue ended at \$65.9 million (2H19 \$96.9 million), a decrease of \$31 million or 32%. The revenue decrease experienced in 2H20 is primarily driven by the impact of COVID-19 and A2B's ensuing stakeholder support initiatives.

The acquisitions of MTI (part year FY19) and Gold Coast Cabs contributed an additional \$7.2 million in revenue compared to prior year.

### Fleet



Network subscription fee income decreased by \$16 million or 20.9% to \$60.7 million (FY19 \$76.7 million). Decline in network subscription fee income is primarily due to the impact of COVID-19.

Affiliated fleet declined rapidly in March as Governments introduced restrictions on activity in response to an increasing number of COVID-19 cases. As a result A2B experienced fleet declines across its network which were most pronounced in Sydney. In addition A2B put a range of relief measures in place to support Drivers and Taxi Operators financially during this uncertain period, adversely impacting near term network subscription fee income.

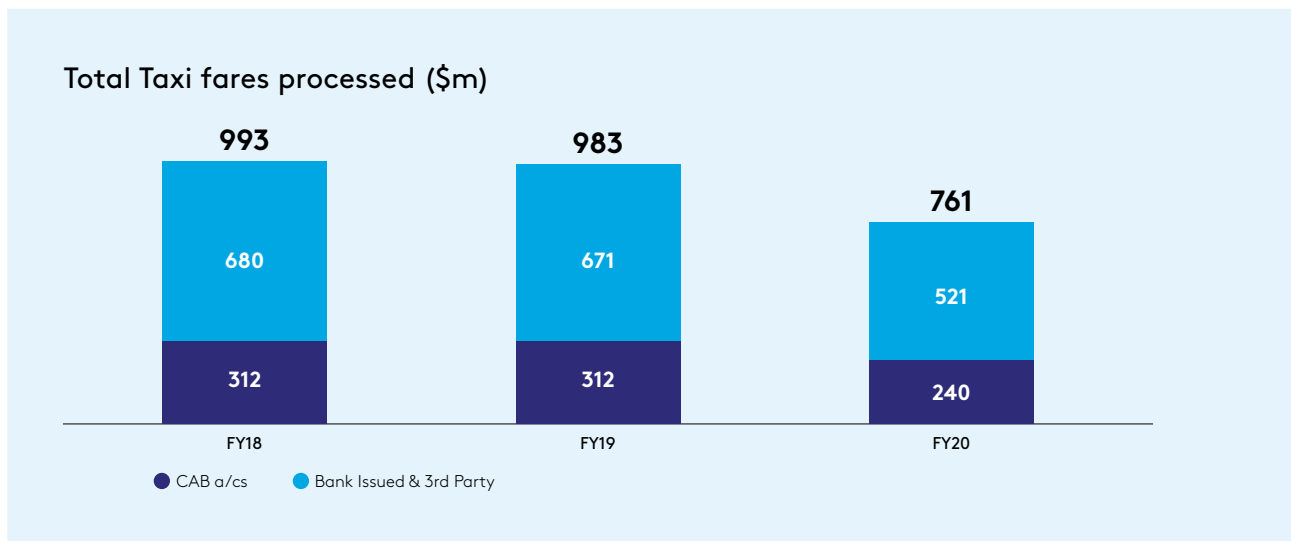
While a decline in affiliated fleet was experienced as a result of the pandemic geographical expansion continued as more Taxi networks around the country recognised the strength of the 13cabs brand, technology and overall service offering. In FY20 an additional 292 cars joined under bureau agreements. In FY20 A2B's Taxi network offering was extended to Forster/Tuncurry, Taree, Laurieton, Dubbo, Wollongong, Townsville, Mackay, Hervey Bay, Toowoomba, Gold Coast, Tweed Heads, Goondiwindi, Perth and Albury/Wodonga.

Brokered Taxi license plate income declined \$5.2 million to \$18.3 million (FY19 \$23.5 million). This decline is primarily driven by COVID-19 relief measures A2B put in place in April reducing monthly Taxi license plate fees to nominal amounts.

Taxi operating income increased \$0.7 million or 6.1% to \$12.3 million (FY19 \$11.6 million). The improvement compared to prior year is primarily driven by growth in operated fleet. A2B's fleet operations grew by 68% in FY20 and now cover 431 vehicles across Queensland 272, Adelaide 120 and Sydney 39.

Courier services income improved \$0.2 million or 3.9% to \$4.6 million (FY19 \$4.4 million) being less impacted by the pandemic. This income relates to the Yellow Couriers business in Queensland.

Car sales income decreased \$0.8 million to \$5.2 million (FY19 \$6 million) with 152 cars sold in FY20.



Taxi service fee income decreased by \$9.3 million or 22% to \$32.8 million (FY19 \$42.1 million) while total Taxi fares processed declined 23% compared to last year. In FY20 Cabcharge Payments processed a total of \$761 million (FY19 \$983 million) in Taxi fares.

Taxi fare volumes experienced a steep decline in March following the impact of COVID-19. Payment turnover declines exceeded 80% in the early weeks of the pandemic. Payment turnover has been in recovery since 19 April with the pace of recovery moderating since the last weeks of July.

The Spotto handheld channel continued to grow experiencing 24% growth through to February 2020. The pandemic adversely impacted turnover in the last four months of the year bringing total volume 3.7% below last year.

During the year A2B's payment terminal rental offering was expanded beyond our existing Giraffe (Hire Car) solution. As at 30 June 2020 a total of 3,361 payment terminals were attracting a monthly rental fee including 2,801 FAREWAYplus terminals.

Cabcharge corporate account volumes ended at \$240 million (FY19 \$312 million), a decrease of 23.2%. Volume impacts across Cabcharge corporate accounts and Bank Issued and 3rd Party instruments were relatively consistent with a decrease of 23.2% and 22.4% respectively.

Taxi equipment rental income increased \$1.2 million or 33.1% to \$4.7 million (FY19 \$3.5 million). This improvement is primarily driven by an increase in payment terminals attracting a monthly rental fee (+\$0.4 million) and the roll-out of new Taxi cameras primarily in the Queensland fleet (+\$0.4 million).

## Operating and Financial Review (continued)

Revenue contribution from MTI totalled \$7.6 million (FY19 \$5.9 million). During the year MTI continued to grow its footprint in overseas markets in both North America and Europe. In FY20, on a like-for-like basis, MTI increased its revenue 9% during the pre-COVID-19 period. Revenues in 4Q20 were tempered following support measures that were put in place for customers globally.

### Other income

In FY20 A2B recognised JobKeeper payments (\$6.9 million), industry incentives (\$1.7 million) and United Kingdom government receipts (\$0.2 million) in other income, driving the \$8.7 million increase compared to last year.

### Operating expenses

On a statutory basis total expenses increased \$24 million or 13.3% to \$204.4 million.

In FY20 A2B incurred \$15 million in asset impairment charges, \$2.1 million in asset write-offs and accelerated depreciation, \$1.1 million in acquisition and integration related costs, \$0.7 million in employee separation costs and \$0.6 million in other one-off costs. These expenses totalling to \$19.5 million (FY19 \$4.1 million) are excluded from underlying operating expenses.

On an underlying basis total operating expenses increased \$8.6 million or 4.9% to \$185 million. This includes \$8.4 million relating to the impact of acquisitions and \$4.7 million in additional doubtful debt provisions. Excluding these items underlying expenses decreased \$4.5 million or 2.6%.

### Volume driven operating expenses

Volume driven operating expenses ended \$1.6 million or 3.1% below last year at \$49.1 million (FY19 \$50.6 million). On a like-for-like basis, excluding the impact of acquisitions, volume operating expenses decreased 5.8% or \$2.9 million. This decrease is primarily attributable to \$3.4 million lower brokered Taxi license plate costs and \$0.4 million lower processing fees paid to Taxi networks and Drivers and \$0.5 million lower costs of goods sold relating to reduction in vehicle sales partly offset by an increase of \$1.2 million in Taxi operating expenses.

### Non-volume driven operating expenses

Non-volume driven operating expenses increased 6.5% or \$7.2 million to \$118.4 million (FY19 \$111.2 million). On a like-for-like basis, excluding the impact of acquisitions and the impact of AASB 16, non-volume operating expenses increased 3.1% or \$3.3 million. This increase includes \$1.1 million in additional marketing expenses and \$4.7 million in an increased doubtful debt provision. Excluding the additional doubtful debt provision non-volume operating expenses decreased \$1.4 million or 1.3% for the year.

A2B responded rapidly to the impact of the pandemic with a disciplined approach focussed on cost reduction and cash preservation. In 2H20 total operating cash expenses (excluding additional doubtful debt provision) reduced \$4.1 million or 7.9%. This reduction was realised through a range of initiatives that were put in place in early March. Key cost reduction measures included a temporary stand down of 350 staff members, termination of agreements with external contractors, temporary closure of branch offices in Sydney and Melbourne, deferral of capital expenditure, suspension of a range of marketing initiatives, and cessation of non-essential travel and consulting spend. A total benefit of \$4.1 million was realised through these initiatives in 2H20.

### Depreciation and amortisation

Total depreciation and amortisation charges increased 22.1% or \$3.2 million primarily driven by the impact of AASB 16 (\$3 million). Excluding the impact of AASB 16 and acquisitions depreciation and amortisation charges increased 1.4% or \$0.2 million.

### Net finance costs

Net finance costs increased \$0.7 million to \$1.3 million (FY19 \$0.6 million) this increase is primarily a result of the adoption of AASB 16. Excluding this impact net finance costs were in line with prior year.

### Income tax expense

A2B recorded an income tax benefit of \$2.2 million (FY19 \$5.3 million tax expense) resulting from a \$25.7 million loss before income tax adjusted for non-deductible items.

### Profit after tax

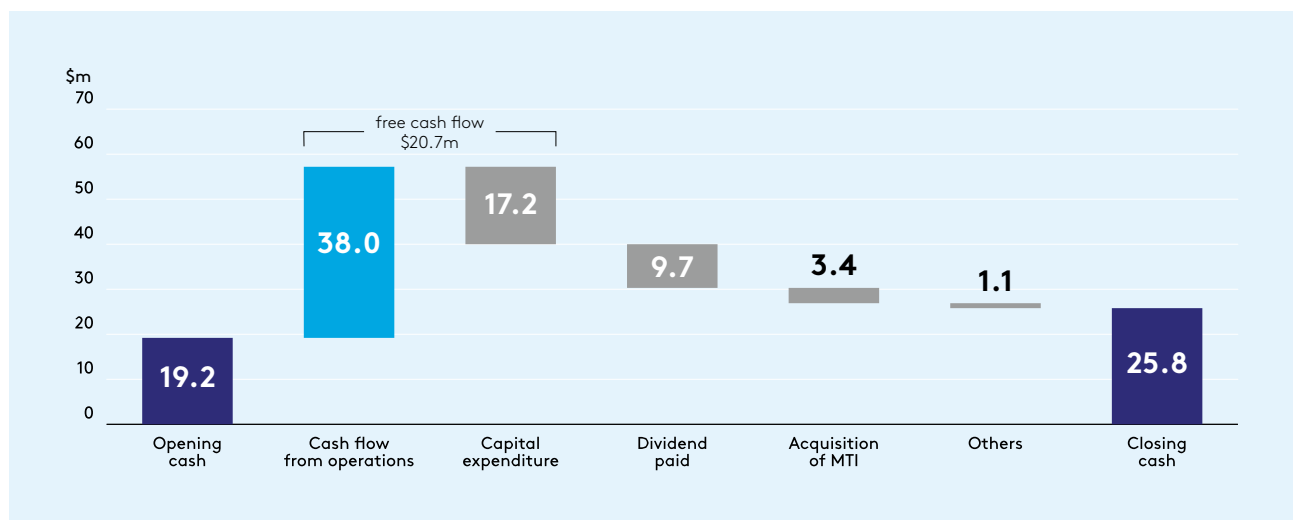
Underlying net loss after tax was -\$4.5 million (FY19 \$14.9 million profit). A statutory net loss after tax of -\$23.7 million was recorded in FY20 (FY19 \$11.9 million profit).

## Cashflow

A2B entered the coronavirus crisis period with a strong balance sheet and the operational leverage to adapt to the new uncertain environment. As a result of a disciplined approach to cost and cash preservation A2B was able to pay the planned interim dividend while improving its net cash position, continuing to invest in product development, and expanding into new markets and categories.

This disciplined approach to cost and cash preservation during the pandemic has put A2B in a strong financial position as at 30 June 2020.

In FY20 A2B generated \$38 million (FY19 \$26.4 million) in cash flow from operations and invested \$17.2 million in capital expenditure recording free cash flow of \$20.7 million (FY19 \$11.3 million). Total dividend payments of \$9.7 million were distributed to shareholders and a total of \$3.4 million was invested in acquisitions primarily relating to Gold Coast Cabs.



Total capital expenditure for FY20 was \$17.2 million (FY19 \$15.1 million). The increase compared to prior year was primarily driven by an investment of \$4.3 million in safety cameras that will be rolled-out across Qld, NSW and SA. Other capital expenditure components include \$5.4 million in software development, \$3.5 million of in-car equipment and \$2.2 million supporting the expanded fleet operations.

As part of cash preservation initiatives capital expenditure was scaled back during 2H20. Total capital expenditure during the second half of the year was \$5.7 million inclusive of \$2.4 million in software development and \$1 million relating to the operated fleet.

A fully franked final FY19 dividend of 4 cents per share and an FY20 interim dividend of 4 cents per share were paid totalling \$9.7 million (FY19 \$9.6 million). The FY20 interim dividend also includes \$70k in dividends paid in relation to minority shareholders in Tweed Heads Coolangatta Taxi Service.

## FY20 Dividends

Cabcharge paid a fully franked interim dividend of 4 cents per share in April 2019. Given uncertainty around the current economic environment and focus on channelling cash into growth opportunities the Board has decided not to declare a final FY20 dividend.

## Operating and Financial Review (continued)

### Financial position

#### Balance sheet

| \$m                                  | 30 Jun-20<br>statutory | AASB 16<br>impact | 30 Jun-20<br>Pre-AASB 16 | 30 Jun-19<br>\$m |
|--------------------------------------|------------------------|-------------------|--------------------------|------------------|
| Cash and cash equivalents            | 25.8                   | 0.0               | 25.8                     | 19.2             |
| Other current assets                 | 41.2                   | 0.0               | 41.2                     | 81.3             |
| <b>Total current assets</b>          | <b>67.0</b>            | <b>0.0</b>        | <b>67.0</b>              | <b>100.5</b>     |
| Property, plant and equipment        | 39.7                   | 0.0               | 39.7                     | 38.2             |
| Taxi plate licences                  | 3.3                    | 0.0               | 3.3                      | 17.5             |
| Other non-current assets             | 62.9                   | 0.0               | 62.9                     | 58.8             |
| Right of use asset                   | 17.8                   | (17.8)            | –                        | –                |
| <b>Total non-current assets</b>      | <b>123.7</b>           | <b>(17.8)</b>     | <b>105.9</b>             | <b>114.5</b>     |
| <b>Total assets</b>                  | <b>190.7</b>           | <b>(17.8)</b>     | <b>172.9</b>             | <b>214.9</b>     |
| Payables                             | 29.5                   | 0.0               | 29.5                     | 37.9             |
| Loans and borrowings                 | 2.0                    | 0.0               | 2.0                      | 2.7              |
| Other                                | 8.3                    | 0.0               | 8.3                      | 8.6              |
| Lease liabilities                    | 2.3                    | (2.3)             | –                        | –                |
| <b>Total current liabilities</b>     | <b>42.1</b>            | <b>(2.3)</b>      | <b>39.8</b>              | <b>49.3</b>      |
| Lease liabilities                    | 15.9                   | (15.9)            | –                        | –                |
| Other liabilities                    | 1.3                    | 0.0               | 1.3                      | 1.6              |
| <b>Total non-current liabilities</b> | <b>17.3</b>            | <b>(15.9)</b>     | <b>1.3</b>               | <b>1.6</b>       |
| <b>Total liabilities</b>             | <b>59.4</b>            | <b>(18.2)</b>     | <b>41.1</b>              | <b>50.8</b>      |
| <b>Total net assets</b>              | <b>131.3</b>           | <b>0.4</b>        | <b>131.8</b>             | <b>164.1</b>     |
| Net cash                             | 23.7                   | 0.0               | 23.7                     | 16.5             |

The company's net assets as at 30 June 2020 decreased to \$131.3 million from \$164.1 million at 30 June 2019. This reduction is primarily due to the net loss of \$23.7 million and dividends paid of \$9.7 million in FY20.

A2B maintained its strong financial position and improved its net cash position by \$7.2 million to \$23.7 million as at 30 June 2020.

Total impairment charges incurred of \$15 million relate to Taxi license plates (\$14.5 million) and trademarks (\$0.5 million).

During the year a total of \$1.8 million in goodwill was recognised following the acquisition of Gold Coast Cabs, Corporate Cabs and the change in control (increase) of our investment in Taxi Industry (Australia) Insurance Brokers Pty Ltd.

On 14 August 2020 A2B entered into an agreement to extend the current finance facility to 1 July 2023 at a reduced level of \$25 million. The current finance facility of \$50 million was due to expire on 1 July 2021.

### Investments

During the year A2B acquired the business operations of Gold Coast Cabs and Corporate Cabs for \$2.5 million and \$0.9 million respectively. Gold Coast Cabs provides booking and dispatch services to approximately 380 Taxis on the Gold Coast while Corporate Cabs operates a fleet of Taxis in Logan Queensland. Both acquisitions expand our footprint in Queensland and further advances A2B's strategy of offering service on a national basis.

## Outlook

A2B's strong cash position enables the company to continue investing in growth initiatives in the year ahead.

The Company is prepared for the level of travel activity and the level of economic activity generally 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 our handheld payment terminal offerings and our recent progress 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 can't predict how long or to what extent the pandemic will impact A2B's activities; but we do predict that, relative to our competitors, we will emerge from the pandemic stronger than how we entered. In the meantime A2B is continuing to innovate, raise service standards, and refine its approach to generating revenue. For example, A2B has transitioned to a terminal rental model and, as at 30 June 2020, had 3,361 payment terminals generating rental income that were previously not sufficiently utilised to generate a return.

There are two factors in play driving A2B's expectation of improving its market position during the pandemic. The first factor relates to the momentum in the business immediately preceding the pandemic. Examples of momentum include strong growth in handheld payment terminals with Spotto volume up 22%, 19% growth in app bookings, the MTI and Gold Coast Cabs acquisitions performing ahead of expectations and the ongoing expansion of 13cabs' footprint throughout Australia. The second factor relates to our standing, capabilities and resilience to adapt to the challenges and opportunities presented by the advent of COVID-19. A2B launched a number of stakeholder support initiatives while pivoting into the provision of vehicle sanitisation services from four sites on behalf of the NSW Government, with all four operations expected to continue well into FY21. Cost continues to be removed from the business and scale benefits are being captured more readily as the network business grows and the enterprise, in its new format, matures.

A2B has continued its efforts to protect and preserve the value of its brands. In FY20 favourable court outcomes have been achieved against 19 parties who were improperly leveraging brands such as Maxi Taxi, Silver Service and 13cabs to divert bookings. Through this process over 50 other businesses were successfully stopped from doing the same. In these examples the bookings are now being repatriated to affiliated Drivers. The company also recently litigated to protect the value of its 'Lime' brand.

Opportunities for growth in our mobility business include:

- The ability of our improved service offerings such as Fixed Price Trips and automatic app payments to attract new Passengers off rideshare apps
- Professionally presented and sanitised vehicles being a catalyst to attract hygiene conscious travellers off public transport and into affiliated vehicles
- Continued expansion of the 13cabs network into more regions in Australia
- Expansion of the 13things instant deliveries service

### Outlook (continued)

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 payment terminal offering to small business
- 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

The disciplined approach to m&a will continue. A2B has enhanced the value proposition of its existing services and developed a proven ability to grow independently of acquisitions. Future opportunities will be tested for compelling value or a transformative impact, particularly in the payments industry.

### Material business risks

The COVID-19 pandemic has tested the financial strength of many companies and highlighted the required increased focus on liquidity and credit risks. In the initial stages of the pandemic A2B put in place a program of work aimed at cash preservation. In addition the Risk Working Group began regularly assessing COVID-19 specific related risks and reporting its findings to the Audit and Risk Committee.

The company maintained its financial strength during 4Q20 and improved liquidity levels by \$16 million. It closely monitored credit balances while having the benefit of first access to cash from affiliated Operators through A2B's payments system. Receivables balances identified as representing a specific risk as at 30 June 2020 have been fully provided for in these accounts.

A2B's efforts in preserving cash and maintaining its financial strengths have so far been productive. As at 30 June 2020 A2B had available net cash of \$23.7 million. A2B secured a three year \$25 million finance facility on 14 August 2020.

The Board reviews material business risks on a regular basis. Risks that have the potential to impact the Company's future financial prospects and strategic imperatives are set out in the table below, together with mitigating actions to minimise those risks.

The risks are in no particular order and do not include common risks that affect all companies, such as key person risk. Nor do they include general economic risks such as significant changes in economic growth, inflation, interest rates, consumer sentiment and business confidence that could have a material impact on the future performance of the Company.

| Strategic Risk                                                     | Nature of Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Actions/Plans to Mitigate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Regulatory changes</b>                                          | <p>A2B's operations are subject to State and Territory regulation and control.</p> <p>New State Passenger levies were introduced.</p> <p>All states and territories have implemented a 5% limit on payment service fees with the exception of Tasmania.</p> <p>More recently the Essential Services Commission in Victoria announced that the service fee limit will change from 5% to 4% for non-cash payments with the exception of vehicle specific payment instruments. For vehicle specific payment instruments a maximum service fee of 6% will apply.</p> <p>It is possible that Taxi Regulators may impose lower limits on the level of service fees able to be charged to Cabcharge Customers thereby potentially impacting revenue and earnings.</p> <p>It is possible that Taxi Regulators may change rules around required standards and quality control aspects of Taxi Networks.</p> <p>Taxi Regulators may affect the value of Taxi plate licences through setting supply of new Taxi plate licences and setting rates for Government leased Taxi plate licences.</p> <p>In addition, changes in Taxi regulation, including establishing a regulatory environment for non-Taxi transport can indirectly affect the value of Taxi plate licences.</p> <p>Taxi Regulators may also restrict the supply of Taxi plate licences which limits growth opportunities for the Taxi Industry.</p> | <p>Continue to work with Taxi Regulators on issues affecting the Taxi Industry.</p> <p>Building administration tools that assist with levy collections and ensure Drivers and Operators have the information they require in order to comply with levy requirements.</p> <p>Advocate for and deliver standards and controls that result in maintaining or improving the standards of Customer service and safety that are essential to transport user confidence.</p> <p>Maximise opportunities for A2B presented by regulatory frameworks.</p> |
| <b>Changes to competitive landscape/ changes to IT environment</b> | <p>Competitors in personal transport who offer alternative service and payment methods.</p> <p>Potential loss of business if the Company fails to keep pace with technological change with respect to Network Operations, bookings and payments.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>Be at the forefront of technology development serving the personal transport industry. Development and integrate bookings and payments.</p> <p>Strategic acquisition-led growth to bolster existing technology and resources and leverage scale.</p> <p>Standardising, scaling and raising service standards in the mobility business to be leveraged in Australia and the overseas markets we operate in.</p>                                                                                                                               |

# Corporate Governance Statement

The Board of A2B Australia Limited (the “**Company**” or “**A2B**”) is responsible for the corporate governance of the Company and its controlled entities (“**Group**”). The Board believes that robust corporate governance practices, internal control systems and an effective risk management framework will contribute to the responsible and sustainable creation of long-term value for the Company’s shareholders.

Throughout the year ended 30 June 2020 (“**FY20**”), the Company’s corporate governance arrangements were consistent with the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (3rd edition) (“**ASX Principles**”).

The Board continually reviews the Company’s governance policies and practices to ensure that they remain appropriate in light of changes in corporate governance expectations and developments. For that purpose, the Company has continued its work to align its governance arrangements with the 4th edition of the ASX Recommendations and as a result, many of the new recommendations set out in the 4th edition of the ASX Principles are already embedded in the Company’s governance arrangements. The Company will report against the 4th edition of the ASX Principles for its financial year commencing 1 July 2020.

This Corporate Governance Statement is current as at 30 September 2020 and has been approved by the Board.

## Corporate governance highlights

The Company continued to focus on corporate governance during FY20, reflecting the Board’s commitment to fostering a strong governance culture. Key highlights included:

**Establishment of Speak Up program:** In the first half of FY20, the Board of A2B adopted a comprehensive Speak Policy to encourage, support and protect employees, contractors and suppliers who come forward with whistleblowing disclosures. A2B is committed to fostering a workplace culture that is respectful and which supports and reinforces high standards of conduct and behaviour. For this reason the new Speak Up Policy and program is an important tool for encouraging proactive disclosure of potential conduct issues and protecting whistleblowers from detriment.

**Modern slavery compliance:** Since the enactment of the *Modern Slavery Act 2018* (Cth), the Company has continued to review and improve its procurement and supplier management practices with regard to mitigating potential risk areas for modern slavery practices in its operations and supply chain. This has resulted in enhancements to certain A2B contracts and supplier on-boarding processes, following the implementation of A2B’s Supplier Code of Conduct, and mapping of potential areas of modern slavery risk. The Company is currently preparing its first modern slavery statement for the financial year ended 30 June 2020.

## 1. A2B's values and culture

The Company has four core values as set out in A2B's Code of Conduct. These values underpin all activities of the Group and are embedded in its leadership. All Group representatives are expected to behave and conduct business in the workplace in a manner which is consistent with these core values.

| Integrity                                                                                                                                                                                                                                          | Progression                                                                                                                                                                                                                                      | Wellbeing                                                                                                                                                                                                                                                                                                                                                 | Engagement                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>For a fair go</b>                                                                                                                                                                                                                               | <b>Always look ahead</b>                                                                                                                                                                                                                         | <b>Every moment matters</b>                                                                                                                                                                                                                                                                                                                               | <b>Build trust</b>                                                                                                                                                                                                                                                                                                               |
| <ul style="list-style-type: none"> <li>Customers can depend on us</li> <li>Our staff follow through on agreements and promises to their colleagues</li> <li>Suppliers and partners can depend on us when we are doing business together</li> </ul> | <ul style="list-style-type: none"> <li>We continuously strive to improve the customer experience and performance of our business</li> <li>Our workplace provides opportunities for personal and professional growth for our employees</li> </ul> | <ul style="list-style-type: none"> <li>We care about and fulfil our role within the transport ecosystem and the wider community</li> <li>All our staff act with respect and consideration towards our customers, Drivers, colleagues and other stakeholders</li> <li>Through our actions we seek to create mutual benefit for our stakeholders</li> </ul> | <ul style="list-style-type: none"> <li>We believe we can build a better A2B when we work as a team</li> <li>Our staff are active and proud members of our business</li> <li>We are open to different views and new ideas to solve our greatest challenges</li> <li>We continuously strive to get better at what we do</li> </ul> |

The Board sets and monitors A2B's culture and adherence to its core values through 'tone from the top'. Together with Management, it monitors the Group's culture and considers whether it appropriately reflects the Company's values and identity. The Board is committed to instilling a culture where its people are expected to behave in a lawful, ethical and socially responsible manner.

Further details on the standards of ethics and conduct that its representatives are expected to follow in all business and workplace activities can be found in A2B's Code of Conduct, available on the A2B website at <https://www.a2baustralia.com/investor-center/corporate-governance>. The Board continuously monitors the appropriateness of the Code of Conduct and its alignment with market best practice.

## 2. The board and its role

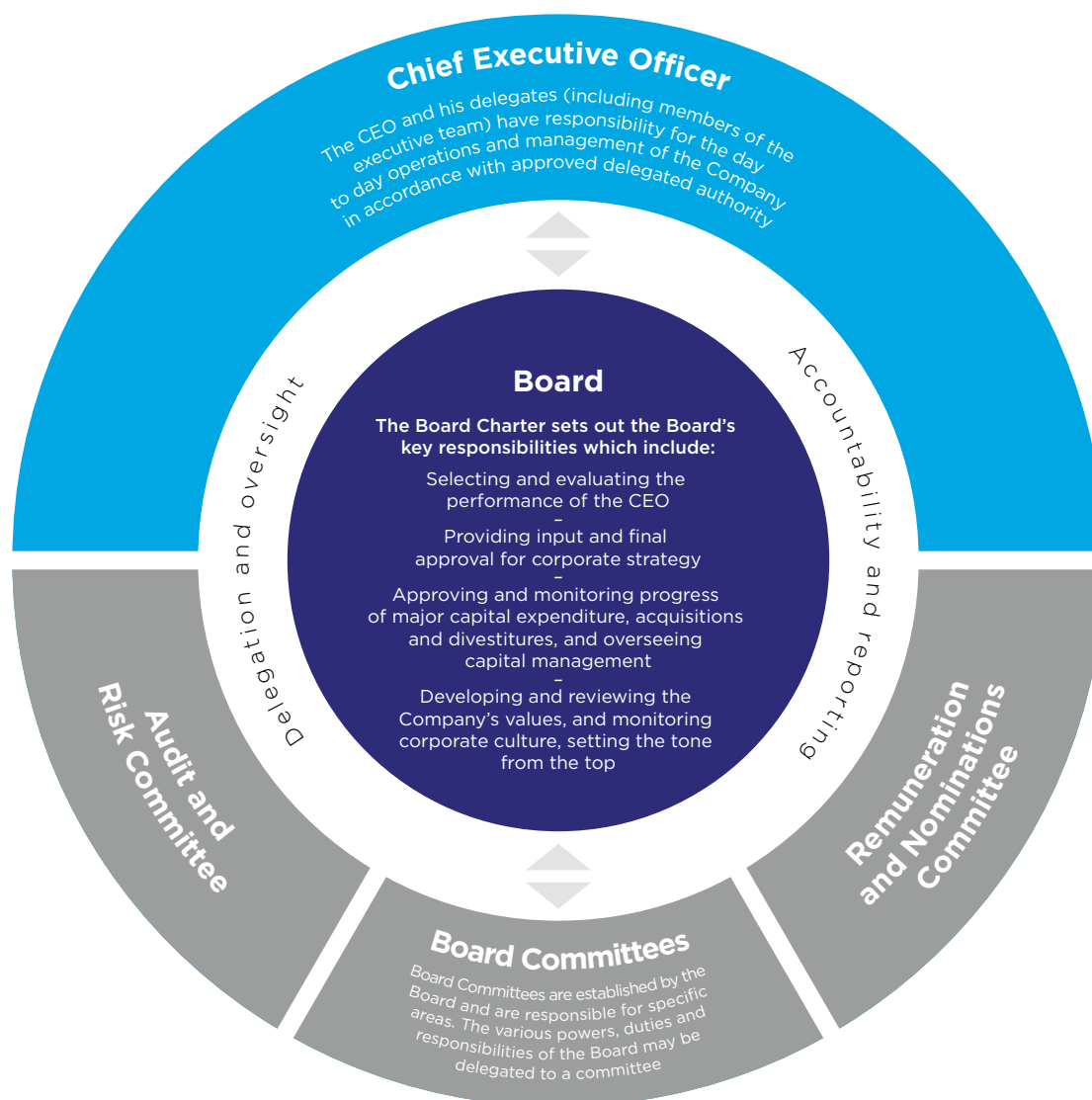
### 2.1 Responsibilities of the Board

The Board has overall accountability for the proper management of the Group. The Board reviews and approves the strategic direction of the Company and oversees Management's implementation of the Company's business model and achievement of the Company's strategy.

The Board delegates responsibility to Management, through the CEO and Managing Director, for overseeing the day-to-day operation of the Company. This includes oversight of the implementation of the Company's strategy and ensuring that the Company continues to operate within the risk parameters set by the Board.

The Board also delegates a number of responsibilities to its Committees.

The respective roles and responsibilities of the Board, its Committees and the CEO and Managing Director are set out in the diagram below.



The responsibilities of the Board and its Committees are set out in their Charters, which are available on the A2B website at [www.a2baustralia.com/investor-center/corporate-governance](http://www.a2baustralia.com/investor-center/corporate-governance). The Board reviews the Charters at least annually, and more frequently if required. A review of the Board and Committee Charters was conducted in FY20 and the Board considers that they are in line with best practice and largely address new aspects of the 4th edition of the ASX Principles already.

The Company Secretary is responsible for the coordination of all Board business. This includes the preparation of agendas and minutes, co-ordinating the completion and circulation of Board and Committee papers, and communications with regulatory bodies and the ASX.

All Directors have access to the Company Secretary and the Company Secretary is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

## 2.2 Composition of the Board

The Board currently comprises six Non-executive Directors and the Managing Director. Mr Grant and Ms Horrigan were appointed to the Board as Non-executive Directors on 2 June 2020 and 11 September 2020, respectively.

The Board believes that its current composition represents a depth and breadth of skills and experience that will allow it to continue operating effectively. The skills and attributes of the Board are discussed further in section 2.4.

The Directors in office as at the date of this Corporate Governance Statement are set out in the table below.

| Director                                            | Independent | Date of appointment | Term in office |
|-----------------------------------------------------|-------------|---------------------|----------------|
| <b>Paul Oneile</b><br>Chairman                      | ✓           | 27 February 2017    | 3.5 years      |
| <b>David Grant</b><br>Non-executive Director        | ✓           | 2 June 2020         | 4 months       |
| <b>Jennifer Horrigan</b><br>Non-executive Director  | –           | 11 September 2020   | 1 month        |
| <b>Louise McCann</b><br>Non-executive Director      | ✓           | 29 August 2017      | 3 years        |
| <b>Richard Millen</b><br>Non-executive Director     | ✓           | 4 June 2014         | 6 years        |
| <b>Clifford Rosenberg</b><br>Non-executive Director | ✓           | 29 August 2017      | 3 years        |
| <b>Andrew Skelton</b><br>CEO and Managing Director  | –           | 10 December 2014    | 6 years        |

Details of each Director's experience, qualifications and Committee memberships are set out on pages 12 and 13 of the Annual Report.

The number of Board and Committee meetings held during FY20 and the attendances of individual Directors and Committee members at those meetings are set out on page 44 of the Annual Report.

## 2.3 Director independence and tenure

The Board has adopted the factors set out in Box 2.3 of the ASX Principles relevant for assessing the independence of a Director. Those factors are set out in the Board's Charter.

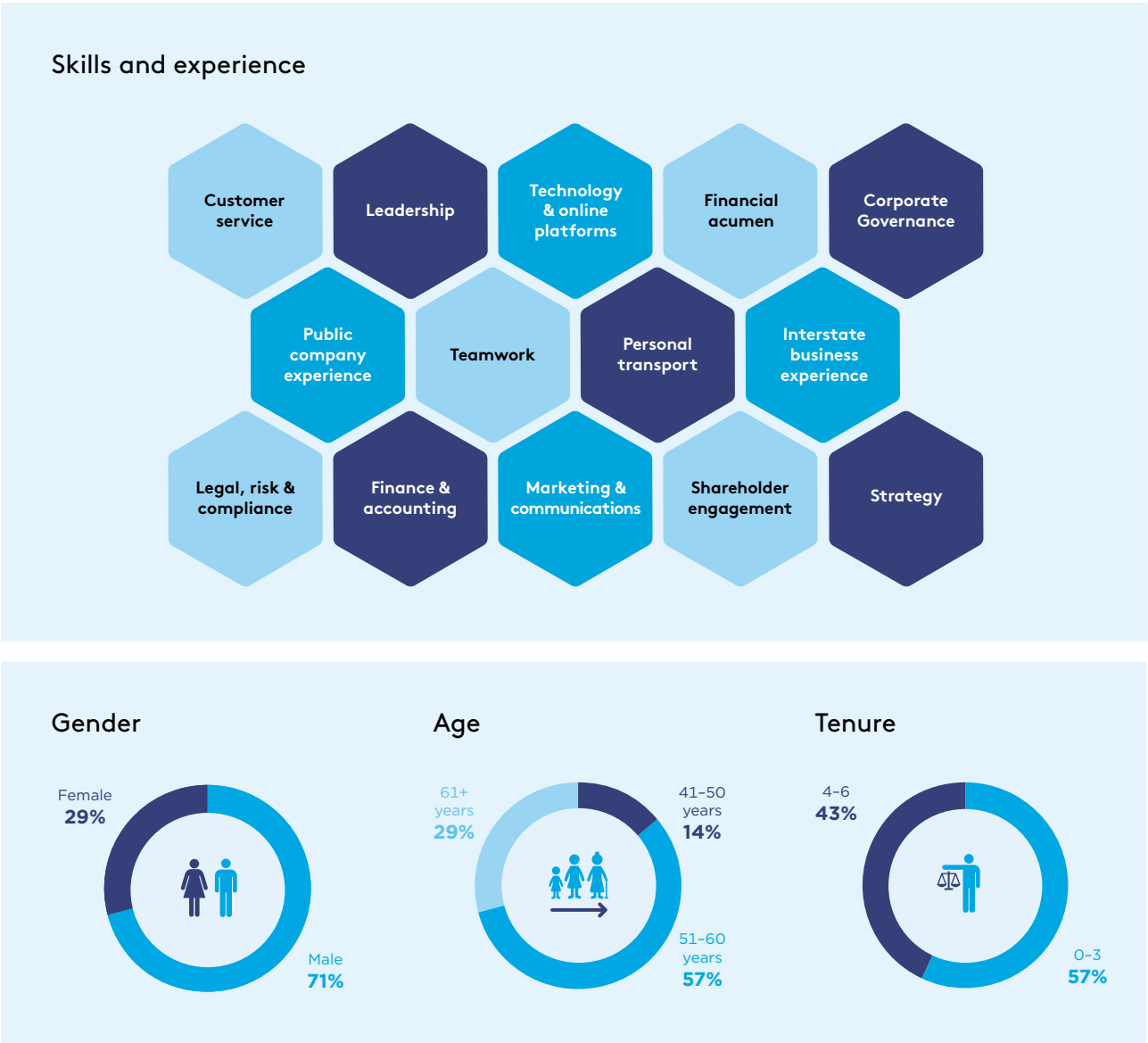
The Board has recently assessed the independence of each Non-executive Director and considers that, as at the date of this Corporate Governance Statement, all of its Non-executive Directors, including the Chairman, are independent.

2.4 Skills and attributes of Directors

The Board has developed a skills and attributes matrix that sets out the collective mix of skills and attributes that the Board would like to achieve.

The Remuneration and Nominations Committee (“RANC”) refers to the skills and attributes matrix when assessing and selecting new Directors and also when considering professional development opportunities for current Directors.

The diagram below demonstrates the relevant skills, experience and attributes that the Board considers are possessed by current Directors.



The Board is satisfied that the current Directors collectively possess the necessary mix of skills, expertise and industry knowledge to meet the needs of the Company. The Board considers that the collective skills of the Directors will continue to enable the Company to meet its strategic objectives, including those related to the implementation of marketing initiatives and digital platforms.

The Board recognises that there remains an opportunity to enhance the diversity (including gender) of the Board in future years and considers diversity as a factor in assessing the relevant mix of skills and attributes on the Board. Further details about the Company’s diversity policy is set out in section 5.1 of this Corporate Governance Statement.

## 2.5 Succession planning and Director appointments

The Board, with the assistance of the RANC, is responsible for succession planning. The RANC assists the Board with identifying potential Director candidates, having regard to the overarching principle that there should be a broad range of skills and attributes represented on the Board, by reference to the Board's skills and attributes matrix.

All shortlisted Director nominees are interviewed by the RANC and then by the other Directors. The final appointment decision is made by the Board. Detailed background checks are carried out prior to all appointments.

New Directors are put forward to shareholders for election at the first Annual General Meeting following their appointment. The Company will provide shareholders with all material information in the Company's possession about a Director candidate that is relevant to shareholders' decision on that Director's election and subsequent re-elections.

## 2.6 Induction and training

Non-executive Directors are given a letter of appointment setting out the terms of their appointment, time commitment envisaged and the Company's expectations. Directors are also expected to acquire a meaningful shareholding in the Company (being a holding equivalent to 100% of their total annual base fee) within three years from the date of their appointment under the Company's Minimum Shareholding Requirement.

On appointment, Directors receive an induction package which includes the Company's Constitution, the Board and Committee Charters and other relevant governance documentation. All new Directors have the opportunity to meet with members of Management and be formally briefed on the Group's corporate strategy.

Directors are also encouraged to undertake programs of continuing professional development to ensure that they remain up to date on developments relating to law and governance practices, as well as key changes within the personal transport industry generally. The Company periodically reviews whether there is a need for existing Directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.

## 2.7 Access to information, independent advice and indemnification

Upon appointment, each Director enters into a Deed of Access, Indemnity and Insurance with the Company. The Deed provides Directors with access to certain Company documents and insurance arrangements during their appointment and within a period following their retirement as a Director of the Company.

Procedures are also in place to ensure that each Director has the right to seek independent professional advice at the Company's expense on matters pertaining to their role as a Director.

### 3. Board Committees

#### 3.1 Audit and Risk Committee

##### Roles and responsibility

The Audit and Risk Committee (“**ARC**”) operates under a Charter. Its key responsibilities and functions are to oversee the Company’s:

- Financial reporting process;
- Relationship with the external auditor and the external audit function generally;
- Relationship with the internal auditor and the internal audit function generally;
- Processes for monitoring compliance with laws and regulations and its Code of Conduct; and
- Processes for identifying and managing risk.

##### Membership

The ARC must consist of:

- At least three members;
- Only Non-executive Directors;
- A majority of independent Directors; and
- An independent Director as Chairman, who is not the Chairman of the Board.

The ARC was comprised of the following members in FY20, all of whom were independent Non-executive Directors:

- Richard Millen (Chairman)
- Louise McCann
- Clifford Rosenberg
- Paul Oneile (from 12 December 2019)
- David Grant (from 2 June 2020)

##### Selection and appointment of the external auditor

The ARC reviews the performance of the external auditor and recommends to the Board the approval of the terms of the external audit engagement. The ARC also considers the independence of the external auditor and oversees the external audit partner rotation.

KPMG is the current external auditor of the Group and was appointed in 2007. The most recent external audit partner rotation took place in the financial year ended 30 June 2019.

## 3.2 Remuneration and Nominations Committee

### Roles and responsibility

The RANC operates under a Charter. Its key responsibilities and functions are to review and make recommendations to the Board in relation to:

- The size and composition of the Board, including reviewing Board succession plans and the succession of the Chairman and the CEO and Managing Director;
- The criteria for nomination as a Director and the membership of the Board more generally;
- The remuneration arrangements for the Chairman and other Non-executive Directors;
- The arrangements for the CEO and Managing Director including contract terms, annual remuneration and participation in the Company's short and long term incentive plans; and
- In consultation with the CEO and Managing Director, the policies and procedures related to remuneration, recruitment, retention, termination and performance assessments of employees.

### Membership

The RANC must consist of:

- At least three members;
- Only Non-executive Directors;
- A majority of independent Directors; and
- An independent Director as Chairman.

The RANC was comprised of the following members in FY20, all of whom were independent Non-executive Directors:

- Louise McCann (Chairman)
- Richard Millen
- Clifford Rosenberg
- Paul Oneile (from 12 December 2019)
- David Grant (from 2 June 2020)

### Remuneration of Key Management Personnel

The RANC is responsible for overseeing and making recommendations to the Board in relation to remuneration of the CEO and Managing Director and the Non-executive Directors. The CEO and Managing Director, in consultation with the RANC, makes recommendations to the Board in relation to the remuneration and performance of his direct reports. The Company's remuneration policies appropriately reflect the different roles and responsibilities of Non-executive Directors compared with the CEO and Managing Director and other executives.

The Company's policies and practices in relation to the remuneration of KMP are set out in the Remuneration Report on pages 46 to 63 of the Annual Report.

The remuneration entitlements of each executive KMP (including superannuation entitlements) are contained in written employment agreements between the executive and the Company. Each executive KMP's employment agreement includes a description of their position and responsibilities and their fixed remuneration which is benchmarked by independent remuneration consultants.

Where appropriate, the Board will exercise its discretion to adjust remuneration arrangements and outcomes. During FY20, the RANC gave careful consideration to the impact of the COVID-19 pandemic on the Company's financial performance, position and strategic priorities. As a result, the RANC exercised its discretion to make changes to remuneration arrangements for KMP, including deferral of scheduled remuneration reviews and changes to the Company's short-term incentive arrangements. Further details are provided in the Company's Remuneration Report on pages 46 to 63 of the Annual Report.

## 4. Performance evaluation

The process for the performance evaluation of the Board, its Committees, individual Directors and executive KMPs is guided by the Company's Performance Evaluation Policy, a summary of which is set out in the diagram below.

All suggestions for improvement and change arising out of the annual performance evaluation process are received by the Board, through the RANC or the CEO and Managing Director (where appropriate). The Board or RANC may also engage an external consultant to facilitate the annual performance evaluation process.

### The Board

The Board as a whole discusses and analyses its own performance during the year, including suggestions for change or improvement. This process is facilitated by the RANC.

### Committees

The Chairman of each Committee discusses the performance of the Committee with its members. Directors complete a questionnaire relating to the role, composition, procedures and practices of the Board and the Committees.

### Chairman of the Board

Non-executive Directors evaluate the performance of the Chairman, led by the Chairman of the Audit and Risk Committee.

### Directors

The Chairman conducts interviews with each Non-executive Director separately to discuss individual performance and ideas for improvement.

### Chief Executive Officer

The RANC assesses the CEO's performance against targets (which are set by reference to the strategic objectives of A2B for that year).

### Senior Executives

The CEO assesses the performance of each senior executive, in light of the operational and financial responsibilities of the executive and his or her contribution to management and leadership at A2B. The CEO's evaluation is reviewed in consultation with the RANC.

## FY20 performance evaluations

In accordance with the Performance Evaluation Policy, the Company undertook performance evaluations of the Board, its Committees, individual Directors and executive KMP for FY20.

The results of the performance reviews of executive KMP are reflected in their remuneration outcomes set out in the Remuneration Report on pages 46 to 63 of the Annual Report.

## 5. Corporate Governance and Group Policies

All of the Company's policies referred to in this section are available on the A2B website at [www.a2baustralia.com/investor-center/corporate-governance](http://www.a2baustralia.com/investor-center/corporate-governance).

### 5.1 Diversity

#### Policy and programs

A2B values diversity and inclusiveness in the workforce and recognises that diversity drives the Company's ability to attract, retain, motivate and develop the best talent and deliver the highest quality services to its customers. The Company recognises that its greatest assets are its people, and is committed to creating an environment where all employees have an opportunity to realise their potential and contribute to the success of the Company.

The Company's vision for diversity relates to a broad range of areas. A2B's diversity objectives include cultural background, religion, sexual orientation, gender, age, disability, ethnicity and includes differences that have arisen as a result of varied experiences such as education, problem solving skills, functional expertise and interpersonal skills.

The Company actively ensures that its diversity objectives and the Diversity Policy are followed by adopting initiatives, programs and policies including the following:

Encouraging Management to include at least one female candidate on all shortlists when looking for appointees (and requiring management to report to the Board on outcomes).

Providing an Employee Assistance Program that assists employees with personal or work related counselling and advice.

Providing corporate and social responsibility, including supporting R U OK Day, our DVA Veterans and the Royal Children's Hospital.

Providing appropriate facilities for our new parents to assist with the transition back to the workforce.

Improving cultural awareness through training and employee engagement, such as celebrating various multicultural and faith events.

Encouraging open discussions about diversity to promote awareness and openness at all levels of the A2B business.

In accordance with the Workplace Gender Equality Act, the Company has lodged its annual compliance report with the Workplace Gender Equality Agency. The report contains the Company's "Gender Equality Indicators". A copy of the report is available on the A2B website at <https://www.a2baustralia.com/investor-center/corporate-governance/>.

## Corporate Governance Statement (continued)

### Gender diversity measurable objectives

In accordance with the Company's Diversity Policy, the Board has set measurable objectives for achieving gender diversity and is required to annually assess both the objectives and the Company's progress in achieving them. These objectives and the Company's progress towards achieving them for FY20 are set out below.

| Objective                                                                                                                                                                                                                                                                                                                      | Target                                                                                                                                                              | Outcome                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Diversity awareness</b>                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                     |                                                                                                                                                                                                                              |
| A2B aims to create an environment in which individual differences are valued and all staff have the opportunity to realise their potential and contribute to the success of A2B. Diversity objectives are communicated to business units and a diversity forum comprising Management and team representatives has been set up. | Staff members are provided with the Diversity Policy on induction and through further training to line managers on diversity and conscious versus unconscious bias. | The Diversity Policy is made available to all employees through the A2B website. Employees are also invited to provide feedback and comments on workplace gender equality.                                                   |
| <b>Recruitment</b>                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                     |                                                                                                                                                                                                                              |
| Efforts are made to identify prospective appointees who are female.                                                                                                                                                                                                                                                            | Recruiter briefings to include diversity requirements.                                                                                                              | All roles attracted female applicants.                                                                                                                                                                                       |
| Efforts are made for any shortlist of prospective appointees to include at least one female candidate.                                                                                                                                                                                                                         | Any shortlist of prospective appointees should include at least one female candidate.                                                                               | Female applicants successfully gained employment in key managerial and sales roles.                                                                                                                                          |
| <b>Retention</b>                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                     |                                                                                                                                                                                                                              |
| Pay parity has been assessed to ensure females are not paid less than males for equivalent roles.                                                                                                                                                                                                                              | Pay parity analysis performed to understand the extent of pay parity discrepancies.                                                                                 | A pay parity exercise has been undertaken and no roles identified where pay parity is of concern.                                                                                                                            |
| <b>Workflow flexibility</b>                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                     |                                                                                                                                                                                                                              |
| A2B has flexible work arrangements in place – compressed working weeks, flexible work, time in lieu, telecommuting, carer's leave, unpaid leave and part time work.                                                                                                                                                            | 100% of employees offered workplace flexibility programs to the extent possible for the particular role and the arrangement suits the business' needs.              | All employees may request workplace flexibility. Each request is considered on a case by case basis taking into account the reasons for the request, the individual's requirements, business needs, demands and flexibility. |

## 5.2 Securities dealing

The Company has adopted a Securities Dealing Policy which is intended to uphold shareholder, investment community, and public confidence in the integrity of the market for A2B shares. The policy prohibits Directors, senior executives and other staff members from trading in securities or directing the trade of securities on the basis of inside information or communicating inside information to other people.

The policy allows trading by Directors, senior executives, and nominated employees in specified trading windows, subject to complying with insider trading prohibitions and on the condition that prior notification of the intention to trade is provided. The trading windows are:

- The one month period commencing at 10.00am on the next trading day after the announcement to ASX of A2B's half-yearly results;
- The one month period commencing at 10.00am on the next trading day after the announcement to ASX of the preliminary final statement or full year results; and
- Any other period the Board determines, from time to time.

The Board may determine at any time that a trading window is closed. Permission to trade outside of these windows may only be given in exceptional circumstances.

In addition, the terms of the Company's equity incentive schemes prohibit participants from entering into transactions that limit the economic risk of equity-based remuneration (ie hedging and other arrangements).

## 5.3 Market disclosure and investor engagement

The Company has processes in place to ensure that the market is kept informed of material information by ensuring that all employees across the Group are aware of their continuous disclosure obligations.

The Company has adopted a Market Disclosure and Investor Engagement Policy, which is designed to identify matters requiring disclosure and to allow appropriate announcements to be made in a timely manner consistent with the ASX Listing Rules.

In particular, the policy:

- Provides guidance on the type of information that must be disclosed and the procedures for internal notification and external disclosure;
- Details the procedures in place for promoting the understanding of continuous disclosure requirements, minimising risks associated with selective disclosure and monitoring compliance against the Company's disclosure obligations; and
- Establishes procedures to ensure that all material matters which may potentially require disclosure are promptly reported to the CEO and Managing Director through established reporting lines, including an immediate point of contact for all employees through their immediate managers.

The Company keeps its employees informed of any relevant changes to the continuous disclosure regime established by the ASX Listing Rules or the Corporations Act.

The Board is provided with copies of all material announcements promptly after they have been made.

### 5.4 Environmental, social and governance

The Company recognises the interdependence of financial returns, social benefits and environmental impacts and aims to create sustainable value for all its stakeholders – customers, employees, shareholders, business partners and the communities which the Company serves.

#### Environment

A2B seeks to minimise environmental harm in its business operations. Although A2B is not a substantial carbon emitter it seeks to reduce usage and increase efficiencies in relation to waste, water and energy to reduce the Company's carbon footprint.

A2B follows the principles of reduce, re-use and recycle and actively seeks to improve systems and processes to minimise the operational impact of the Company on the environment. In addition, environmental considerations are now an integral part of new product development.

#### Community

The Company has a strong interest in developing successful community partnerships. A2B recognises the importance of providing its customers and the community more generally with services that are safe, accessible and efficient.

A2B actively seeks to become involved in the communities in which it operates and believes it is important to play a role in contributing to the community, both directly, and through involvement in and support of personal transport industry initiatives.

Some of the initiatives the Company was involved in throughout FY20 are set out in A2B in the community section on pages 10 and 11 of the Annual Report.

### 5.5 Shareholder engagement

The Company is committed to facilitating two-way communications with shareholders, to ensure that shareholders have an understanding of the Group's business, governance and performance, and can provide the Company with their own views on such matters.

A summary of the Company's Shareholder Communications Policy and communications practices to encourage shareholder participation at general meetings are set out below.

| Company policy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Communication practice                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The Board's commitment to shareholder engagement is reflected in the Company's Shareholder Communications Policy.</p> <p>The purpose of the policy is to:</p> <ul style="list-style-type: none"><li>• Give shareholders information about the Company to enable them to exercise their rights as shareholders in an informed manner;</li><li>• Make relevant information available to the market so that the market for shares in the Company can function in an informed manner; and</li><li>• Develop a strong culture of disclosure and make relevant information available to shareholders, potential shareholders and other stakeholders in a timely and accurate manner.</li></ul> | <ul style="list-style-type: none"><li>• The Company's website contains all market announcements, annual reports, important dates, and important governance documents</li><li>• The Company conducts periodic reviews of its website with an aim to improve the effectiveness of its electronic communications with shareholders and stakeholders generally;</li><li>• The Board encourages shareholders to receive and send electronic communications via its share registrar, Link Market Services;</li><li>• All shareholders have the right to attend the Company's Annual General Meeting;</li><li>• Shareholders are provided with a Notice of Meeting and an explanatory statement of the resolutions proposed. A copy of the Notice of Meeting is lodged with the ASX and is included in the market announcements feed on the Company's website; and</li><li>• The Company ensures that its external auditor attends its Annual General Meeting, and allows shareholders to submit questions directly to the auditor prior to or at the Annual General Meeting.</li></ul> |

In addition to the Policy, the Company also has a practice of putting substantive resolutions at general meetings to a poll, to ensure that voting outcomes reflect the true will of the shareholders attending, both in person and by proxy.

## 6. Risk framework

### 6.1 Risk identification and management

The Board, in consultation with the ARC, is responsible for reviewing, ratifying and monitoring the Company's systems of risk management.

The ARC advises the Board on high-level risk related matters, and oversees processes to ensure that:

- There is an adequate system of internal control and management of business risk; and
- A regular review is undertaken of internal control systems and the operational effectiveness of the policies and procedures related to risk and control.

The CEO and Managing Director and Management are responsible for developing and promoting the appropriate management of risk and the ongoing maintenance of the control environment. Management are required to report to the ARC on the Company's risk management and internal control systems.

#### Annual risk management review and declaration

The ARC reviews A2B's risk management framework at least annually to ensure that it continues to be sound and effectively identifies all areas of potential risk. The ARC provides reports to the Board on the findings of its review.

During FY20 the Board undertook a review of the Company's risk management framework. Based on the results of the review, the Board is satisfied that the risk management framework is sound and continues to operate effectively.

Consistent with the ASX Principles, before the Board approves the Group's financial statements, it receives from its CEO and Managing Director and CFO a declaration that:

In their opinion and as required by the Corporations Act, the financial records of the Group have been properly maintained and the:

- Financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity; and
- That opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

These declarations were received by the Board prior to the approval of the Group's half year and full year financial statements for FY20.

#### Internal audit process

The ARC has appointed PwC to carry out the Group's internal audit function. The internal auditor is independent of the external auditor, KPMG. Representatives from the internal auditor meet with the ARC and key senior executives to understand the business and the existing risk management framework and execute a process to identify and understand the current risks facing the business in light of the strategic direction of the Company.

The ARC reviews and recommends to the Board the approval of the annual internal audit plan each financial year. The ARC and Management meet with PwC regularly to consider and if necessary refine the internal audit plan.

#### Material economic, environmental and social sustainability risks

A2B monitors and seeks to manage material economic, environmental and social sustainability risks within the Company's broader risk management and internal control framework. This includes ensuring that information is effectively communicated between the Board, the ARC, the internal audit function and Management.

As set out on pages 26 and 27 of the Annual Report, A2B continues to monitor risks related to changes to regulation, the competitive landscape and technology environment within and outside its business, including as they relate to economic, environmental and social sustainability risk areas. Developments relating to these or other risks that may impact A2B are escalated within the business and to the executive team, the ARC and the Board as relevant. The Company uses a number of methods to minimise and manage such risks, including by diversifying its operations and business activities, adopting contingency plans and risk control frameworks and, where necessary, adapting the Company's strategy to reduce its risk exposure.

# Directors' Report

The Directors present their report (including the Remuneration Report), together with the financial statements of the consolidated entity being A2B Australia Limited ("**A2B**" or the "**Company**") and the entities it controls (the "**Group**") for the financial year ended 30 June 2020.

## Directors

The Directors of the Company at any time during or since the end of the financial year up to the date of this report are:

- Paul Oneile (Chairman)
- David Grant (appointed on 2 June 2020)
- Louise McCann
- Richard Millen
- Clifford Rosenberg
- Andrew Skelton (CEO and Managing Director)

The qualifications, experience and special responsibilities of current Directors of the Company are set out in the Board of Directors section.

## 1. Directorships of other listed companies

The directorships in other listed companies a Director has held at any time in the last three years immediately before the end of the financial year are set out in the table below.

| Director           | Name of listed company                | Appointment date  | Cessation date   |
|--------------------|---------------------------------------|-------------------|------------------|
| Paul Oneile        | Thorn Group Limited                   | 14 October 2019   | –                |
| David Grant        | Event Hospitality & Entertainment Ltd | 25 July 2013      | –                |
|                    | Retail Food Group Limited             | 25 September 2018 | –                |
|                    | The Reject Shop Ltd                   | 1 May 2020        | –                |
|                    | Murray Goulburn Co-Op Ltd             | 27 October 2017   | 26 June 2020     |
|                    | MG Responsible Entity Ltd             | 27 October 2017   | 26 June 2020     |
| Louise McCann      | Macquarie Media Ltd                   | 10 June 2015      | 30 October 2019  |
| Richard Millen     | –                                     | –                 | –                |
| Clifford Rosenberg | Technology One Limited                | 27 February 2019  | –                |
|                    | IXUP Limited                          | 29 September 2017 | 2 July 2019      |
|                    | Afterpay Limited                      | 30 March 2017     | 24 May 2020      |
|                    | Pureprofile Limited                   | 12 June 2015      | 28 February 2019 |
|                    | Nearmap Limited                       | 3 July 2012       | –                |
| Andrew Skelton     | –                                     | –                 | –                |

## 2. Company Secretary

### Adrian Lucchese

#### Group General Counsel and Company Secretary

Adrian Lucchese was appointed as Group General Counsel and Company Secretary in October 2014. Adrian began his career with Blake Dawson Waldron (now Ashurst) in 1988 and has held a number of senior management and executive roles including Group General Counsel and Company Secretary of George Weston Foods Limited where, amongst other things, he was responsible for many of the improvements to its competition compliance program. From August 2011 to October 2014, Adrian was Company Secretary of AMP Capital Holdings Limited where he contributed to governance, structural and business improvement initiatives.

Adrian holds Bachelor degrees in both Science and Laws from the University of Sydney and a Master of Laws from the University of Sydney.

### 3. Dividends

Dividends paid or declared for payment since the end of the previous financial year are set out in the table below.

| Type         | Cents per share | Total paid or declared (\$'000) | Payment date    |
|--------------|-----------------|---------------------------------|-----------------|
| Final FY19   | 4.0             | 4,817                           | 31 October 2019 |
| Interim FY20 | 4.0             | 4,817                           | 30 April 2020   |
| Final FY20   | –               | –                               | –               |

### 4. Principal activities

The principal activities of the Group are included in the Operating and Financial Review ("OFR") set out on pages 14 to 27. Other than those mentioned in the OFR there were no other significant changes to the nature of the activities of the Group during the year.

### 5. Review of operations

A review of the Group's operations during the year and the results of those operations, together with its financial position, are included in the OFR set out on pages 14 to 27. The Group's business strategies and prospects for future financial years are also included in the OFR.

### 6. Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group during the financial year, other than those changes mentioned in the OFR.

### 7. Events subsequent to reporting date

On 14 August 2020 A2B entered into an agreement to extend the current finance facility to 1 July 2023 at a reduced level of \$25 million. The current finance facility of \$50 million was due to expire on 1 July 2021.

Other than the matter above, there have been no events subsequent to the reporting date that significantly affects or may significantly affect the Group's operations in future years, the results of those operations in future years, or the Group's state of affairs in future years.

#### Likely developments

Information about likely developments in the Group's operations is included in the "Outlook" section of the OFR on pages 25 and 26.

#### Environmental regulation

The Group's operations are not subject to any particular and significant environmental regulations under a law of the Commonwealth or of a State or Territory.

#### Directors' interests and benefits

The relevant interests and benefits of each Director as at the date of this report are set out in the table below.

| Director           | Interest in shares |
|--------------------|--------------------|
| Paul Oneile        | 106,968            |
| David Grant        | 0                  |
| Louise McCann      | 48,800             |
| Richard Millen     | 60,000             |
| Clifford Rosenberg | 111,307            |
| Andrew Skelton     | 20,861             |

## Directors' Report (continued)

Mr Skelton has been granted performance rights under the Company's Long Term Incentive ("LTI") Plan

| Grant period                                   | Performance Rights |
|------------------------------------------------|--------------------|
| FY17 grant<br>(for period ending 30 June 2020) | 124,611            |
| FY18 grant<br>(for period ending 30 June 2021) | 222,222            |
| FY19 grant<br>(for period ending 30 June 2021) | 179,372            |
| FY20 grant<br>(for period ending 30 June 2022) | 275,862            |
| <b>Total</b>                                   | <b>802,067</b>     |

## Remuneration Report

The Remuneration Report is set out on pages 46 to 63 and forms part of this Directors' Report, has been audited as required by section 308(3C) of the Corporations Act.

## Directors' meetings

The number of Directors' meetings and attendance by each Director at those meetings during the financial year are set out in the table below.

| Director <sup>1</sup>    | Board             |          | Audit and Risk <sup>2</sup> |          | Remuneration and Nominations <sup>2</sup> |          |
|--------------------------|-------------------|----------|-----------------------------|----------|-------------------------------------------|----------|
|                          | Held <sup>3</sup> | Attended | Held <sup>3</sup>           | Attended | Held <sup>3</sup>                         | Attended |
| Paul Oneile              | 17                | 17       | 4                           | 4        | 4                                         | 4        |
| David Grant <sup>4</sup> | 2                 | 2        | 1                           | 1        | 1                                         | 1        |
| Louise McCann            | 17                | 17       | 4                           | 4        | 4                                         | 4        |
| Richard Millen           | 17                | 17       | 4                           | 4        | 4                                         | 4        |
| Clifford Rosenberg       | 17                | 15       | 4                           | 4        | 4                                         | 4        |
| Andrew Skelton           | 17                | 17       | –                           | –        | –                                         | –        |

1 "Director" in the table means a Director who was a director of the Company at any time during the financial year.

2 All Directors are invited to and generally attend, Board Committee meetings. The "Attended" columns in the table reflect attendance at meetings by Committee members.

3 The "Held" columns in the table reflect the number of meetings held during the period in which the Director held office.

4 David Grant was appointed on 2 June 2020.

## Share options and performance rights

There were no options over unissued shares of the Company granted to the Directors or any executives during or since the end of the financial year.

As at the date of this report there are 2,393,601 performance rights over unissued shares which have been granted to the CEO and Managing Director and other senior executives under the Company's LTI Plan. Further information on the LTI Plan is included in the Remuneration Report on pages 46 to 63.

## Indemnification and insurance of officers and auditors

The Company's Constitution requires it to indemnify current and former Directors (including alternate directors), officers, and auditors (if determined by the directors) of the Company against liabilities incurred by the person as an officer (or auditor if determined by the Directors).

The Company has agreed to provide indemnities to and procure insurance for past and present Directors and officers of the Company and its controlled entities. The indemnities provide broad indemnification against liabilities to another person (other than the Company or related body corporate) and for legal costs that may arise from their position as Directors and officers of the Company and its controlled entities. The indemnities are subject to certain exceptions such as where the liability arises out of conduct involving a lack of good faith.

The Company has also paid insurance premiums for insurance policies providing the type of cover commonly provided to Directors, officers and senior employees of listed companies such as the Company. As is commonly the case, the insurance policies prohibit further disclosure of the nature of the insurance cover and the amount of the premiums.

There has been no indemnification of the current auditors, nor have any insurance premiums been paid in respect of the current auditors since the end of the previous year.

## Non-audit services by auditors

Details of the non-audit services provided by the Group's auditor, KPMG, during the financial year including fees paid or payable for each service, are set out in note 25 to the Consolidated Financial Statements.

The Board has considered the non-audit services provided during the year by KPMG and in accordance with written advice provided by resolution of the Audit and Risk Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act for the following reasons:

- All non-audit services were subject to the corporate governance policies and procedures adopted by the Company and have been reviewed by the Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

## Lead auditor's independence declaration

The lead auditor's independence declaration required under section 307C of the Corporations Act is set out on page 64.

## Rounding off

A2B is a company of the kind referred to in ASIC Corporation 2016/191 (Rounding in Financial/Directors' Reports) Instrument. In accordance with that Instrument, amounts in the Consolidated Financial Statements and the Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This Directors' Report has been signed in accordance with a resolution of the Directors.



**Paul Oneile**  
Chairman

25 August 2020



**Andrew Skelton**  
CEO and Managing Director

25 August 2020

# Remuneration Report

## Letter from the Chairman of the Remuneration and Nominations Committee

Dear Shareholders

On behalf of the Board, I am pleased to present the Remuneration Report for the year ended 30 June 2020.

During the year, the Remuneration and Nominations Committee supported the Board in recruiting two new Directors, Jennifer Horrigan and David Grant and in the preparation of the Remuneration Report.

The Report provides an overview of our remuneration structures, policies and practices and is intended to demonstrate how they align executives' interests with the creation of long-term shareholder value and with the achievement of individual and corporate performance as measured against specific targets.

The Remuneration and Nominations Committee assists the Board to evaluate the Company's remuneration framework so that it aligns, supports and drives achievement against our strategic focus areas as set out in the Operating and Financial Review.

### Remuneration approach in FY20

This year the Remunerations and Nominations Committee and Board not only took into account the disruption caused by the coronavirus but was also mindful of the continuing disruption and uncertainty for FY21 and the need to have our KMP's highly motivated, highly performing and aligned to the achievement of our critical strategic objectives.

The CEO and his Executive team have been extremely focused and have delivered stability during a difficult period. They have also delivered significant performance against our strategic objectives, fast tracking, accelerating and commencing a number of new initiatives to position A2B as strongly as possible to navigate the disruption and to recover post the pandemic.

As a result of the various disruptions the Committee and the Board has exercised its discretion with respect to the FY20 STI and also to delaying a FAR review for the CEO and Executive.

Detailed information regarding remuneration outcomes for FY20 are outlined in section 4 of this Remuneration Report.

### Committee activities in FY20

Key activities undertaken by the Remuneration and Nominations Committee during the year include:

- Director succession planning and oversight of process of appointment for two new Directors;
- Reviewing A2B's Board and Committee Charters with respect to current market practice;
- Deferring the executive FAR review to FY22 due to the impact of the COVID-19 pandemic; and
- Setting performance measures for the achievement of financial targets and individual goals to take into account the impact of COVID-19.

### Outlook FY20

For FY21, the Committee will remain focused on ensuring that the Company maintains a robust remuneration framework that is responsive to change and aligned with the Company's strategic focus areas and values. The Committee will continue its work enhancing our corporate governance arrangements.

On behalf of the Board, thank you for your ongoing support and we look forward to receiving your feedback on this report.

Yours faithfully



**Louise McCann**

Chairman of the Remuneration and Nominations Committee

# Remuneration Report

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This Remuneration Report for the year ended 30 June 2020 outlines the remuneration arrangements of A2B Australia Limited ("A2B" or "Company") and is prepared in accordance with the requirements of the *Corporations Act 2001* ("Corporations Act") and the Corporations Regulations 2001. The information in sections 1 to 7 has been audited as required by section 308(3C) of the Act.

## Remuneration Report (continued)

### 1. Overview

The Board of Directors present the Company's Remuneration Report for the financial year ended 30 June 2020 ("FY20"). This report details the Company's remuneration framework and its alignment with the Company's performance and strategy. It also sets out the remuneration arrangements and outcomes for the Company's key management personnel ("KMP") who have authority and responsibility for planning, directing and controlling the activities of the Company.

The Board in its deliberations on the performance of the KMP's took into account the whole FY20 year and also the significant disruption for the last four months of the FY20. In doing so the Board also considered the continuing disruption and uncertainty for FY21. They considered not only the financial and strategic elements of STI and the need to have our KMP's highly motivated, highly performing and aligned during this period, but also the need for this to continue to maintain this level of uncertainty and respond accordingly into the next 12 months.

The Board has been satisfied that the KMP Executives and the CEO have been extremely focused and have significantly performed during this period, fast tracking, accelerating and commencing a number of new initiatives to position A2B as strongly as possible to navigate the disruption and to recover post the pandemic. In addition, they have also operated in a manner that considered not only the significant disruption to A2B and its various stakeholders but the boarder implications to other competitors in the sectors in the overall spirit of A2B's pandemic response. With this in mind the Board has exercised its discretion with respect to FY20 STI and the overall FAR arrangements.

### Who is covered by this report

The KMP covered by this report are listed in table 1 below.

Table 1: KMP included in this report

| KMP                           | Role                                    | Change in FY20           |
|-------------------------------|-----------------------------------------|--------------------------|
| <b>Non-executive Director</b> |                                         |                          |
| Paul Oneile                   | Independent Chairman                    |                          |
| Louise McCann                 | Independent Director                    |                          |
| Richard Millen                | Independent Director                    |                          |
| Clifford Rosenberg            | Independent Director                    |                          |
| David Grant                   | Independent Director                    | Appointed on 2 June 2020 |
| <b>Executive</b>              |                                         |                          |
| Andrew Skelton                | Managing Director and CEO               |                          |
| Adrian Lucchese               | General Counsel and Company Secretary   |                          |
| Deon Ludick                   | Chief Technology Officer                |                          |
| Fred Lukabyo                  | Chief Operating Officer                 | Resigned on 30 June 2020 |
| Stuart Overell                | Chief Operating Officer – Taxi Networks |                          |
| Ton van Hoof                  | Chief Financial Officer                 |                          |

## Realised remuneration

The details of statutory executive KMP remuneration prepared in accordance with the Australian Accounting Standards can be found in table 6 on page 59. Details of statutory Non-executive Director fee arrangements can be found in table 9 on page 61.

The table below provides shareholders with an understanding of remuneration earned by executive KMP in FY20. The amounts disclosed in the table below are intended to provide an explanation of the pay for performance relationship in our remuneration framework and are in addition to the information provided in the statutory executive KMP remuneration table prepared in accordance with the Australian Accounting Standards.

**Table 2: Executive remuneration earned in FY20 (non-statutory) (unaudited)**

| Executive       | Fixed remuneration <sup>1</sup><br>\$ | Termination benefits | STI Earned for FY20 & vesting of deferred STI<br>\$ | LTI vested in FY20 <sup>3</sup><br>\$ | Total<br>\$ |
|-----------------|---------------------------------------|----------------------|-----------------------------------------------------|---------------------------------------|-------------|
| Andrew Skelton  | 825,000                               | –                    | 246,850 <sup>2</sup>                                | 0                                     | 1,071,850   |
| Adrian Lucchese | 420,000                               | –                    | 85,000                                              | 0                                     | 505,000     |
| Deon Ludick     | 450,000                               | –                    | 72,500                                              | 0                                     | 522,500     |
| Fred Lukabyo    | 450,000                               | 286,312 <sup>5</sup> | N/A <sup>4</sup>                                    | 0                                     | 736,312     |
| Stuart Overell  | 425,000                               | –                    | 68,250                                              | 0                                     | 493,250     |
| Ton van Hoof    | 400,000                               | –                    | 71,625                                              | 0                                     | 471,625     |

1 Fixed remuneration means contracted remuneration amount for base salary and superannuation.

2 Under the STI arrangements, 25% of the CEO's earned STI is deferred, with payment being made in equal instalments 12 and 24 months later. This amount includes payment of the second (and last) instalment of FY18 deferred STI (being \$44,350) and the first instalment of FY19 deferred STI (being \$45,000). It also includes 75% of the FY20 STI earned (being 157,500), which will be paid in September 2020 (with the remainder being deferred and paid in cash in two equal instalments over the next 24 months).

3 The LTI rights awarded in FY17 are due to vest in September 2020. Further information on vesting is set out in the LTI section of this report.

4 Mr Lukabyo has resigned as an executive and his employment with the Company ceased on 30 June 2020.

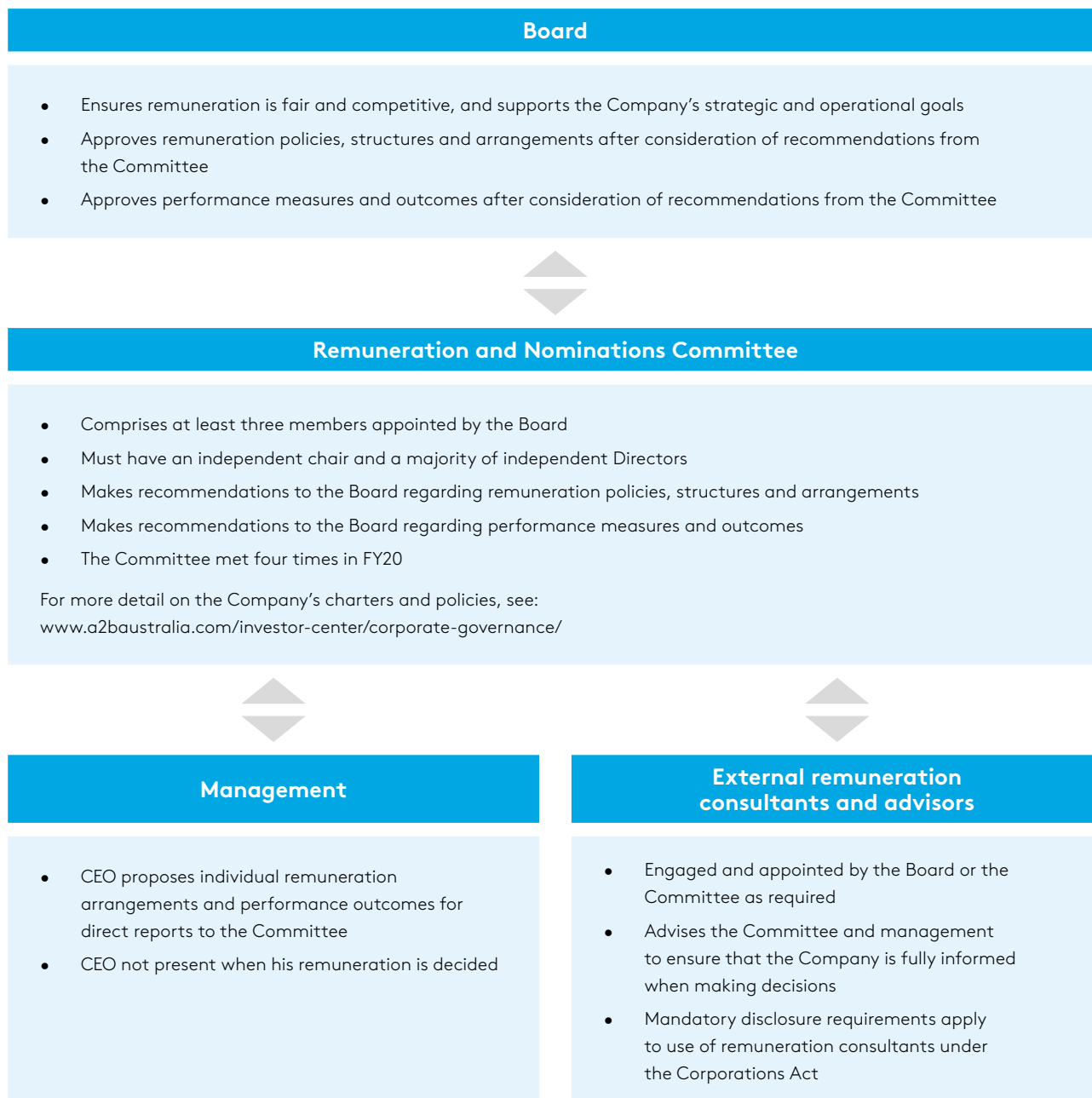
5 Mr Lukabyo's termination payment was made in FY21.

## Remuneration strategy

The Board is committed to ensuring that A2B's remuneration framework remains responsive, robust and reflective of current market practice. The Company's remuneration strategy continues to align with and support the Company's business strategy, while motivating and rewarding its executives. Adjustments will be introduced progressively, recognising both the need to remain flexible and the ability to fine-tune the remuneration framework from time to time in an orderly and fair manner for both the Company and its people.

## 2. Remuneration governance

The Board consults with the Remuneration and Nominations Committee ("**Committee**"), management and where necessary, external advisors, when making remuneration decisions. The diagram below illustrates the remuneration decision-making process.

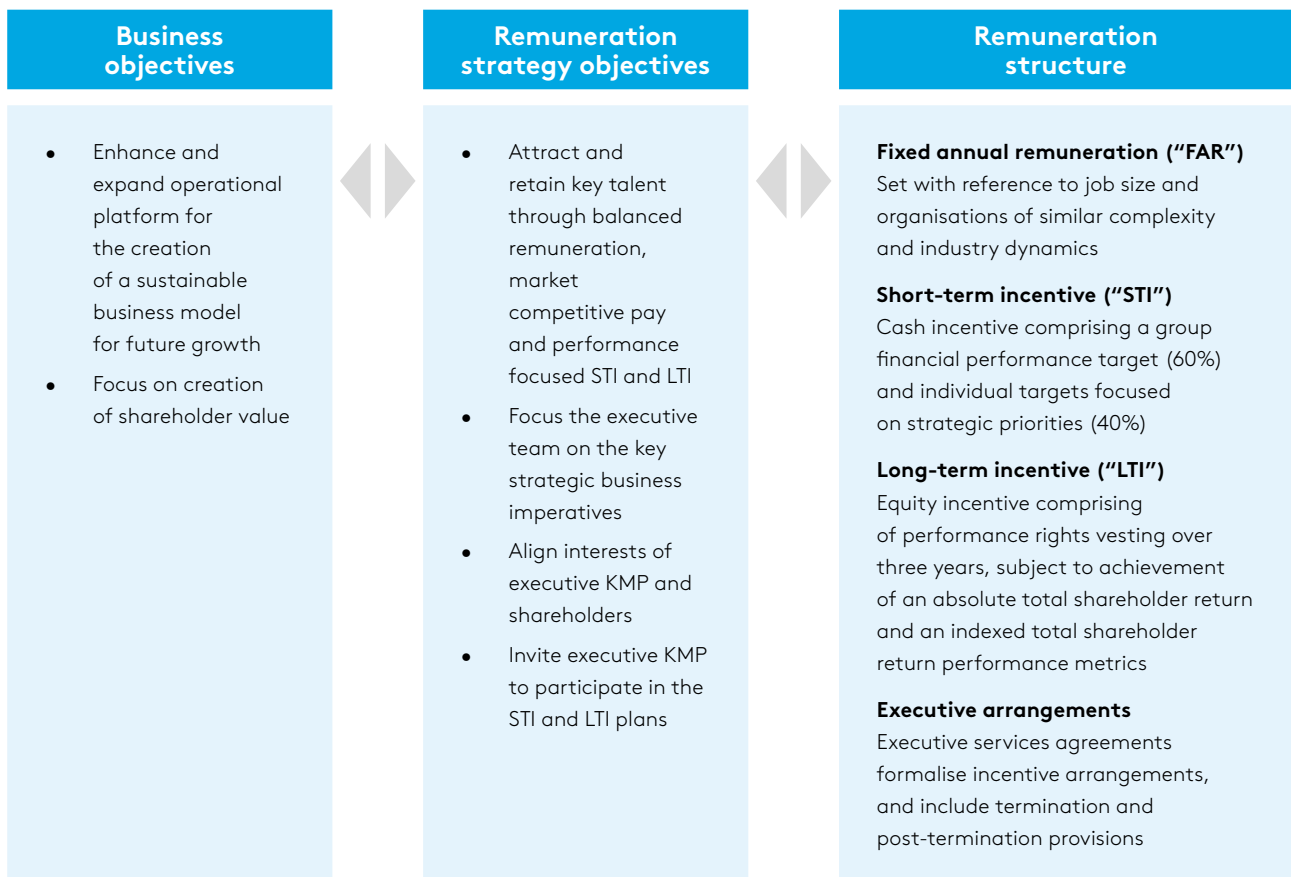


### 3. Executive KMP remuneration arrangements

#### Remuneration principles and link to Company strategy

The Company has adopted the following principles to guide its remuneration strategy:

- Align to the business strategy to encourage opportunities to be pursued and executives rewarded accordingly for the creation of long-term shareholder value
- Be supported by a governance framework
- Provide that executive KMP and Non-executive Director remuneration is balanced and market competitive in order to recruit, motivate, reward and retain skilled senior executives and Directors
- Align the interests of executive KMP with the long-term interests of the Company and its shareholders with the use of performance-based remuneration
- Set short and long-term incentive performance hurdles that are challenging and linked to the creation of sustainable shareholder returns
- Ensure any termination benefits are justified and appropriate



## Remuneration Report (continued)

### Remuneration structure

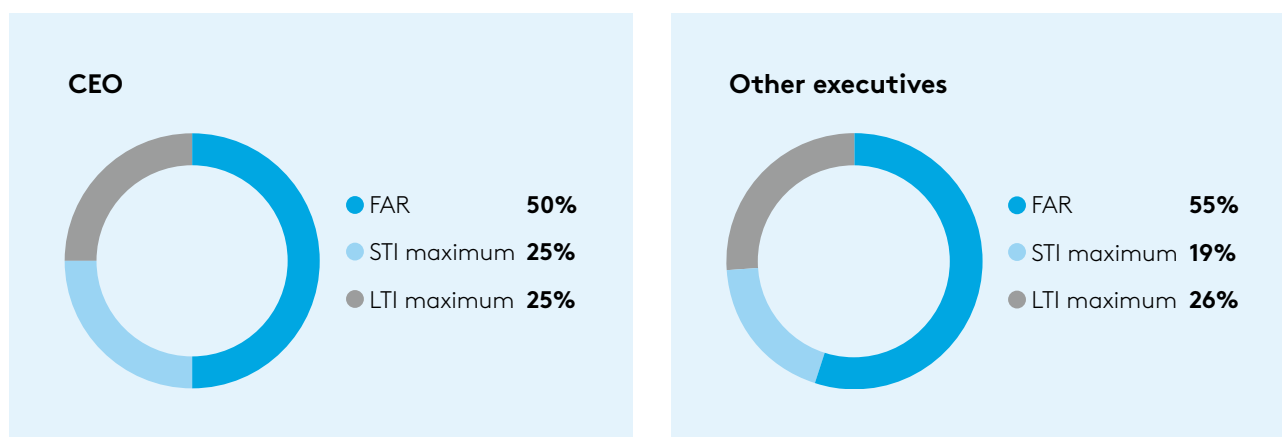
The Company aims to reward its executive KMP with a level and mix of remuneration appropriate to an individual's experience, position, responsibilities and performance.

The Board and the Committee regularly review the remuneration level and structure for the Company's executive KMP and make adjustments where appropriate to support the strategic initiatives of the business whilst ensuring that it remains market competitive for recruiting and retaining skilled individuals.

In FY20, the executive KMP remuneration structure consisted of FAR and performance based at risk short term and long term incentives awarded pursuant to STI and LTI plan rules. Adjustments or changes to remuneration arrangements made in FY20 are detailed under each remuneration element below.

The Board was scheduled to undertake an FY21 FAR review for executives. However, due to the impact of the COVID-19 pandemic, this review has been deferred to FY22.

The following graphs summarise the CEO and other executive KMP remuneration mix for FY20.



### Remuneration elements and incentive plans

#### FAR

Details of executive KMP FAR are disclosed below.

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| What is FAR?                   | FAR is comprised of salary and other benefits provided to an executive on an ongoing basis, such as superannuation contributions.                                                                                                                                                                                                                                                                                                                                                    |
| How is FAR determined?         | <p>FAR is reviewed annually and our standard executive services agreements do not include any guaranteed FAR increases.</p> <p>When reviewing FAR for executives a number of factors are considered, including the individual's skills and experience relevant to their role, and internal and external factors.</p> <p>The Company's policy is to position FAR competitively with reference to companies and roles of a similar complexity and industry dynamic to that of A2B.</p> |
| Were any changes made in FY20? | <p>Changes to FAR are typically implemented and take effect on 1 July of each year. The FAR for each executive in FY20 is shown in table 6 on page 59.</p> <p>Due to the impact of the COVID-19 pandemic, the Board has deferred the scheduled FY21 FAR review for executives to FY22.</p>                                                                                                                                                                                           |

## STI

Details of executive KMP STI are disclosed below.

|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>What is the STI plan?</b>                  | The STI plan provides participating executives with an opportunity to be rewarded for their individual achievements, as well as the achievements of their business unit and the Company. This further aligns their interests with the strategic priorities of the Company. All executive KMP are eligible and participated in the STI plan in FY20.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>What is the format for STI awards?</b>     | STI awards are delivered annually in the form of a cash payment that is subject to the satisfaction of performance measures that are set at the beginning of each financial year. For the CEO, 25% of any STI award is deferred and paid in two equal instalments over the next 24 months.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>What is the performance period?</b>        | The performance period for the FY20 STI award is from 1 July 2019 to 30 June 2020.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>What is the maximum opportunity?</b>       | The STI maximum opportunity is set individually and based upon market benchmarks for the remuneration mix. This figure when referenced to FAR is: CEO: 48% of FAR and other executives: on average 35% of FAR.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>What are the STI performance measures?</b> | <p>The FY20 STI award vests subject to the achievement of a Group-wide financial performance measure and individual performance measures. The financial performance measure continues to apply to all executive KMP to ensure their common focus on the achievement of the Company's financial objectives. The individual performance measures for each executive are directly linked to the strategic imperatives of the Company and the contributions of the relevant executive towards achieving them.</p> <p>A summary of the FY20 performance measures is set out below.</p> <p><b>Group-wide financial performance measure (60% of STI)</b></p> <p>Having regard to the significant impact that the COVID-19 pandemic had on the Company in the second half of FY20, including substantive changes to the business' near term strategic priorities, the Board determined that it would not be appropriate to continue with its usual approach to Group-wide financial performance measures for FY20 STI.</p> <p>Instead, to meaningfully assess performance in FY20, the Board exercised its discretion and separated the year into two parts:</p> <ul style="list-style-type: none"> <li>• Eight pre-COVID-19 months, before the business was significantly impacted (July 2019 to February 2020) – being 67% of the Group-wide performance component of the STI opportunity; and</li> <li>• Four months during the COVID-19 pandemic, where executives were expected to change focus to supporting the Company's immediate response to the pandemic (March 2020 to June 2020) – being 33% of the Group-wide performance component of the STI opportunity.</li> </ul> <p>In assessing performance across the two parts of FY20, the Board had particular regard to the aim of the STI program to reward participants for the achievement of the Company's strategic, financial and operational goals (recognising that they had changed over the course of the year), as well as to retain and motivate talent. This was considered particularly important in the current environment where increased competition, business model and technical and regulatory disruption have been magnified and made more complex by the evolving challenges presented by the coronavirus pandemic.</p> |

## Remuneration Report (continued)

### STI (continued)

| <p><b>What are the STI performance measures?</b><br/>(continued)</p>           | <p><b>Individual performance measures (40% of STI)</b></p> <p>Details regarding the STI outcomes for FY20, based on achievement of the performance measures outlined above, are set out in section 4 of the Remuneration Report.</p> <table border="1"> <thead> <tr> <th>Role</th><th>Performance measure</th></tr> </thead> <tbody> <tr> <td>CEO</td><td> <ul style="list-style-type: none"> <li>Customer engagement and corporate culture (15%)</li> <li>Grow the personal transport and payments business (15%)</li> <li>Initiation and execution of strategic initiatives (10%)</li> </ul> </td></tr> <tr> <td>Other executive KMP</td><td> <p>Position-specific performance measures tailored for each executive having regard to their role, responsibility and specific strategic goals over which they have influence. Examples include:</p> <ul style="list-style-type: none"> <li>Employee safety, remuneration and governance</li> <li>Grow Cabcharge accounts</li> <li>Risk management</li> <li>Strengthen booked trips</li> <li>Fleet growth</li> <li>Enrich Driver engagement</li> </ul> </td></tr> </tbody> </table>                                 | Role | Performance measure | CEO | <ul style="list-style-type: none"> <li>Customer engagement and corporate culture (15%)</li> <li>Grow the personal transport and payments business (15%)</li> <li>Initiation and execution of strategic initiatives (10%)</li> </ul> | Other executive KMP | <p>Position-specific performance measures tailored for each executive having regard to their role, responsibility and specific strategic goals over which they have influence. Examples include:</p> <ul style="list-style-type: none"> <li>Employee safety, remuneration and governance</li> <li>Grow Cabcharge accounts</li> <li>Risk management</li> <li>Strengthen booked trips</li> <li>Fleet growth</li> <li>Enrich Driver engagement</li> </ul> |
|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|---------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Role                                                                           | Performance measure                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |      |                     |     |                                                                                                                                                                                                                                     |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| CEO                                                                            | <ul style="list-style-type: none"> <li>Customer engagement and corporate culture (15%)</li> <li>Grow the personal transport and payments business (15%)</li> <li>Initiation and execution of strategic initiatives (10%)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |      |                     |     |                                                                                                                                                                                                                                     |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Other executive KMP                                                            | <p>Position-specific performance measures tailored for each executive having regard to their role, responsibility and specific strategic goals over which they have influence. Examples include:</p> <ul style="list-style-type: none"> <li>Employee safety, remuneration and governance</li> <li>Grow Cabcharge accounts</li> <li>Risk management</li> <li>Strengthen booked trips</li> <li>Fleet growth</li> <li>Enrich Driver engagement</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |      |                     |     |                                                                                                                                                                                                                                     |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p><b>How is performance tested?</b></p>                                       | <p>The Committee considers the CEO's performance against the performance measures set for the year and provides a recommendation of the STI to be paid (if any) to the Board for approval. The CEO considers the performance of other executive KMP against the performance measures set for the year and, in consultation with the Committee, provides a recommendation of the STI to be paid (if any) to the Board for approval. The Board may approve, amend or reject the recommendations.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |      |                     |     |                                                                                                                                                                                                                                     |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p><b>What happens on a change of control or other significant events?</b></p> | <p>If a change of control occurs before the end of the performance period, the Board will determine how STI awards will be dealt with. If a change of control occurs before the Board makes a determination, a pro rata amount of the STI award based on the proportion of the performance period that has elapsed at the time of the change of control will be paid.</p> <p>The Board has the discretion to vary the terms of STI awards so that executives are not unfairly advantaged (or disadvantaged) by factors outside their control. Any variations will be disclosed and explained in the Remuneration Report.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |                     |     |                                                                                                                                                                                                                                     |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p><b>Does the plan provide for clawback?</b></p>                              | <p>A2B has a clawback mechanism in place, which allows for the repayment of STI awards in cases involving fraud, dishonesty, breach of obligations (including a material misstatement of financial information), or any other omissions that result in an STI outcome. The Board may use its discretion to ensure that no unfair benefit is obtained, subject to applicable laws.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |      |                     |     |                                                                                                                                                                                                                                     |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p><b>What happens on termination of employment?</b></p>                       | <p>Where employment ends prior to the end of the performance period by reason of resignation, fraudulent or dishonest conduct, or termination for cause (including gross misconduct), any entitlement to the STI award will be forfeited at termination of employment.</p> <p>Where employment ends for any other reason, a pro rata portion of the STI award will remain on foot and will be tested at the end of the original performance period.</p> <p>The Board retains the discretion to vary the treatment set out above based on the specific circumstances surrounding the termination of employment.</p> <p>In respect of the deferred STI, when employment ends after payment of the initial STI instalment but prior to payment of the deferred portion of an STI award:</p> <ul style="list-style-type: none"> <li>By reason of fraudulent or dishonest conduct, or termination for gross misconduct, the entitlement to the deferred portion of the STI award will be forfeited at termination of employment.</li> <li>For any other reason, the deferred portion of the STI award will remain on foot and be paid in the ordinary course.</li> </ul> |      |                     |     |                                                                                                                                                                                                                                     |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p><b>Were any changes made in FY20?</b></p>                                   | <p>The STI performance measures were reviewed to ensure that they continue to align with strategic goals.</p> <p>To meaningfully assess performance in FY20 the year was separated into two parts; eight pre-COVID-19 months before the business was significantly impacted by the pandemic (July to February) and four months during the COVID-19 pandemic (March to June).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |      |                     |     |                                                                                                                                                                                                                                     |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

## LTI

Details of executive KMP LTI are disclosed below.

| <b>What is the LTI plan?</b>                  | The LTI plan provides participating executives with an opportunity to share in the long-term growth of A2B and aligns their interests with those of the Company's shareholders. All executive KMP are eligible and participated in the LTI plan in FY20.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                  |                                        |      |    |      |     |                |                                            |             |      |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------------|------|----|------|-----|----------------|--------------------------------------------|-------------|------|
| <b>What is the format for LTI awards?</b>     | LTI awards are delivered in the form of rights which are granted to participants for nil consideration. LTI awards are granted annually. The FY20 awards are subject to a three-year performance period. Rights vest at the end of the performance period, subject to the satisfaction of the performance measures set out below. There is no retesting of performance. On vesting, each right converts into one ordinary share (or if determined by the Board into the equivalent cash value). Any rights which do not vest immediately lapse.                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                  |                                        |      |    |      |     |                |                                            |             |      |
| <b>What is the performance period?</b>        | The performance period for the FY20 LTI award commenced on 1 July 2019 and will end on 30 June 2022. Subject to the satisfaction of the relevant performance measures, the FY20 award vests following testing of the performance measures, which is anticipated to occur following the release of the Company's audited financial results for the year ending 30 June 2022.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                  |                                        |      |    |      |     |                |                                            |             |      |
| <b>What is the maximum opportunity?</b>       | <p>The maximum LTI opportunity is set individually and based upon market benchmarks for the remuneration mix. This figure when compared to FAR is: CEO: 48% of FAR and other executives: on average 47% of FAR.</p> <p>The number of rights granted to individuals was calculated by dividing their maximum LTI opportunity by the volume weighted average market price ("<b>VWAP</b>") of the Company's shares over the 5 trading day period commencing 30 days after the date of the release of the Company's audited financial results for the year ended 30 June 2019. No discount is made for dividends foregone nor for performance or other considerations.</p>                                                                                                                                                                                                                                                                                                                                         |                                  |                                        |      |    |      |     |                |                                            |             |      |
| <b>What are the LTI performance measures?</b> | <p>The rights are subject to two performance metrics which are independent and will be tested separately.</p> <p><b>1. Absolute total shareholder return</b></p> <p>60% of the rights vest subject to absolute total shareholder return ("<b>aTSR</b>") performance over the performance period</p> <p>The aTSR metric requires minimum threshold performance of at least 4% compounded annual growth rate ("<b>CAGR</b>") in total shareholder return ("<b>TSR</b>") before any vesting will occur.</p> <p>The percentage of rights subject to the aTSR metric that vest, if any, will be determined by the Board in accordance with the following vesting schedule.</p> <table> <tr> <th><b>A2B aTSR CAGR performance</b></th><th><b>Rights that vest (% of tranche)</b></th></tr> <tr> <td>&lt; 4%</td><td>0%</td></tr> <tr> <td>= 4%</td><td>35%</td></tr> <tr> <td>&gt; 4% and &lt; 12%</td><td>Straight-line vesting between 35% and 100%</td></tr> <tr> <td>12% or more</td><td>100%</td></tr> </table> | <b>A2B aTSR CAGR performance</b> | <b>Rights that vest (% of tranche)</b> | < 4% | 0% | = 4% | 35% | > 4% and < 12% | Straight-line vesting between 35% and 100% | 12% or more | 100% |
| <b>A2B aTSR CAGR performance</b>              | <b>Rights that vest (% of tranche)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                  |                                        |      |    |      |     |                |                                            |             |      |
| < 4%                                          | 0%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                  |                                        |      |    |      |     |                |                                            |             |      |
| = 4%                                          | 35%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                  |                                        |      |    |      |     |                |                                            |             |      |
| > 4% and < 12%                                | Straight-line vesting between 35% and 100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                  |                                        |      |    |      |     |                |                                            |             |      |
| 12% or more                                   | 100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                  |                                        |      |    |      |     |                |                                            |             |      |

## Remuneration Report (continued)

### LTI (continued)

| <b>What are the LTI performance measures?</b><br>(continued)            | <p><b>2. Indexed total shareholder return</b></p> <p>40% of the rights vest subject to indexed total shareholder return ("iTSR") performance over the performance period.</p> <p>The vesting of the rights subject to the iTSR metric will be determined by comparing the Company's TSR with the movement of the S&amp;P/ASX 300 Index ("Index") over the performance period.</p> <p>The iTSR metric requires minimum threshold performance of at least 100% of the Index before any vesting will occur.</p> <p>The percentage of rights subject to the iTSR metric that vest, if any, will be determined by the Board in accordance with the following vesting schedule.</p> <table border="1"> <thead> <tr> <th>A2B iTSR performance</th><th>Rights that vest (% of tranche)</th></tr> </thead> <tbody> <tr> <td>&lt; 100% of Index</td><td>0%</td></tr> <tr> <td>= 100% of Index</td><td>25%</td></tr> <tr> <td>&gt; 100% of Index and &lt; 100% of Index +8% CAGR</td><td>Straight-line vesting between 25% and 100%</td></tr> <tr> <td>&gt; 100% of Index +8% CAGR</td><td>100%</td></tr> </tbody> </table> <p>Decisions regarding the level of performance achieved and relevant remuneration outcomes will be made by the Board according to the above vesting schedules following the end of the performance period, with the outcomes communicated to shareholders in the Remuneration Report.</p> | A2B iTSR performance | Rights that vest (% of tranche) | < 100% of Index | 0% | = 100% of Index | 25% | > 100% of Index and < 100% of Index +8% CAGR | Straight-line vesting between 25% and 100% | > 100% of Index +8% CAGR | 100% |
|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------------------|-----------------|----|-----------------|-----|----------------------------------------------|--------------------------------------------|--------------------------|------|
| A2B iTSR performance                                                    | Rights that vest (% of tranche)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                      |                                 |                 |    |                 |     |                                              |                                            |                          |      |
| < 100% of Index                                                         | 0%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                                 |                 |    |                 |     |                                              |                                            |                          |      |
| = 100% of Index                                                         | 25%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                      |                                 |                 |    |                 |     |                                              |                                            |                          |      |
| > 100% of Index and < 100% of Index +8% CAGR                            | Straight-line vesting between 25% and 100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                      |                                 |                 |    |                 |     |                                              |                                            |                          |      |
| > 100% of Index +8% CAGR                                                | 100%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                      |                                 |                 |    |                 |     |                                              |                                            |                          |      |
| <b>What happens on a change of control or other significant events?</b> | <p>Where a change of control event occurs, the Board has discretion to determine the proportion of LTI awards to vest and may have regard to the executive's tenure, the proportion of the performance period that has elapsed, the extent to which the performance conditions have been satisfied at the time of the change of control and the interests of the Company's shareholders.</p> <p>If a change of control occurs before the Board exercises its discretion, a pro rata number of unvested LTI awards will vest based on the extent to which the performance conditions are satisfied (or are estimated to have been satisfied) and the proportion of the performance period that has elapsed at the time of the change of control.</p> <p>The Board may adjust the terms of LTI awards in exceptional situations where participants may be unfairly advantaged (or disadvantaged) by external factors outside of their control. The Board in all circumstances will ensure any variation takes into account the purpose of the LTI plan and achievement against the relevant performance conditions up until the relevant time. Any variations will be disclosed and explained in the Remuneration Report.</p>                                                                                                                                                                                 |                      |                                 |                 |    |                 |     |                                              |                                            |                          |      |
| <b>Does the plan provide for clawback?</b>                              | <p>The Company has a clawback mechanism in place, which allows for the lapsing and/or clawback of LTI awards in cases involving fraud, dishonesty, breach of obligations (including a material misstatement of financial information), or any other act or omission that result in an inappropriate LTI outcome. The Board may use its discretion to ensure that no unfair benefit is obtained by a participant, subject to applicable laws.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                      |                                 |                 |    |                 |     |                                              |                                            |                          |      |
| <b>What happens on termination of employment?</b>                       | <p>Where employment ends prior to the end of the performance period due to resignation, termination for cause or poor performance, unvested LTI awards will lapse. Where the employment ends for any other reason, unvested LTI awards will continue on-foot and be tested at the end of the original performance period against the relevant performance conditions. However, the Board has an overriding discretion to apply another treatment if it deems it appropriate.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                      |                                 |                 |    |                 |     |                                              |                                            |                          |      |
| <b>Were any changes made in FY20?</b>                                   | <p>No change to performance measures and period were made in FY20.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                      |                                 |                 |    |                 |     |                                              |                                            |                          |      |

### Executive KMP contracts

The Company has a contemporary standard executive service agreement. The remuneration arrangements for executive KMP are formalised in these agreements.

**Table 3: Executive KMP contract terms**

| Executive       | Contract term | Notice period <sup>1</sup> | Executive                   | Contract term | Notice period <sup>1</sup> |
|-----------------|---------------|----------------------------|-----------------------------|---------------|----------------------------|
| Andrew Skelton  | Ongoing       | 12 months                  | Fred Lukabyo <sup>2,3</sup> | Ongoing       | 9 months                   |
| Adrian Lucchese | Ongoing       | 6 months                   | Stuart Overell              | Ongoing       | 6 months                   |
| Deon Ludick     | Ongoing       | 6 months                   | Ton van Hoof                | Ongoing       | 6 months                   |

- The length of the notice period is the same for the executive KMP and the Company. The Board has the discretion to make payments to executive KMP lieu of notice.
- In relation to Mr Lukabyo's notice period, up until 30 June 2020 both he and the Company are required to give nine months' notice. From 1 July 2020 both Mr Lukabyo and the Company are required to give six months' notice.
- Mr Lukabyo has resigned as an executive and his employment with the Company ceased on 30 June 2020.

## 4. Executive KMP remuneration outcomes for FY20

The coronavirus pandemic has had a significant impact on economic activity and has had a material impact on the Company's business and operations. To meaningfully assess executive performance in FY20 the year was separated into two parts:

- Months pre-COVID-19 pandemic, before the business was significantly impacted (July 2019 to February 2020) (**Pre-COVID-19 Period**); and
- Four months during the COVID-19 pandemic, where executives were expected to change focus to supporting the Company's immediate response to the pandemic (March 2020 to June 2020) (**COVID-19 Affected Period**).

In respect of the Pre-COVID-19 Period, it was decided that no portion of the Group-wide financial component of the FY20 STI would be awarded.

In respect of the COVID-19 Affected Period, the Board assessed performance having regard to the outcomes and behaviours of management in responding to the challenges resulting from the coronavirus pandemic. The Board had particular regard to achievement against the changed strategic objectives of the business. This included the need to support the financial strength and liquidity of the Company, as the essential components for the Company's ability to sustain, improve and transform its business to deliver shareholder value. Examples of the financial measures taken into account in this respect were:

- Cash preservation;
- Short and long term liquidity;
- Delivering new revenue streams

Beginning in March 2020, the executive developed and implemented a COVID-19 financial strategy that was executed with powerful effect. It focussed on:

- Cash preservation and liquidity
- Securing targeted support and contract opportunities with State Governments driving a \$16 million improvement in liquidity levels over 4Q20
- Securing new revenue opportunities of over \$10 million
- Setting up sanitisation stations at its major operations sites and partnering with State Governments to deliver sanitisation services to all participants in personal transport and emergency services to increase safety for Passengers and Drivers and assisting in reducing the spread of coronavirus
- Accelerated product development targeting COVID-19 related opportunities (eg 13things, Fixed Price Trips)
- Geographic expansion of the 13cabs network (eg Dubbo, Townsville, Toowoomba, Goondiwindi, Wollongong, Darwin)

The success of this program enabled the payment of the interim dividend to shareholders while the Company remained in a net cash position. In addition, the business now has the financial strength to emerge from the challenges presented by the coronavirus pandemic. It is an extraordinary result during unprecedented times and was only possible through a sustained, focused and cohesive effort by each member of the executive team.

Accordingly, on the basis of this strong performance against the changed strategic objectives of the Company, the Board determined to award 20% of the target STI opportunity in respect of the Group-wide financial performance measure for FY20 (being 'at target' achievement for the COVID-19 Affected Period).

### FAR

The fixed annual remuneration of executive KMP for FY20 is set out at table 2 on page 49. Due to the impact of the COVID-19 pandemic, the Board has decided to defer the scheduled FY21 FAR review for executives to FY22.

### STI performance and outcomes

The CEO assessed the performance of each executive KMP against their individual FY20 STI performance measures with recommendations presented to the Committee. The Committee also assessed the performance of the CEO with reference to his STI performance measures and made recommendations to the Board.

The Board considered the material provided to the Committee, its recommendations, and the annual financial results. This year the impact of the COVID-19 pandemic has also been a factor the Board has taken into account. The Board also agreed with the recommendations in relation to the individual performance of each executive KMP and the applicable value payable.

## Remuneration Report (continued)

In respect of the CEO's FY20 STI outcomes, the Board approved the following.

| <b>FY20 STI Outcomes</b>                          | <b>% outcome awarded for FY20</b> | <b>% weighting of FY20 STI opportunity (at Target)</b> |
|---------------------------------------------------|-----------------------------------|--------------------------------------------------------|
| <b>Group-wide financial performance measure</b>   |                                   |                                                        |
| Pre-COVID-19 Period                               | 0%                                | Target 40%                                             |
| COVID-19 Affected Period                          | 100%                              | Target 20%                                             |
| <b>Individual strategic performance measures</b>  |                                   |                                                        |
| Customer engagement and corporate culture         | 100%                              | Target 15%                                             |
| Grow the personal transport and payments business | 50%                               | Target 15%                                             |
| Initiation and execution of strategic initiative  | 100%                              | Target 10%                                             |

The individual FY20 STI outcomes for each executive KMP, including percentages and values payable are detailed in the table below.

**Table 4: FY20 STI award outcomes**

| <b>Executive</b>          | <b>Maximum FY20 STI opportunity \$</b> | <b>STI earned in FY20 \$</b> | <b>% of maximum opportunity achieved</b> | <b>% of maximum STI opportunity forfeited</b> |
|---------------------------|----------------------------------------|------------------------------|------------------------------------------|-----------------------------------------------|
| Andrew Skelton            | 400,000                                | 210,000 <sup>1</sup>         | 53                                       | 47                                            |
| Adrian Lucchese           | 150,000                                | 85,000                       | 57                                       | 43                                            |
| Deon Ludick               | 150,000                                | 72,500                       | 48                                       | 52                                            |
| Fred Lukabyo <sup>2</sup> | N/A                                    | N/A                          | N/A                                      | N/A                                           |
| Stuart Overell            | 150,000                                | 68,250                       | 46                                       | 54                                            |
| Ton van Hoof              | 150,000                                | 71,625                       | 48                                       | 52                                            |

1 25% of the STI earned in FY20 being \$52,500 is deferred and paid in two equal instalments of \$26,250 in July 2021 and \$26,250 in July 2022.

2 Mr Lukabyo resigned as an executive and his employment with the Company ceased on 30 June 2020. His package took into account both FAR and STI entitlements.

## LTI performance and outcomes

The Company's shareholders approved the LTI plan in November 2014. The second tranche of performance rights under the LTI plan were granted for the performance period 1 July 2015 – 30 June 2019. The rights were tested in September 2019 and, due to regulatory and market disruption and disruptors, did not vest and lapsed immediately as the performance conditions attached to the rights, being an absolute TSR and a compound annual growth hurdle, were not achieved. Further details are shown in table 7 on page 60.

## Snapshot of Group performance

**Table 5: Performance outcomes for the last five years**

|                                                         |         | <b>FY20</b> | <b>FY19</b> | <b>FY18</b> | <b>FY17</b> | <b>FY16</b> |
|---------------------------------------------------------|---------|-------------|-------------|-------------|-------------|-------------|
| Profit after tax from continuing operations             | (\$m)   | (23.7)      | 11.9        | (1.9)       | 13.8        | 10.3        |
| (Loss) Profit attributable to the owners of the Company | (\$m)   | (23.8)      | 11.8        | (2.2)       | (90.5)      | 25.6        |
| Dividend paid                                           | (\$m)   | 9.6         | 9.6         | 16.9        | 120.4       | 24.1        |
| Dividend paid per share fully franked                   | (cents) | 8           | 8           | 14          | 100         | 20          |
| Closing share price at 30 June                          | (\$)    | 0.81        | 1.77        | 2.4         | 2.53        | 3.19        |

Note: Opening share price in FY16 was \$3.66.

## Executive remuneration in FY20

The statutory remuneration of each executive KMP in FY20 is set out in the table below.

**Table 6: FY20 executive KMP remuneration (statutory)**

| Executive       |      | Short-term benefits |                      |                                   | Post employment benefits         |                         |                                      | Share based payments | Total     | Performance related rem % of total rem <sup>2</sup> |
|-----------------|------|---------------------|----------------------|-----------------------------------|----------------------------------|-------------------------|--------------------------------------|----------------------|-----------|-----------------------------------------------------|
|                 |      | Salary and fees \$  | STI \$               | Non-cash benefits <sup>1</sup> \$ | Super-annuation contributions \$ | Termination benefits \$ | Other long-term employee benefits \$ | LTI \$               |           |                                                     |
| Andrew Skelton  | 2020 | 804,022             | 210,000 <sup>3</sup> | 16,740                            | 21,003                           | –                       | 27,727                               | 189,440              | 1,268,932 | 31.48%                                              |
|                 | 2019 | 779,469             | 360,000 <sup>4</sup> | 59,848                            | 20,531                           | –                       | 53,413                               | 82,404               | 1,355,665 | 32.63%                                              |
| Adrian Lucchese | 2020 | 399,010             | 85,000               | 16,997                            | 21,003                           | –                       | 7,474                                | 94,720               | 624,204   | 28.79%                                              |
|                 | 2019 | 389,468             | 135,000              | 5,324                             | 20,531                           | –                       | 3,658                                | 46,428               | 600,409   | 30.22%                                              |
| Deon Ludick     | 2020 | 429,029             | 72,500               | 10,259                            | 24,399                           | –                       | 3,025                                | 83,525               | 622,737   | 25.05%                                              |
|                 | 2019 | 399,469             | 131,250              | –                                 | 20,531                           | –                       | 658                                  | 45,732               | 597,640   | 29.61%                                              |
| Fred Lukabyo    | 2020 | 445,986             | –                    | –                                 | 42,005                           | 286,312                 | 9,656                                | 88,193               | 872,152   | 10.11%                                              |
|                 | 2019 | 429,469             | 110,000              | 13,394                            | 20,531                           | –                       | 12,604                               | 49,003               | 635,001   | 25.04%                                              |
| Stuart Overell  | 2020 | 404,014             | 68,250               | –                                 | 21,003                           | –                       | 10,932                               | 94,720               | 598,919   | 27.21%                                              |
|                 | 2019 | 394,509             | 110,000              | –                                 | 20,531                           | –                       | –                                    | 46,428               | 571,468   | 27.37%                                              |
| Ton van Hoof    | 2020 | 379,020             | 71,625               | 26,839                            | 21,003                           | –                       | 3,823                                | 63,025               | 565,335   | 23.82%                                              |
|                 | 2019 | 329,468             | 133,125              | 15,296                            | 20,531                           | –                       | 2,190                                | 25,232               | 525,842   | 30.11%                                              |
| Total           | 2020 | 2,861,081           | 507,375              | 70,835                            | 150,416                          | 286,312                 | 62,637                               | 613,623              | 4,552,279 | 24.62%                                              |
|                 | 2019 | 2,721,852           | 979,375              | 93,863                            | 123,186                          | –                       | 72,523                               | 295,227              | 4,286,025 | 29.74%                                              |

1 Movements in accruals for annual leave and reportable fringe benefits are disclosed as non-cash benefits. Other long-term employee benefits represent provisions for long service leave.

2 This represents the percentage of the total remuneration that relates to performance.

3 \$52,500 is deferred and will be paid in two equal instalments of \$26,250 the first in July 2021 and the second in July 2022.

4 \$90,000 is deferred and will be paid in two equal instalments of \$45,000 the first in July 2020 and the second in July 2021.

## LTI awards held by executive KMP

Details of all outstanding rights granted to executive KMP as LTI awards are set out in the table below. The tranche of performance rights under the LTI plan granted for the performance period 1 July 2015 – 30 June 2019 were tested in September 2019 and, due to regulatory and market disruption and disruptors, did not vest and lapsed immediately as the performance conditions attached to the rights, being an absolute TSR and a compound annual growth hurdle, were not achieved. Further details are shown in table 11 on page 63.

## Remuneration Report (continued)

Table 7: LTI rights held by executive KMP

| Executive       | Grant Date       | Performance period            | Number of rights granted | Performance conditions              | Vesting date      |
|-----------------|------------------|-------------------------------|--------------------------|-------------------------------------|-------------------|
| Andrew Skelton  | 1 July 2020      | 1 July 2019<br>– 30 June 2022 | 275,862                  | Absolute TSR hurdle and indexed TSR | September 2022    |
|                 | 21 February 2019 | 1 July 2018<br>– 30 June 2021 | 179,372                  | Absolute TSR hurdle and indexed TSR | September 2021    |
|                 | 22 February 2018 | 1 July 2017<br>– 30 June 2021 | 222,222                  | Absolute TSR hurdle                 | 14 September 2021 |
|                 | 30 January 2017  | 1 July 2016<br>– 30 June 2020 | 124,611                  | Absolute TSR hurdle and ROE hurdle  | 14 September 2020 |
| Adrian Lucchese | 1 July 2020      | 1 July 2019<br>– 30 June 2022 | 137,931                  | Absolute TSR hurdle and indexed TSR | September 2022    |
|                 | 21 February 2019 | 1 July 2018<br>– 30 June 2021 | 89,686                   | Absolute TSR hurdle and indexed TSR | September 2021    |
|                 | 15 February 2018 | 1 July 2017<br>– 30 June 2021 | 111,111                  | Absolute TSR hurdle                 | 14 September 2021 |
|                 | 30 January 2017  | 1 July 2016<br>– 30 June 2020 | 62,305                   | Absolute TSR hurdle and ROE hurdle  | 14 September 2020 |
| Deon Ludick     | 1 July 2020      | 1 July 2019<br>– 30 June 2022 | 137,931                  | Absolute TSR hurdle and indexed TSR | September 2022    |
|                 | 21 February 2019 | 1 July 2018<br>– 30 June 2021 | 89,686                   | Absolute TSR hurdle and indexed TSR | September 2021    |
|                 | 15 February 2018 | 1 July 2017<br>– 30 June 2021 | 83,333                   | Absolute TSR hurdle                 | 14 September 2021 |
|                 | 30 January 2017  | 1 July 2016<br>– 30 June 2020 | 31,153                   | Absolute TSR hurdle and ROE hurdle  | 14 September 2020 |
| Fred Lukabyo    | 21 February 2019 | 1 July 2018<br>– 30 June 2021 | 89,686                   | Absolute TSR hurdle and indexed TSR | September 2021    |
|                 | 15 February 2018 | 1 July 2017<br>– 30 June 2021 | 83,333                   | Absolute TSR hurdle                 | 14 September 2021 |
|                 | 19 June 2017     | 1 July 2016<br>– 30 June 2020 | 46,729                   | Absolute TSR hurdle and ROE hurdle  | 14 September 2020 |
| Stuart Overell  | 1 July 2020      | 1 July 2019<br>– 30 June 2022 | 137,931                  | Absolute TSR hurdle and indexed TSR | September 2022    |
|                 | 21 February 2019 | 1 July 2018<br>– 30 June 2021 | 89,686                   | Absolute TSR hurdle and indexed TSR | September 2021    |
|                 | 15 February 2018 | 1 July 2017<br>– 30 June 2021 | 111,111                  | Absolute TSR hurdle                 | 14 September 2021 |
|                 | 30 January 2017  | 1 July 2016<br>– 30 June 2020 | 62,305                   | Absolute TSR hurdle and ROE hurdle  | 14 September 2020 |
| Ton van Hoof    | 1 July 2020      | 1 July 2019<br>– 30 June 2022 | 137,931                  | Absolute TSR hurdle and indexed TSR | September 2022    |
|                 | 21 February 2019 | 1 July 2018<br>– 30 June 2021 | 89,686                   | Absolute TSR hurdle and indexed TSR | September 2021    |

## 5. Non-executive Director fee arrangements

### Board and committee fees

Non-executive Director (“NED”) fees are paid out of an aggregate fee pool of \$1.3 million per annum which was approved by shareholders on 26 November 2014. The fee pool is inclusive of statutory entitlements (including superannuation). When recommending the aggregate fee pool for shareholder approval, the Board considers the fees required to attract and retain NEDs with the necessary skills and experience whilst incurring a cost acceptable to our shareholders.

NED fees consist of Board fees and committee fees. The payment of additional fees for serving on a committee recognises the additional time commitment required by NEDs. The Chairman of the Board is not eligible for additional fees for serving on committees. Fees are not linked to performance and no STI or LTI is provided to NEDs.

### Fees in FY20

In August 2019, the Committee reviewed the NED fees for FY20. Having taken into account the Committee’s recommendation, the Board determined an increase in the RANC Chairman fees from \$16,000 to \$20,000 and a 2.5% NED fee increase (rounded to the nearest thousand) for all Chairman and Member fees for FY20.

The table below summarises NED fees payable in respect of FY20.

**Table 8: Board and committee fees**

|                                        | Chairman<br>\$ | Member<br>\$ |
|----------------------------------------|----------------|--------------|
| Board                                  | 226,000        | 103,000      |
| Audit and Risk Committee               | 21,000         | 11,000       |
| Remuneration and Nominations Committee | 21,000         | 11,000       |

The Board and committee fees outlined in the table above include statutory superannuation contributions. NEDs do not receive retirement benefits other than statutory superannuation.

### NED remuneration in FY20

The statutory remuneration of each NED for FY20 is set out in the table below.

**Table 9: FY20 NED remuneration (statutory)**

|                                       |             | Short-term<br>benefits<br><br>Salary and fees<br>\$ | Post-<br>employment<br>benefits<br><br>Superannuation<br>contributions<br>\$ | Total<br>\$    |
|---------------------------------------|-------------|-----------------------------------------------------|------------------------------------------------------------------------------|----------------|
| <b>Paul Oneile</b>                    | <b>2020</b> | <b>206,397</b>                                      | <b>19,608</b>                                                                | <b>226,005</b> |
| Chairman                              | 2019        | 200,913                                             | 19,087                                                                       | 220,000        |
| <b>David Grant</b>                    | <b>2020</b> | <b>9,936</b>                                        | <b>944</b>                                                                   | <b>10,880</b>  |
| Non-executive Director                | 2019        | –                                                   | –                                                                            | –              |
| <b>Louise McCann</b>                  | <b>2020</b> | <b>123,293</b>                                      | <b>11,713</b>                                                                | <b>135,006</b> |
| Non-executive Director                | 2019        | 114,840                                             | 10,910                                                                       | 125,750        |
| <b>Richard Millen</b>                 | <b>2020</b> | <b>109,659</b>                                      | <b>25,343</b>                                                                | <b>135,002</b> |
| Non-executive Director                | 2019        | 106,004                                             | 24,996                                                                       | 131,000        |
| <b>Clifford Rosenberg<sup>1</sup></b> | <b>2020</b> | <b>125,000</b>                                      | <b>–</b>                                                                     | <b>125,000</b> |
| Non-executive Director                | 2019        | 122,000                                             | –                                                                            | 122,000        |
| <b>Total fees</b>                     | <b>2020</b> | <b>574,285</b>                                      | <b>57,608</b>                                                                | <b>631,893</b> |
|                                       | 2019        | 543,757                                             | 54,993                                                                       | 598,750        |

1 Mr Rosenberg’s fees were invoiced and paid monthly to Rosenberg Trading Pty Ltd, a personal services company nominated by him.

## 6. Additional disclosures relating to securities

### Shares

In order to align the interests of NEDs with the Company's shareholders, the Board has adopted a policy that requires each NED to accumulate a minimum shareholding equivalent to their annual base fee. NEDs who were members of the Board before 20 June 2016 have three years from this date to meet the expected level of share ownership. NEDs appointed after 20 June 2016 have three years from their appointment date to meet the expected level of share ownership.

In light of the COVID-19 pandemic, the Board resolved in April to suspend the requirement for NEDs to comply with a minimum shareholding level under the policy for 12 months and re-evaluate the policy and requirement at that time.

Executive KMP are granted rights under the LTI plan which convert into shares on the achievement of performance measures. The second tranche of performance rights under the LTI plan granted for the performance period 1 July 2015 – 30 June 2019 were tested in September 2019 and, due to regulatory and market disruption and disruptors, did not vest and lapsed immediately as the performance conditions attached to the rights, being an absolute TSR and a compound annual growth hurdle, were not achieved. Further details are shown in table 11 on page 63.

The relevant interests of each KMP (and their related parties) in the share capital of the Company for FY20 are detailed in the table below.

**Table 10: Shareholdings of KMP and their related parties**

|                                 | Balance 1 July 2019 |                   | Received as remuneration |                   | Net other change |                   | Balance 30 June 2020 |                   |
|---------------------------------|---------------------|-------------------|--------------------------|-------------------|------------------|-------------------|----------------------|-------------------|
|                                 | Direct interest     | Indirect interest | Direct interest          | Indirect interest | Direct interest  | Indirect interest | Direct interest      | Indirect interest |
| <b>Non-executive Director</b>   |                     |                   |                          |                   |                  |                   |                      |                   |
| Paul Oneile <sup>1</sup>        | –                   | 56,968            | –                        | –                 | 50,000           | –                 | 50,000               | 56,968            |
| Louise McCann <sup>2</sup>      | –                   | 33,800            | –                        | –                 | –                | 15,000            | –                    | 48,800            |
| Richard Millen <sup>3</sup>     | –                   | 60,000            | –                        | –                 | –                | –                 | –                    | 60,000            |
| Clifford Rosenberg <sup>4</sup> | –                   | 111,307           | –                        | –                 | –                | –                 | –                    | 111,307           |
| David Grant                     | –                   | –                 | –                        | –                 | –                | –                 | –                    | –                 |
| <b>Executive</b>                |                     |                   |                          |                   |                  |                   |                      |                   |
| Andrew Skelton                  | 6,861               | –                 | –                        | –                 | 14,000           | –                 | 20,861               | –                 |
| Adrian Lucchese                 | 3,856               | –                 | –                        | –                 | –                | –                 | 3,856                | –                 |
| Deon Ludick                     | –                   | –                 | –                        | –                 | –                | –                 | –                    | –                 |
| Fred Lukabyo                    | 2,450               | –                 | –                        | –                 | –                | –                 | 2,450                | –                 |
| Stuart Overell                  | –                   | –                 | –                        | –                 | –                | –                 | –                    | –                 |
| Ton van Hoof                    | –                   | –                 | –                        | –                 | 10,565           | –                 | 10,565               | –                 |

1 56,968 fully paid ordinary shares held by PNM Management Pty Ltd atf the Kyambra Superannuation Fund.

2 48,800 fully paid ordinary shares held by Tyrrell McCann Pty Ltd atf the Tyrrell McCann Superannuation Fund.

3 60,000 fully paid ordinary shares held by Woor Pty Ltd atf the Millen Superannuation Fund.

4 111,307 fully paid ordinary shares held by Cliffro Pty Ltd atf the Cliffro Trust.

## Rights

The table below details the performance rights granted to executive KMP under the LTI plan as part of their remuneration.

**Table 11: Rights granted under the LTI plan to executive KMP**

| Executive                 | Balance<br>1 July 2019 | Number<br>of rights<br>granted<br>in FY20 <sup>1</sup> | Value<br>of rights<br>granted<br>in FY20 | Net other<br>change | Vested | Value<br>of rights<br>vested | Lapsed | Balance<br>30 June 2020 |
|---------------------------|------------------------|--------------------------------------------------------|------------------------------------------|---------------------|--------|------------------------------|--------|-------------------------|
| Andrew Skelton            | 604,829                | 275,862                                                | 400,000                                  | –                   | –      | –                            | 78,624 | 802,067                 |
| Adrian Lucchese           | 289,349                | 137,931                                                | 200,000                                  | –                   | –      | –                            | 26,247 | 401,033                 |
| Deon Ludick               | 204,172                | 137,931                                                | 200,000                                  | –                   | –      | –                            | –      | 342,103                 |
| Fred Lukabyo <sup>2</sup> | 219,748                | –                                                      | –                                        | –                   | –      | –                            | –      | 219,748                 |
| Stuart Overell            | 289,349                | 137,931                                                | 200,000                                  | –                   | –      | –                            | 26,247 | 401,033                 |
| Ton van Hoof              | 89,686                 | 137,931                                                | 200,000                                  | –                   | –      | –                            | –      | 227,617                 |

- 1 For performance rights granted as remuneration, the fair value is \$680,276. The fair value has been calculated by an independent advisor as at the date of grant, using a Monte Carlo simulation model for the total shareholder return (\$0.79 per absolute TSR right and \$0.87 per relative TSR right).

- 2 Mr Lukabyo resigned on 30 June 2020.

## 7. Transactions with KMP and their related parties

No loans were made, guaranteed, or secured, to KMP or any of their related parties.

There were no transactions between the Company (or any of its controlled entities) and any KMP (or their related parties) other than those within the normal employee, customer or supplier relationship on terms no more favourable than arms' length. Information about these transactions would not adversely affect investment decisions by shareholders, or the discharge of accountability by KMP.

## 8. Shareholder voting for the 2019 Remuneration Report

The Company received a "yes" vote on 99% of votes cast on its Remuneration Report for the 2019 financial year. The Board is committed to ongoing and transparent engagement with all stakeholders. It will continue to review the effectiveness of the Company's remuneration practices and their alignment with strategic performance objectives to appropriately reward its executives and deliver shareholder value.

# Auditor's Independence Declaration



## Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

### To the Directors of A2B Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of A2B Australia Limited for the financial year ended 30 June 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

A handwritten signature in black ink, appearing to read 'C Slapp'.

Cameron Slapp  
Partner  
Sydney

25 August 2020

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

# Consolidated Financial Statements

for the year ended 30 June 2020

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# Consolidated Statement of Comprehensive Income

for the year ended 30 June 2020

|                                                                       | Notes   | 2020<br>\$'000  | 2019<br>\$'000 |
|-----------------------------------------------------------------------|---------|-----------------|----------------|
| Revenue                                                               | 3       | 170,894         | 197,943        |
| Other income                                                          | 3       | 9,010           | 259            |
| Processing fees to taxi networks                                      |         | (6,461)         | (6,707)        |
| Brokered taxi plate licence costs                                     |         | (18,592)        | (21,963)       |
| Other taxi related costs                                              |         | (5,572)         | (6,322)        |
| Taxi operating expenses                                               |         | (8,985)         | (7,057)        |
| Courier service expenses                                              |         | (3,198)         | (3,048)        |
| Employee benefits expenses                                            |         | (66,696)        | (62,179)       |
| Cost of cars and hardware sold                                        |         | (6,330)         | (6,559)        |
| General and administrative expenses                                   |         | (40,198)        | (40,165)       |
| Depreciation                                                          | 10 & 29 | (14,051)        | (11,069)       |
| Amortisation                                                          | 12 & 14 | (3,720)         | (3,481)        |
| Impairment charges                                                    | 12 & 14 | (14,983)        | -              |
| Other expenses                                                        |         | (15,653)        | (11,883)       |
| <b>Results from operating activities</b>                              |         | <b>(24,535)</b> | <b>17,769</b>  |
| Finance income                                                        | 4       | 77              | 214            |
| Finance costs                                                         |         | (1,416)         | (804)          |
| <b>Net finance costs</b>                                              |         | <b>(1,339)</b>  | <b>(590)</b>   |
| <b>(Loss)/Profit before income tax</b>                                |         | <b>(25,874)</b> | <b>17,179</b>  |
| Income tax benefit/(expense)                                          | 5       | 2,179           | (5,296)        |
| <b>(Loss)/Profit after tax for the year</b>                           |         | <b>(23,695)</b> | <b>11,883</b>  |
| <b>Other comprehensive income</b>                                     |         |                 |                |
| <i>Items that may be reclassified subsequently to profit or loss:</i> |         |                 |                |
| Foreign exchange translation differences, net of tax                  |         | (52)            | (83)           |
| <i>Items that will not be reclassified to profit or loss:</i>         |         |                 |                |
| Net change in fair value of financial assets                          |         | (477)           | (498)          |
| <b>Other comprehensive loss for the year, net of income tax</b>       |         | <b>(529)</b>    | <b>(581)</b>   |
| <b>Total comprehensive (loss)/income for the year</b>                 |         | <b>(24,224)</b> | <b>11,302</b>  |
| <b>Attributable to:</b>                                               |         |                 |                |
| Owners of the Company                                                 |         | (23,820)        | 11,822         |
| Non-controlling interest                                              |         | 125             | 61             |
| <b>Total (loss)/profit for the year</b>                               |         | <b>(23,695)</b> | <b>11,883</b>  |
| Owners of the Company                                                 |         | (24,349)        | 11,241         |
| Non-controlling interest                                              |         | 125             | 61             |
| <b>Total comprehensive (loss)/income for the year</b>                 |         | <b>(24,224)</b> | <b>11,302</b>  |
| Earnings per share                                                    |         |                 |                |
| Basic earnings per share                                              | 20      | (19.8 cents)    | 9.8 cents      |
| Diluted earnings per share                                            | 20      | (19.8 cents)    | 9.8 cents      |

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the consolidated financial statements.

# Consolidated Statement of Financial Position

as at 30 June 2020

|                                                           | Notes | 2020<br>\$'000 | 2019<br>\$'000 |
|-----------------------------------------------------------|-------|----------------|----------------|
| <b>Current assets</b>                                     |       |                |                |
| Cash and cash equivalents                                 | 30    | 25,759         | 19,172         |
| Trade and other receivables                               | 6     | 34,217         | 72,559         |
| Inventories                                               | 7     | 3,009          | 3,401          |
| Prepayments                                               |       | 3,987          | 5,324          |
| <b>Total current assets</b>                               |       | <b>66,972</b>  | <b>100,456</b> |
| <b>Non-current assets</b>                                 |       |                |                |
| Trade and other receivables                               | 6     | 5,624          | 4,880          |
| Financial assets                                          | 8     | 1,298          | 2,186          |
| Property, plant and equipment                             | 10    | 39,740         | 38,923         |
| Right-of-use assets                                       | 29    | 17,820         | –              |
| Net deferred tax assets                                   | 11    | 6,122          | 4,111          |
| Taxi plate licences                                       | 12    | 3,275          | 17,459         |
| Goodwill                                                  | 13    | 27,487         | 25,708         |
| Intellectual property                                     | 14    | 22,328         | 21,185         |
| <b>Total non-current assets</b>                           |       | <b>123,694</b> | <b>114,452</b> |
| <b>Total assets</b>                                       |       | <b>190,666</b> | <b>214,908</b> |
| <b>Current liabilities</b>                                |       |                |                |
| Contract liabilities, trade and other payables            | 15    | 29,509         | 37,913         |
| Loans and borrowings                                      | 16    | 2,031          | 2,701          |
| Lease liabilities                                         | 29    | 2,262          | –              |
| Current tax liabilities                                   |       | 4              | 1,120          |
| Provisions                                                | 17    | 8,267          | 7,527          |
| <b>Total current liabilities</b>                          |       | <b>42,073</b>  | <b>49,261</b>  |
| <b>Non-current liabilities</b>                            |       |                |                |
| Lease liabilities                                         | 29    | 15,926         | –              |
| Provisions                                                | 17    | 1,345          | 1,561          |
| <b>Total non-current liabilities</b>                      |       | <b>17,271</b>  | <b>1,561</b>   |
| <b>Total liabilities</b>                                  |       | <b>59,344</b>  | <b>50,822</b>  |
| <b>Net assets</b>                                         |       | <b>131,322</b> | <b>164,086</b> |
| <b>Equity</b>                                             |       |                |                |
| Share capital                                             | 18    | 138,325        | 138,325        |
| Other reserves                                            | 18    | 433            | 71             |
| Profits reserve                                           |       | 18,823         | –              |
| Retained earnings                                         |       | (27,305)       | 25,513         |
| <b>Total equity attributable to owners of the Company</b> |       | <b>130,276</b> | <b>163,909</b> |
| Non-controlling interest                                  |       | 1,046          | 177            |
| <b>Total equity</b>                                       |       | <b>131,322</b> | <b>164,086</b> |

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial statements.

# Consolidated Statement of Cash Flows

for the year ended 30 June 2020

|                                                             | Notes | 2020<br>\$'000  | 2019<br>\$'000  |
|-------------------------------------------------------------|-------|-----------------|-----------------|
| <b>Cash flows from operating activities</b>                 |       |                 |                 |
| Receipts from customers and others                          |       | 989,728         | 1,196,468       |
| Payments to suppliers, licensees and employees              |       | (949,794)       | (1,166,085)     |
| Dividends received                                          |       | 387             | 261             |
| Interest received                                           |       | 77              | 214             |
| Finance costs paid                                          |       | (1,165)         | (681)           |
| Income tax paid                                             |       | (1,258)         | (3,786)         |
| <b>Net cash provided by operating activities</b>            | 30    | <b>37,975</b>   | <b>26,391</b>   |
| <b>Cash flows from investing activities</b>                 |       |                 |                 |
| Purchase of property, plant and equipment                   |       | (11,542)        | (10,084)        |
| Payments for development of intellectual property           |       | (5,694)         | (6,135)         |
| Acquisition of business assets, net of cash acquired        |       | (3,363)         | (4,406)         |
| Proceeds from sale of property, plant and equipment         |       | 2,259           | 1,114           |
| <b>Net cash (used in) investing activities</b>              |       | <b>(18,340)</b> | <b>(19,511)</b> |
| <b>Cash flows from financing activities</b>                 |       |                 |                 |
| Proceeds from borrowings                                    | 30    | 20,242          | 349             |
| Repayment of borrowings                                     | 30    | (21,002)        | (700)           |
| Payment of lease liabilities                                | 30    | (2,597)         | –               |
| Dividends paid to equity holders                            | 19    | (9,634)         | (9,634)         |
| Dividends paid to non-controlling interest in subsidiaries  |       | (70)            | –               |
| <b>Net cash (used in) financing activities</b>              |       | <b>(13,061)</b> | <b>(9,985)</b>  |
| <b>Net increase (decrease) in cash and cash equivalents</b> |       | <b>6,574</b>    | <b>(3,105)</b>  |
| Cash and cash equivalents at 1 July                         |       | 19,172          | 22,253          |
| Effect of movements in exchange rates on cash held          |       | 13              | 24              |
| <b>Cash and cash equivalents at 30 June</b>                 | 30    | <b>25,759</b>   | <b>19,172</b>   |

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated financial statements.

# Consolidated Statement of Changes in Equity

for the year ended 30 June 2020

|                                                       | Notes | Share capital<br>\$'000 | Other reserves<br>\$'000 | Profits reserves<br>\$'000 | Retained earnings<br>\$'000 | Non-controlling interest<br>\$'000 | Total equity<br>\$'000 |
|-------------------------------------------------------|-------|-------------------------|--------------------------|----------------------------|-----------------------------|------------------------------------|------------------------|
| Balance at 1 July 2019                                |       | 138,325                 | 71                       | –                          | 25,513                      | 177                                | 164,086                |
| Total comprehensive income for the year               |       |                         |                          |                            |                             |                                    |                        |
| Profit for the year                                   |       | –                       | –                        | –                          | (23,820)                    | 125                                | (23,695)               |
| Other comprehensive income                            |       | –                       | (529)                    | –                          | –                           | –                                  | (529)                  |
| Total comprehensive income for the year               |       | –                       | (529)                    | –                          | (23,820)                    | 125                                | (24,224)               |
| Transactions with owners in their capacity as owners  |       |                         |                          |                            |                             |                                    |                        |
| Transfer of reserves                                  |       | –                       | 541                      | –                          | (541)                       | –                                  | –                      |
| Transfer to profits reserve                           |       | –                       | –                        | 23,640                     | (23,640)                    | –                                  | –                      |
| Share-based payments                                  | 33    | –                       | 350                      | –                          | –                           | –                                  | 350                    |
| Dividends to equity holders                           | 19    | –                       | –                        | (4,817)                    | (4,817)                     | –                                  | (9,634)                |
| Dividends to non-controlling interest in subsidiaries |       | –                       | –                        | –                          | –                           | (70)                               | (70)                   |
|                                                       |       | –                       | 891                      | 18,823                     | (28,998)                    | (70)                               | (9,354)                |
| Changes in ownership interest                         |       |                         |                          |                            |                             |                                    |                        |
| Acquisition of subsidiary with NCI                    |       | –                       | –                        | –                          | –                           | 814                                | 814                    |
| Balance at 30 June 2020                               |       | 138,325                 | 433                      | 18,823                     | (27,305)                    | 1,046                              | 131,322                |
| Balance at 1 July 2018                                |       | 138,325                 | 348                      | –                          | 23,522                      | –                                  | 162,195                |
| Effects of transition to AASB 9, net of tax           |       | –                       | –                        | –                          | (197)                       | –                                  | (197)                  |
| Balance at 1 July 2018 after the transition to AASB 9 |       | 138,325                 | 348                      | –                          | 23,325                      | –                                  | 161,998                |
| Total comprehensive income for the year               |       |                         |                          |                            |                             |                                    |                        |
| Profit for the year                                   |       | –                       | –                        | –                          | 11,822                      | 61                                 | 11,883                 |
| Other comprehensive income                            |       | –                       | (581)                    | –                          | –                           | –                                  | (581)                  |
| Total comprehensive income for the year               |       | –                       | (581)                    | –                          | 11,822                      | 61                                 | 11,302                 |
| Transactions with owners in their capacity as owners  |       |                         |                          |                            |                             |                                    |                        |
| Share-based payments                                  | 33    | –                       | 304                      | –                          | –                           | –                                  | 304                    |
| Dividends to equity holders                           | 19    | –                       | –                        | –                          | (9,634)                     | –                                  | (9,634)                |
|                                                       |       | –                       | 304                      | –                          | (9,634)                     | –                                  | (9,330)                |
| Changes in ownership interest                         |       |                         |                          |                            |                             |                                    |                        |
| Acquisition of subsidiary with NCI                    |       | –                       | –                        | –                          | –                           | 116                                | 116                    |
| Balance at 30 June 2019                               |       | 138,325                 | 71                       | –                          | 25,513                      | 177                                | 164,086                |

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements.

# Notes to the Consolidated Financial Statements

for the year ended 30 June 2020

## 1. Reporting entity

A2B Australia Limited (the “**Company**”) is a company domiciled in Australia. The address of the Company’s registered office is 152-162 Riley Street, East Sydney. The Consolidated Financial Statements as at and for the year ended 30 June 2020 comprise the Company and its subsidiaries (together referred to as the “**Group**”). The Group is a for-profit entity and during the year ended 30 June 2020 was involved in providing technology, payment and Taxi related services.

## 2. Basis of preparation

### Statement of compliance

The Consolidated Financial Statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (“**AASBs**”) adopted by the Australian Accounting Standards Board (“**AASB**”) and the *Corporations Act 2001*. The Consolidated Financial statements comply with International Financial Reporting Standards (“**IFRSs**”) adopted by the International Accounting Standards Board (“**IASB**”).

The Consolidated Financial Statements were authorised for issue by the Board of Directors on 25 August 2020.

### Going concern

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus has seen an unprecedented global response by Governments, regulators and industry sectors. The Australian Federal Government enacted its emergency plan on 29 February 2020 which has seen the closure of Australian borders from 20 March, an increasing level of restrictions on corporate Australia’s ability to operate, significant volatility and instability in financial markets and the release of a number of government stimulus packages to support individuals and businesses as the Australian and global economies face significant slowdowns and uncertainties. Subsequent to year end more stringent measures have been put in place across states in which the Group has operations, and in particular Victoria. For the year ended 30 June 2020, COVID-19 has impacted the Group, specifically as follows:

- Significant revenue reduction following a decline in Taxi fares processed and affiliated fleet. Total revenue reduced \$27 million or 13.7% vs FY19.
- A number of financial support measures were put in place to assist Drivers and Operators in delivering an essential service through these uncertain times.
- MTI supported its global customer base by charging nominal support fees in April, May and June 2020.

These impacts have been partially mitigated through cost reduction measures (\$4.1 million), the Governments JobKeeper program (\$6.9 million) and a range of other initiatives. Cost reduction measures included a temporary stand down of 350 staff members, termination of agreements with external contractors, temporary closure of branch offices in Sydney and Melbourne, deferral of capital expenditure, suspension of a range of marketing initiatives, and cessation of non-essential travel and consulting spend.

As of 30 June 2020, the Group had net working capital of \$7.7 million, cash and cash equivalents of \$25.8 million and had a committed, undrawn finance facility of \$50.0 million. On 14 August 2020 the Group renegotiated its debt facilities, with the new facility replacing the existing facility from that date. The new finance facility has a limit of \$25 million and expires on 1 July 2023. The new facility also provides a waiver for the interest cover financial covenant for the 12-month period to 30 June 2021.

Management has prepared cash flow forecast scenarios that present plausible downside scenarios to the business arising from the impacts of COVID-19 over the next 18 months. These forecasts demonstrate that the Group has sufficient cash and undrawn credit facilities to enable the Group to meet its obligations as they fall due.

As such the directors believe that it remains appropriate to prepare the financial statements on a going concern basis and have a reasonable expectation that the Group will comply with the requirements of its debt facilities during the next 18 months.

### Basis of measurement

The Consolidated Financial Statements have been prepared on the historical cost basis except for financial assets (unlisted investments), which are measured at fair value through other comprehensive income.

## Functional and presentation currency

These Consolidated Financial Statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the majority of the Group entities.

The Company is of a kind referred to in ASIC Corporation Instrument 2016/191 (Rounding in Financial/Directors' Reports) and in accordance with that Instrument, amounts in the Consolidated Financial Statements and the Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

## Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

## Use of estimates and judgements

The preparation of Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the Consolidated Financial Statements are described in the following notes:

- Note 6 Trade and other receivables
- Note 8 Financial assets
- Note 12 Taxi plate licences
- Note 13 Goodwill
- Note 14 Intellectual property
- Note 17 Provisions
- Note 31 Financial instruments and financial risk management

The Group has specifically exercised judgement in evaluating the impact of COVID-19 on the areas noted above.

## Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the Consolidated Financial Statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## Changes in accounting standards

The Group adopted AASB 16 Leases from 1 July 2019. The impact of this standard is described below:

### AASB 16 Leases

AASB 16 removes the classification of leases as either operating leases or finance leases, resulting in almost all leases being recognised on the balance sheet. Under the new standard an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. It replaces AASB 117 Leases.

The Group has adopted this standard using the modified retrospective approach, whereby the cumulative effect of adopting AASB 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative information. Previously, the Group classified property leases as operating leases under AASB 117. On transition, lease liabilities are measured at the present value of the remaining lease payments, using the Group's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liabilities.

## Notes to the Consolidated Financial Statements for the year ended 30 June 2020 (continued)

The Group has elected to use the following practical expedient when applying AASB 16 to leases previously classified as operating leases under AASB 117.

- Applied a single discount rate to a portfolio of leases with similar characteristics.

The Group's accounting for leases as a lessor remains unchanged under AASB 16.

### Impact on the Consolidated Financial Statements

The Group has not adjusted comparative information and the Consolidated Financial Statements on initial application of the standard have been adjusted as follows:

| \$'000                         | At 30 June 2019<br>(previously reported) | Effects on transition<br>to AASB 16 | At 1 July 2019<br>(after the transition<br>to AASB 16) |
|--------------------------------|------------------------------------------|-------------------------------------|--------------------------------------------------------|
| <b>Non-current assets</b>      |                                          |                                     |                                                        |
| Right-of-use asset             | –                                        | 19,872                              | 19,872                                                 |
| <b>Current liabilities</b>     |                                          |                                     |                                                        |
| Lease liabilities              | –                                        | (2,308)                             | (2,308)                                                |
| <b>Non-current liabilities</b> |                                          |                                     |                                                        |
| Lease liabilities              | –                                        | (17,564)                            | (17,564)                                               |

During the year the Group recognised \$2,965,000 of depreciation charges and \$621,000 of interest costs from these leases, instead of operating lease expenses.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 3.21%.

|                                                                                                                          | At 1 July 2019<br>\$'000 |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Operating lease commitments at 30 June 2019 as disclosed under AASB 117 in the Group's Consolidated Financial Statements | 23,205                   |
| Discounted using the incremental borrowing rate at 1 July 2019                                                           | 18,901                   |
| Variable lease payments based on an index or rate                                                                        | 971                      |
| Lease liabilities recognised at 1 July 2019                                                                              | 19,872                   |

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

## 3. Revenue and other income

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

The following is a description of the Group's principal activities from which the Group generates its revenue:

### Taxi service fee income

Taxi service fee income is derived from Taxi payments processed through the A2B Payment System and is disclosed net of Goods and Services Tax ("GST") and third party credit card fees. As the Group acts in the capacity of an agent, the revenue represents only the fee received on the transaction, although the Group is exposed to credit risk on the full amount of the Taxi payments proceeds. Taxi service fee income is recognised at the point in time when the payment is processed.

### Network subscription fee and Taxi plate licence incomes

Network subscription fee and Taxi plate licence incomes are billed every month in advance. Revenue is recognised over the period when the services are provided. Operating revenue receipts relating to services performed in the period beyond the current financial year are shown in the Consolidated Statement of Financial Position as contract liabilities under the heading of Current liabilities – Contract liabilities, trade and other payables, refer to Note 15.

## Other Taxi related services income

Other Taxi related services income is generated from fit-out of vehicles as Taxis, repair and replacement of in-vehicle Taxi equipment. Revenue is recognised over the period when the services are provided, or a point in time when the Group has transferred the control to the buyer through ownership, generally when the customer has taken delivery of the goods.

## Taxi operating income

Taxi operating income is derived from the rental of vehicles to Independent Drivers. This revenue is recognised at a point in time or over time when services are rendered, whichever is applicable.

## Courier service income

Courier service income is generated from providing courier dispatch services to Customers, of which revenue is recognised at point in time when services are rendered. Revenue is also generated from subscriptions by courier agents, which is recognised over the period when the services are rendered.

## Insurance commission revenue

Insurance commission revenue comprised of brokerage fees received from referral to insurance products. Revenue is recognised at point in time when the referral has been fully rendered.

## Hardware sales

Sales of hardware is recognised at point in time when the Group has transferred the control to the buyer through ownership, generally when the customer has taken delivery of the goods. Hardware sales primarily relates to sale of Taxi equipment.

## Car sales income

Car sales income is generated through the sale of cars to Taxi Operators. This revenue is recognised at a point in time when the ownership of the car is transferred to Customers.

## School bus route services revenue

School bus route services revenue is based on contracts for these services with State Government. It is billed weekly in arrears and recognised over the period when services are rendered.

## Taxi subsidy scheme revenue

The Taxi Subsidy Scheme ("TSS") revenue is derived from providing services to issue TSS cards and process Taxi travel transactions of TSS participants in some States and Territories. It is billed monthly in arrears and is recognised over the period when services are rendered.

## Software consulting and licence income

Software consulting and licence income is derived through the provision of a software license to a licensee for the return of a fixed fee. Software consulting income is derived in relation to payment consulting and software development. It is recognised over time when services are rendered.

## Other revenue

Other revenue is generated from ancillary Taxi operations. It is recognised at a point in time or over time, whichever is applicable, when services are rendered.

## Interest on finance lease receivables

Interest earned on vehicle and insurance loans is recognised on a basis reflecting a constant periodic return based on the lessor's net investment outstanding in respect of the loan.

## Taxi equipment and terminal rental income

Taxi equipment and terminal rental income is derived from the rental of Taxi equipment and payment terminals. This revenue is recognised at a point in time or over time when services are rendered, whichever is applicable.

Notes to the Consolidated Financial Statements  
for the year ended 30 June 2020 (continued)

## Revenues

|                                                    | 2020<br>\$'000 | 2019<br>\$'000 |
|----------------------------------------------------|----------------|----------------|
| <b>Revenue from contracts with customers</b>       |                |                |
| Taxi service fee income                            | 32,806         | 42,074         |
| Network subscription fee income                    | 60,735         | 76,748         |
| Brokered taxi plate licence income                 | 18,300         | 23,467         |
| Owned taxi plate licence income                    | 3,207          | 3,225          |
| Other taxi related services income                 | 5,172          | 6,312          |
| Taxi operating income                              | 12,349         | 11,642         |
| Courier service income                             | 4,564          | 4,391          |
| Insurance commission revenue                       | 1,064          | 1,550          |
| Hardware sales                                     | 769            | 920            |
| Car sales income                                   | 5,246          | 5,999          |
| School bus route services income                   | 5,758          | 4,327          |
| Taxi Subsidy Scheme Revenue                        | 1,845          | 1,966          |
| Software consulting and licence income             | 6,063          | 5,054          |
| Other                                              | 7,045          | 5,606          |
| <b>Total revenue from contracts with customers</b> | <b>164,923</b> | <b>193,281</b> |
| <b>Other revenue</b>                               |                |                |
| Interest on finance lease receivables and others   | 1,256          | 1,120          |
| Taxi equipment and terminal rental income          | 4,715          | 3,542          |
| <b>Total other revenue</b>                         | <b>5,971</b>   | <b>4,662</b>   |
| <b>Total revenue</b>                               | <b>170,894</b> | <b>197,943</b> |

For more information about receivables and contract liabilities from contract with customers, refer Note 6 and 15, respectively.

The Group has elected to apply the following practical expedient under AASB 15 whereby information on future performance obligations has not been disclosed as performance obligations form part of a contract that has an original expected duration of one year or less.

## Other income

|                                                   | 2020<br>\$'000 | 2019<br>\$'000 |
|---------------------------------------------------|----------------|----------------|
| Government grants                                 | 8,716          | –              |
| Gain on disposal of property, plant and equipment | 294            | 259            |
| <b>Total other income</b>                         | <b>9,010</b>   | <b>259</b>     |

## Government grants

The Group has recognised grants from the Government at their fair value where there is a reasonable assurance that grants will be received. Government grants (JobKeeper payment, payroll tax refunds and Taxi industry stimulus support package) are presented as part of other income.

## Total turnover

Total turnover does not represent revenue in accordance with Australian Accounting Standards. Total turnover represents the value of Taxi hire charges (fares) paid through the Cabcharge Payment System plus Cabcharge's Taxi service fee plus the Group's revenue from other sources. A2B's credit risk is based on turnover rather than revenue.

The receipts from customers and others as disclosed in the consolidated statement of cash flows includes the total turnover.

## 4. Finance income

Finance income comprises interest income on funds invested and foreign currency gains. Interest income is recognised as it accrues using the effective interest method.

|                                      | 2020<br>\$'000 | 2019<br>\$'000 |
|--------------------------------------|----------------|----------------|
| <b>Finance income</b>                |                |                |
| Gain on foreign exchange fluctuation | –              | 26             |
| Interest income                      | 77             | 188            |
| <b>Total finance income</b>          | <b>77</b>      | <b>214</b>     |

## 5. Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

A2B Australia Limited and its wholly owned Australian resident subsidiaries form a tax consolidated group. The current tax rate applicable to the group is 30%.

### Amounts recognised in profit and loss

|                                                   | 2020<br>\$'000 | 2019<br>\$'000 |
|---------------------------------------------------|----------------|----------------|
| <b>Current income tax expense</b>                 |                |                |
| Current year                                      | (1,906)        | 5,968          |
| Adjustment for prior years                        | (386)          | 43             |
|                                                   | (2,292)        | 6,011          |
| <b>Deferred tax expense</b>                       |                |                |
| Origination and reversal of temporary differences | (1,373)        | (715)          |
| Derecognition of previously recognised tax losses | 1,486          | –              |
| <b>Total income tax (benefit)/expense</b>         | <b>(2,179)</b> | <b>5,296</b>   |

### Amounts recognised in other comprehensive income

|                                                                | 2020                 |                                       |                      | 2019                 |                                       |                      |
|----------------------------------------------------------------|----------------------|---------------------------------------|----------------------|----------------------|---------------------------------------|----------------------|
|                                                                | Before tax<br>\$'000 | Tax<br>(expense)<br>benefit<br>\$'000 | Net of tax<br>\$'000 | Before tax<br>\$'000 | Tax<br>(expense)<br>benefit<br>\$'000 | Net of tax<br>\$'000 |
| Items that may be reclassified subsequently to profit or loss: |                      |                                       |                      |                      |                                       |                      |
| Foreign exchange translation differences                       | 52                   | –                                     | 52                   | (83)                 | –                                     | (83)                 |
|                                                                | <b>52</b>            | <b>–</b>                              | <b>52</b>            | <b>(83)</b>          | <b>–</b>                              | <b>(83)</b>          |
| Items that will not be reclassified to profit or loss:         |                      |                                       |                      |                      |                                       |                      |
| Net change in fair value of financial assets                   | 651                  | (174)                                 | 477                  | (712)                | 214                                   | (498)                |
|                                                                | <b>651</b>           | <b>(174)</b>                          | <b>477</b>           | <b>(712)</b>         | <b>214</b>                            | <b>(498)</b>         |
|                                                                | <b>703</b>           | <b>(174)</b>                          | <b>529</b>           | <b>(795)</b>         | <b>214</b>                            | <b>(581)</b>         |

Notes to the Consolidated Financial Statements  
for the year ended 30 June 2020 (continued)

**Numeric of reconciliation between tax expense and pre-tax profit**

|                                                                        | <b>2020<br/>\$'000</b> | <b>2019<br/>\$'000</b> |
|------------------------------------------------------------------------|------------------------|------------------------|
| Profit before tax                                                      | (25,874)               | 17,179                 |
| Prima facie income tax using the corporate tax rate of 30% (2019: 30%) | (7,762)                | 5,154                  |
| Effect of tax rates in foreign jurisdiction                            | (16)                   | (35)                   |
| Add tax effect of:                                                     |                        |                        |
| Non-deductible depreciation                                            | 101                    | 102                    |
| Non-allowable impairment charges                                       | 4,495                  | –                      |
| Other non-allowable items                                              | 82                     | 194                    |
| Less tax effect of:                                                    |                        |                        |
| Rebateable fully franked dividends                                     | (95)                   | (33)                   |
| Tax exempt dividends                                                   | (60)                   | (50)                   |
| Utilisation of previously unbooked tax losses                          | (24)                   | (79)                   |
| Adjustment for prior years – tax payable                               | (386)                  | 43                     |
| Derecognition of previously recognised tax losses                      | 1,486                  | –                      |
| <b>Income tax (benefit)/expense</b>                                    | <b>(2,179)</b>         | <b>5,296</b>           |
| <b>Effective tax rate on pre-tax profit</b>                            | <b>8.4%</b>            | <b>30.8%</b>           |

## 6. Trade and other receivables

Trade receivables are recognised initially at the value of the invoice sent to the Customer and subsequently at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gains or losses on derecognition is recognised in profit or loss. The Group derecognises a financial asset when contractual rights to the cash flows from the financial assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

### Finance lease receivables

When the Group is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognised and presented within trade and other receivables.

### Impairment

For trade and other receivables (including the financial lease receivables), the Group recognises an allowance for expected credit losses using the simplified approach allowed under AASB 9.

Expected credit losses are based on the difference between the contractual cash flows due and all the cash flows that the Group expects to receive. The Group's allowance for impairment reflects both specific doubtful debt provision and collective (portfolio) loss impairment.

The collective loss allowance is determined based on the historical default percentage in each portfolio and adjusted for other current observable and forward looking information as a means to estimate lifetime expected credit losses for assets.

In assessing the combined collective loss allowance and specific doubtful debts provision as at 30 June 2020, the Group has considered the increased risk arising from the economic impacts of the COVID-19 pandemic. The Group has specifically assessed the economic circumstances of individual customers in the current environment, resulting in a material year on year increase in the level of accumulated losses relative to the gross trade receivables balance.

## Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

|                                               | 2020<br>\$'000 | 2019<br>\$'000 |
|-----------------------------------------------|----------------|----------------|
| <b>Current</b>                                |                |                |
| Trade receivables                             | 30,430         | 63,742         |
| Accumulated impairment losses                 | (6,323)        | (2,275)        |
| Finance lease receivables                     | 3,139          | 4,318          |
| Other receivables                             | 6,971          | 6,774          |
|                                               | <b>34,217</b>  | <b>72,559</b>  |
| <b>Non-current</b>                            |                |                |
| Finance lease receivables                     | 5,624          | 4,880          |
|                                               | <b>5,624</b>   | <b>4,880</b>   |
| <b>Movement in allowance for impairment</b>   |                |                |
| <b>Opening balance</b>                        | (2,275)        | (1,365)        |
| Effects of transition to AASB 9               | –              | (282)          |
| <b>Balance after the transition to AASB 9</b> | <b>(2,275)</b> | <b>(1,647)</b> |
| Net remeasurement in allowance for impairment | (6,199)        | (1,360)        |
| Amount written off as uncollectable           | 2,151          | 732            |
| <b>Closing balance</b>                        | <b>(6,323)</b> | <b>(2,275)</b> |

## Ageing of trade receivables

|                       | 2020            |                      |               | 2019            |                      |               |
|-----------------------|-----------------|----------------------|---------------|-----------------|----------------------|---------------|
|                       | Gross<br>\$'000 | Impairment<br>\$'000 | Net<br>\$'000 | Gross<br>\$'000 | Impairment<br>\$'000 | Net<br>\$'000 |
| Not past due          | 19,733          | (1,662)              | 18,071        | 53,594          | (98)                 | 53,496        |
| Past due 1–30 days    | 2,566           | (142)                | 2,424         | 5,211           | (17)                 | 5,194         |
| Past due 31–60 days   | 1,608           | (316)                | 1,292         | 2,703           | (1,478)              | 1,225         |
| Past due 61–90 days   | 1,840           | (422)                | 1,418         | 501             | (1)                  | 500           |
| Past due over 90 days | 4,683           | (3,781)              | 902           | 1,733           | (681)                | 1,052         |
|                       | <b>30,430</b>   | <b>(6,323)</b>       | <b>24,107</b> | <b>63,742</b>   | <b>(2,275)</b>       | <b>61,467</b> |

The Group's credit risk management policies are outlined in Note 31. There have been no changes to the credit risk management policies during the year.

Notes to the Consolidated Financial Statements  
for the year ended 30 June 2020 (continued)

## Finance lease receivables

|                            | 2020                                 |                 |                                                | 2019                                 |                 |                                                |
|----------------------------|--------------------------------------|-----------------|------------------------------------------------|--------------------------------------|-----------------|------------------------------------------------|
|                            | Future minimum lease payments \$'000 | Interest \$'000 | Present value of minimum lease payments \$'000 | Future minimum lease payments \$'000 | Interest \$'000 | Present value of minimum lease payments \$'000 |
| Less than one year         | 3,887                                | 748             | 3,139                                          | 4,318                                | 778             | 3,540                                          |
| Between one and five years | 6,359                                | 735             | 5,624                                          | 4,880                                | 720             | 4,160                                          |
|                            | <b>10,246</b>                        | <b>1,483</b>    | <b>8,763</b>                                   | <b>9,198</b>                         | <b>1,498</b>    | <b>7,700</b>                                   |

There have been no unguaranteed residual values. No lease payments are considered uncollectable at the reporting date.

No credit terms have been re-negotiated with Customers. Collateral is held in the case of finance lease receivables, where the Group holds a lien over the leased asset. The market value of such collateral is not expected to vary materially from the net investment value of the finance lease receivables.

There has been no change in credit risk policies during the financial year.

## 7. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in, first-out basis and include direct materials and the cost of purchase. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

|                                              | 2020<br>\$'000 | 2019<br>\$'000 |
|----------------------------------------------|----------------|----------------|
| Motor vehicles – at cost                     | 337            | 1,064          |
| Parts, safety cameras and sundries – at cost | 2,672          | 2,337          |
|                                              | <b>3,009</b>   | <b>3,401</b>   |

In 2020, inventories of \$9,315,000 (2019: \$11,582,000) were recognised as an expense during the year and included in “cost of cars and hardware sold” and “other taxi related costs”.

## 8. Financial assets

Unlisted equity investments are recognised initially and subsequently at each reporting date at fair value. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income and presented in the fair value reserve in equity. There is no subsequent reclassification of fair value gains and losses to profit or loss on derecognition of the investment. Dividends from these investments are recognised in profit or loss when the Group’s right to receive payments is established.

These unlisted investments are primarily investments in unrelated Taxi Network operations where the shareholding held by the Group is not sufficient to demonstrate significant influence. The Group has no intention to dispose of these unlisted investments in the foreseeable future.

|                              | 2020<br>\$'000 | 2019<br>\$'000 |
|------------------------------|----------------|----------------|
| <b>Unlisted investments</b>  |                |                |
| Shares in other corporations | 1,298          | 2,186          |
|                              | <b>1,298</b>   | <b>2,186</b>   |

## 9. Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

### Gold Coast Cabs

On 2 July 2019 the Group acquired the business operations and various assets of Gold Coast Cabs ("**GCC**") for a purchase consideration of \$2.4 million. GCC is the Taxi network and operations business of Regent Taxis Ltd and has been trading for over 80 years on the Gold Coast providing transport services from Coolangatta to Omeau. The assets of GCC include a 33.3% share in Tweed Heads Coolangatta Taxi Service Pty Ltd ("**THCT**").

The Group owned a 22.2% share in THCT prior to this acquisition. In accordance with AASB 10, the Group assessed that it had control of THCT on 2 July 2019. The results of the acquired business have been consolidated in the Group results from 2 July 2019.

The Group incurred acquisition related costs of \$145,000 included in general administrative expenses.

Goodwill of \$1,199,000 is attributable to the knowledge and expertise of the workforce, the location of the business acquired and the synergies expected to be achieved. None of the goodwill recognised is expected to be deductible for tax purposes.

## Notes to the Consolidated Financial Statements for the year ended 30 June 2020 (continued)

The fair value of the identifiable net assets and liabilities acquired as at the date of acquisition were as follows:

|                                                       | 2 July 2019<br>\$'000 |
|-------------------------------------------------------|-----------------------|
| Cash and cash equivalent                              | 35                    |
| Trade and other receivables                           | 646                   |
| Inventory                                             | 34                    |
| Other current assets                                  | 26                    |
| Investments                                           | 84                    |
| Net deferred tax assets                               | 86                    |
| Property, plant and equipment                         | 1,811                 |
| Right-of-use assets                                   | 231                   |
| Taxi plates                                           | 492                   |
| Trade and other payables                              | (441)                 |
| Bank borrowings                                       | (90)                  |
| Lease liabilities                                     | (231)                 |
| Current tax liabilities                               | (8)                   |
| Employee entitlements                                 | (286)                 |
| <b>Fair value of identifiable net assets acquired</b> | <b>2,389</b>          |
| <b>Non-controlling interest<sup>1</sup></b>           | <b>(781)</b>          |
| <b>Fair value of previously held equity interest</b>  | <b>(391)</b>          |
| <b>Consideration paid, satisfied in cash</b>          | <b>(2,416)</b>        |
| <b>Goodwill (refer to Note 13)</b>                    | <b>1,199</b>          |

1 Based on their proportionate interest in the fair value of identifiable net assets acquired.

The remeasurement to fair value of the Group's existing 22.2% interest in THCT resulted in a gain of \$197,000. This amount has been included in "other comprehensive income".

### Impact of acquisition on the results of the Group

The Consolidated Statement of Comprehensive Income includes revenue of \$4,532,000 and a net profit after tax of \$309,000 as a result of the acquisition of GCC and THCT.

## Corporate Cabs Pty Ltd business

On 15 January 2020 the Group acquired the business of Corporate Cabs Pty Ltd, for a consideration of \$900,000.

Goodwill of \$465,000 is attributable to the knowledge and expertise of the workforce, the location of the business acquired and the synergies expected to be achieved. None of the goodwill recognised is expected to be deductible for tax purposes.

The fair value of the identifiable net assets and liabilities acquired as at the date of acquisition were as follows:

|                                                       | 15 January<br>2020<br>\$'000 |
|-------------------------------------------------------|------------------------------|
| Inventory                                             | 38                           |
| Net deferred tax assets                               | 50                           |
| Property, plant and equipment                         | 514                          |
| Right-of-use assets                                   | 886                          |
| Lease liabilities                                     | (886)                        |
| Employee entitlements                                 | (167)                        |
| <b>Fair value of identifiable net assets acquired</b> | <b>435</b>                   |
| <b>Consideration paid, satisfied in cash</b>          | <b>(900)</b>                 |
| <b>Goodwill (refer to Note 13)</b>                    | <b>465</b>                   |

## Impact of acquisition on the results of the Group

The Consolidated Statement of Comprehensive Income includes revenue of \$160,000 and a net (loss) after tax of (\$165,000) as a result of the acquisition of Corporate Cabs Pty Ltd business. The Group has determined it impractical to disclose revenue and net profit/(loss) included in the Consolidated Statement of Comprehensive Income had the acquisition occurred at the beginning of the reporting period. The Group assessed that an objective determination of the revenue and net profit since the beginning of the reporting period was not able to be made and as such disclosure has not been made.

## Taxi Industry (Australia) Insurance Brokers Pty Ltd ("TIAIB")

On 1 June 2020 TIAIB cancelled 540 shares held by Black & White Holdings Limited by way of a selective-share buy-back for a consideration of \$100,000. Immediately following the selective-share buy-back and shares cancellation, the Group holds a majority of TIAIB's share capital (61.6%).

Goodwill of \$115,000 resulted from this selective-share buy-back and cancellation of shares.

The fair value of the identifiable net assets and liabilities acquired as at the date of acquisition were as follows:

|                                                       | 1 June 2020<br>\$'000 |
|-------------------------------------------------------|-----------------------|
| Cash and cash equivalent                              | 62                    |
| Trade and other receivables                           | 47                    |
| Other current assets                                  | 3                     |
| Investments in other company                          | 25                    |
| Trade and other payables                              | (35)                  |
| Current tax liabilities                               | (18)                  |
| <b>Fair value of identifiable net assets acquired</b> | <b>84</b>             |
| <b>Non-controlling interest<sup>1</sup></b>           | <b>(32)</b>           |
| <b>Fair value of previously held equity interest</b>  | <b>(167)</b>          |
| <b>Goodwill (refer to Note 13)</b>                    | <b>115</b>            |

1 Based on their proportionate interest in the fair value of identifiable net assets acquired.

The remeasurement to fair value of the Group's existing 45% interest in TIAIB resulted in a loss of \$67,000. This amount has been included in "other comprehensive income".

## Notes to the Consolidated Financial Statements for the year ended 30 June 2020 (continued)

### Impact of acquisition on the results of the Group

The Consolidated Statement of Comprehensive Income includes revenue of \$2,000 and a net profit after tax of \$4,000 as a result of the business combination of TIAIB.

The revenue and net profit included in the Consolidated Statement of Comprehensive Income had the acquisition occurred at the beginning of the reporting period are \$259,000 and \$122,000 respectively.

### Mobile Technologies International Pty Ltd

On 9 November 2018 the Group purchased all of the issued shares in Mobile Technologies International Pty Ltd ("MTI") for a purchase consideration of \$6.6 million inclusive of \$1.5 million in deferred employee retention payments. MTI is a leading global provider of Software as a Service (SaaS) automotive dispatch and booking technologies. MTI has an established presence in North America, Europe, Australia and New Zealand, and is also the owner and operator of ManTax Taxis, the largest network of Black Cabs in Manchester, England.

The Group incurred acquisition related costs of \$401,000 included in general administrative expenses and \$600,000 in employee retention related cost recorded in employee benefits expenses.

The acquisition will fast track the creation of innovative dispatch and payment tools to deliver seamless outcomes for the personal transport industry. The acquisition provides an opportunity to expand A2B's customer reach and increases A2B's ability to compete with other fully integrated personal transport companies.

Goodwill of \$0.6 million is attributable to the knowledge and expertise of the workforce and the locations of the business acquired. None of the goodwill recognised is expected to be deductible for tax purposes.

The fair value of the identifiable assets and liabilities acquired are as follows:

|                                                       | 9 Nov 18<br>\$'000 |
|-------------------------------------------------------|--------------------|
| Cash and cash equivalents                             | 1,051              |
| Trade and other receivables                           | 2,140              |
| Inventory                                             | 647                |
| Other current assets                                  | 214                |
| Property, plant and equipment                         | 372                |
| Intellectual property                                 | 2,780              |
| Deferred tax assets                                   | 196                |
| Trade and other payables                              | (2,116)            |
| Current tax liabilities                               | (89)               |
| Employee entitlements                                 | (749)              |
| <b>Fair value of identifiable net assets acquired</b> | <b>4,446</b>       |
| <b>Consideration paid, satisfied in cash</b>          | <b>(5,056)</b>     |
| <b>Goodwill (refer to Note 13)</b>                    | <b>610</b>         |

## 10. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

### Depreciation

Items of property (excluding freehold land), plant and equipment are depreciated at rates based upon their expected useful lives using the straight-line method. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives of each major class of asset for the current and comparative periods are:

- Buildings 40 to 50 years
- Leasehold improvements 10 years
- Furniture, fittings, plant and equipment 3 to 8 years
- EFTPOS Equipment 4 to 8 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income/other expense in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Notes to the Consolidated Financial Statements  
for the year ended 30 June 2020 (continued)

## Impairment testing

If the recoverable amount of property, plant and equipment is less than its carrying value, an impairment charge is recognised in the profit or loss, and the carrying value of the asset written-down to its recoverable amount. Should the recoverable amount increase in future periods the carrying value may be adjusted to the lower of the recoverable value or the amortised cost of the asset had it not been impaired.

|                                 | Land & buildings<br>\$'000 | Furniture, fittings,<br>plant and equipment<br>\$'000 | Eftpos equipment<br>\$'000 | Total<br>\$'000 |
|---------------------------------|----------------------------|-------------------------------------------------------|----------------------------|-----------------|
| <b>2020 year:</b>               |                            |                                                       |                            |                 |
| <b>Cost</b>                     |                            |                                                       |                            |                 |
| Opening balance                 | 14,518                     | 70,029                                                | 43,834                     | 128,381         |
| Additions                       | 268                        | 9,333                                                 | 1,941                      | 11,542          |
| Additions through acquisition   | 1,031                      | 1,295                                                 | –                          | 2,326           |
| Disposals                       | –                          | (2,969)                                               | (1,866)                    | (4,835)         |
| Closing balance                 | 15,817                     | 77,688                                                | 43,909                     | 137,414         |
| <b>Accumulated depreciation</b> |                            |                                                       |                            |                 |
| Opening balance                 | (4,036)                    | (51,497)                                              | (33,925)                   | (89,458)        |
| Depreciation expense            | (823)                      | (6,820)                                               | (3,443)                    | (11,086)        |
| Disposals                       | –                          | 1,364                                                 | 1,506                      | 2,870           |
| Closing balance                 | (4,859)                    | (56,953)                                              | (35,862)                   | (97,674)        |
| <b>Net Book Value</b>           |                            |                                                       |                            |                 |
| Opening balance                 | 10,482                     | 18,532                                                | 9,909                      | 38,923          |
| Closing balance                 | 10,958                     | 20,735                                                | 8,047                      | 39,740          |
|                                 |                            |                                                       |                            |                 |
|                                 | Land & buildings<br>\$'000 | Furniture, fittings,<br>plant and equipment<br>\$'000 | Eftpos equipment<br>\$'000 | Total<br>\$'000 |
| <b>2019 year:</b>               |                            |                                                       |                            |                 |
| <b>Cost</b>                     |                            |                                                       |                            |                 |
| Opening balance                 | 12,949                     | 61,644                                                | 42,858                     | 117,451         |
| Additions                       | 1,569                      | 8,290                                                 | 976                        | 10,835          |
| Additions through acquisition   | –                          | 372                                                   | –                          | 372             |
| Reclassification                | –                          | 1,293                                                 | –                          | 1,293           |
| Disposals                       | –                          | (1,570)                                               | –                          | (1,570)         |
| Closing balance                 | 14,518                     | 70,029                                                | 43,834                     | 128,381         |
| <b>Accumulated depreciation</b> |                            |                                                       |                            |                 |
| Opening balance                 | (3,657)                    | (47,196)                                              | (28,298)                   | (79,151)        |
| Depreciation expense            | (379)                      | (5,063)                                               | (5,627)                    | (11,069)        |
| Disposals                       | –                          | 762                                                   | –                          | 762             |
| Closing balance                 | (4,036)                    | (51,497)                                              | (33,925)                   | (89,458)        |
| <b>Net Book Value</b>           |                            |                                                       |                            |                 |
| Opening balance                 | 9,292                      | 14,448                                                | 14,560                     | 38,300          |
| Closing balance                 | 10,482                     | 18,532                                                | 9,909                      | 38,923          |

## 11. Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences relating to investments in subsidiaries and associates to the extent that the Group is able to control the timing or reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

## Notes to the Consolidated Financial Statements for the year ended 30 June 2020 (continued)

Recognised deferred tax assets and liabilities and the movements in these balances are set out below:

|                                                | Opening<br>balance<br>\$'000 | Charged<br>to income<br>\$'000 | Charged<br>to OCI<br>\$'000 | Charged<br>to equity<br>\$'000 | Acquisitions<br>\$'000 | Closing<br>balance<br>\$'000 |
|------------------------------------------------|------------------------------|--------------------------------|-----------------------------|--------------------------------|------------------------|------------------------------|
| <b>2020 year:</b>                              |                              |                                |                             |                                |                        |                              |
| Accumulated impairment losses<br>– receivables | 683                          | 1,107                          | –                           | –                              | –                      | 1,790                        |
| Financial assets (unlisted<br>investment)      | 214                          | –                              | 174                         | (202)                          | –                      | 186                          |
| Employee entitlements                          | 3,067                        | (23)                           | –                           | –                              | 136                    | 3,180                        |
| Accruals                                       | 140                          | 89                             | –                           | –                              | –                      | 229                          |
| Tax losses                                     | 1,455                        | 604                            | –                           | –                              | –                      | 2,059                        |
| Prepayments                                    | (376)                        | (94)                           | –                           | –                              | –                      | (470)                        |
| Intellectual property                          | (675)                        | 137                            | –                           | –                              | –                      | (538)                        |
| Other taxable temporary differences            | (397)                        | 83                             | –                           | –                              | –                      | (314)                        |
|                                                | <b>4,111</b>                 | <b>1,903</b>                   | <b>174</b>                  | <b>(202)</b>                   | <b>136</b>             | <b>6,122</b>                 |
| <b>2019 year:</b>                              |                              |                                |                             |                                |                        |                              |
| Accumulated impairment losses<br>– receivables | 409                          | 189                            | –                           | 85                             | –                      | 683                          |
| Financial assets (unlisted<br>investment)      | –                            | –                              | 214                         | –                              | –                      | 214                          |
| Employee entitlements                          | 2,538                        | 333                            | –                           | –                              | 196                    | 3,067                        |
| Accruals                                       | 99                           | 41                             | –                           | –                              | –                      | 140                          |
| Tax losses                                     | 1,467                        | (12)                           | –                           | –                              | –                      | 1,455                        |
| Prepayments                                    | (458)                        | 82                             | –                           | –                              | –                      | (376)                        |
| Intellectual property                          | (875)                        | 200                            | –                           | –                              | –                      | (675)                        |
| Other taxable temporary differences            | (279)                        | (118)                          | –                           | –                              | –                      | (397)                        |
|                                                | <b>2,901</b>                 | <b>715</b>                     | <b>214</b>                  | <b>85</b>                      | <b>196</b>             | <b>4,111</b>                 |

## 12. Taxi plate licences

Taxi and other licences acquired separately are reported at cost less accumulated amortisation and impairment losses. Taxi and other licences with finite useful lives are amortised on a straight-line basis over their estimated useful lives of 50 years in current and comparative periods. Taxi and other licences with indefinite useful lives are not amortised. Such assets are tested for impairment in accordance with the accounting policy.

### Impairment testing

Taxi plate licences with indefinite useful lives are tested for impairment annually, and whenever there is any indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## Composition and movement

|                                 | Indefinite life | Finite life                 |                   |                 |
|---------------------------------|-----------------|-----------------------------|-------------------|-----------------|
|                                 | \$'000          | 50 year renewable<br>\$'000 | 10 year<br>\$'000 | Total<br>\$'000 |
| <b>2020 year:</b>               |                 |                             |                   |                 |
| <b>Cost</b>                     |                 |                             |                   |                 |
| Opening balance                 | 15,756          | 3,709                       | 3,319             | 22,784          |
| Additions                       | –               | –                           | –                 | –               |
| Additions through acquisition   | 455             | –                           | 37                | 492             |
| Impairment                      | (13,332)        | (1,203)                     | –                 | (14,535)        |
| Closing balance                 | 2,879           | 2,506                       | 3,356             | 8,741           |
| <b>Accumulated amortisation</b> |                 |                             |                   |                 |
| Opening balance                 | –               | (2,006)                     | (3,319)           | (5,325)         |
| Amortisation expense            | –               | (141)                       | –                 | (141)           |
| Closing balance                 | –               | (2,147)                     | (3,319)           | (5,466)         |
| <b>Net book value</b>           |                 |                             |                   |                 |
| Opening balance                 | 15,756          | 1,703                       | –                 | 17,459          |
| <b>Closing balance</b>          | <b>2,879</b>    | <b>359</b>                  | <b>37</b>         | <b>3,275</b>    |
| <b>2019 year:</b>               |                 |                             |                   |                 |
| <b>Cost</b>                     |                 |                             |                   |                 |
| Opening balance                 | 15,756          | 3,709                       | 3,319             | 22,784          |
| Additions                       | –               | –                           | –                 | –               |
| Closing balance                 | 15,756          | 3,709                       | 3,319             | 22,784          |
| <b>Accumulated amortisation</b> |                 |                             |                   |                 |
| Opening balance                 | –               | (1,912)                     | (3,319)           | (5,231)         |
| Amortisation expense            | –               | (94)                        | –                 | (94)            |
| Closing balance                 | –               | (2,006)                     | (3,319)           | (5,325)         |
| <b>Net book value</b>           |                 |                             |                   |                 |
| Opening balance                 | 15,756          | 1,797                       | –                 | 17,553          |
| <b>Closing balance</b>          | <b>15,756</b>   | <b>1,703</b>                | <b>–</b>          | <b>17,459</b>   |

## Impairment considerations

After assessing the recoverable amount of Taxi plate licences based on value-in-use, using a discounted projected cash flow model, the Group determined that an impairment charge of \$14,535,000 was required (FY19 \$nil). To determine value-in-use, five scenarios of free cash flows have been prepared based on estimated Taxi plate licence income for the forthcoming year plus annual growth of between 0% to 20% for years two to five with weights of between 10% to 50% (FY19 0% – single projected free cash flow) and a long term growth rate of 0% after five years (FY19 2.1%). A pre-tax discount rate of 13.5% (FY19 13.7%) was applied in determining recoverable amount. This long term growth rate reflects an estimation of the long term rental income growth for taxi plates and the discount rate is based on comparable industry market assumptions for the risk free rate, the market risk premium, the cost of debt, the beta and an additional risk weighting for these assets. Following the impairment charge, the recoverable amount of Taxi plate licences approximates the carrying value. An increase of 100 basis points in pre-tax discount rate would result in further impairment of \$227,000 and a decrease of 100 basis points in the long term growth rate would result in further impairment of \$229,000.

## 13. Goodwill

Goodwill arising on the acquisition of a subsidiary is included in intangible assets. For the measurement of goodwill at initial recognition, refer to Note 9. Goodwill is subsequently measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Following changes in the way the Taxi Network business is managed and at what level performance of goodwill is monitored, there has been a change in the composition of cash generating units. Consequently, three (previously six) independent cash generating units have been identified against which goodwill has been allocated and for which impairment testing has been undertaken. Comparatives have been restated with the goodwill allocation to the new CGU's presented below.

### Impairment considerations

For the purpose of impairment testing, goodwill is allocated to groups of Cash Generating Units ("CGU"), according to business operation and/or geography of operation, which represent the lowest level at which the goodwill is monitored for internal management purposes.

Goodwill is allocated to the Group's CGU's as set out below and assessment of the recoverable amount for each CGU has been performed on a value-in-use basis using discounted cash flow projections. Although this approach is consistent with prior years some adjustments have been made to reflect current uncertainties about the impact of COVID-19 on the broader economy, trajectory of the economic recovery and the impact on the Group.

The impairment tests of the goodwill allocated to each CGU as per 30 June 2020 was based on five different scenarios for the five-year period FY21-FY25. A base case scenario was prepared based on the budgeted EBITDA for the forthcoming year, COVID-19 recovery assumptions for years two and three and an annual growth rate of 2.1% for years four and five and a long-term growth rate of 2.1% (FY19 2.1%). A pre-tax discount rate of 12.4% (FY19 12.4%) was applied in determining recoverable amount. The long term growth rate reflects the general estimated long term Australian economic growth and the discount rate is based on comparable industry market assumptions for the risk free rate, the market risk premium, the cost of debt and the beta.

Under two high case scenarios cash flow improvements of 10% and 20% relative to the base case have been assumed. Under two low case scenarios cash flow declines of 20% and 40% relative to the base case have been assumed.

A probability of occurrence for each scenario based on the estimated medium-term impact of COVID-19 was applied. This probability was used to calculate a weighted average VIU for each CGU.

Other than disclosed below, the Group believes that for all CGU's any reasonably possible change in the key assumptions would not cause the carrying value of the CGU's to exceed their recoverable amounts.

The valuation of the Taxi Network CGU assumes growth driven by an increased fleet and associated revenue. The recoverable amount of the Taxi Network CGU currently exceeds its carrying value. This is based on a compound annual growth rate of -1% for EBITDA over the period from FY19 (being unaffected by COVID-19) to the FY25 terminal year, as used in the base case scenario noted above. A number of scenarios have been analysed and based on the modelling and analysis performed the recoverable amount of the Taxi Network CGU is expected to be greater than its carrying value.

Management has identified that a reasonably possible unfavourable change in the five year compound annual EBITDA growth rate, long term growth rate and discount rate assumptions in isolation and in the absence of any mitigating factors would result in the carrying value of the Taxi Network CGU becoming equal to the recoverable amount.

Individual changes in key assumptions used in the base case model that would result in nil headroom would be a decrease to -2.5% in the 6 year compound annual EBITDA growth rate, a decrease to 1.3% in the long term growth rate and an increase to 10.3% in the post-tax discount rate.

|                                   | CGU | Goodwill allocated |                | Impairment loss |                |
|-----------------------------------|-----|--------------------|----------------|-----------------|----------------|
|                                   |     | 2020<br>\$'000     | 2019<br>\$'000 | 2020<br>\$'000  | 2019<br>\$'000 |
| Cabcharge Payments                | CAB | 3,923              | 3,923          | –               | –              |
| Mobile Technologies International | MTI | 610                | 610            | –               | –              |
| Taxi Network                      | TNW | 22,954             | 21,175         | –               | –              |
|                                   |     | <b>27,487</b>      | <b>25,708</b>  | <b>–</b>        | <b>–</b>       |

|                               | CAB<br>\$'000 | MTI<br>\$'000 | TNW<br>\$'000 | Total<br>\$'000 |
|-------------------------------|---------------|---------------|---------------|-----------------|
| <b>2020 year:</b>             |               |               |               |                 |
| <b>Cost</b>                   |               |               |               |                 |
| Opening balance               | 3,923         | 610           | 21,175        | 25,708          |
| Additions through acquisition | –             | –             | 1,779         | 1,779           |
| Impairment loss               | –             | –             | –             | –               |
| <b>Closing balance</b>        | <b>3,923</b>  | <b>610</b>    | <b>22,954</b> | <b>27,487</b>   |
| <b>2019 year:</b>             |               |               |               |                 |
| <b>Cost</b>                   |               |               |               |                 |
| Opening balance               | 3,923         | –             | 21,175        | 25,098          |
| Additions through acquisition | –             | 610           | –             | 610             |
| Impairment loss               | –             | –             | –             | –               |
| <b>Closing balance</b>        | <b>3,923</b>  | <b>610</b>    | <b>21,175</b> | <b>25,708</b>   |

For more information about the goodwill additions through acquisition, refer to Note 9.

## 14. Intellectual property

### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination primarily relating to customer contracts, software, trademarks and brand names are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Trademarks are considered to have indefinite useful lives and such assets are tested for impairment in accordance with the policy below.

### Capitalised development costs

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, borrowing and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss when incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses.

### Amortisation

Items of intellectual property are amortised at rates based upon their estimated useful lives using the straight-line method, and this amortisation is recognised in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

- Customer contracts 5 to 8 years
- Software 5 years
- Capitalised development costs 4 to 8 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### Impairment testing

Intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is any indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### Impairment considerations

With consolidation of the taxi operations business nationally, the Group has determined that the future economic benefits of certain trademarks will not be realised as previously expected. Consequently, the recoverable amount of these trademarks are assessed to be lower than the carrying value and an impairment loss of \$333,000 has been recognised (FY19:\$nil). For other trademarks, the Group derived the recoverable amount on a value-in-use basis and determined that an impairment charge of \$115,000 was required (FY19 \$nil). In assessing the recoverable amount of trademarks and brand names, the Group has applied pre-tax discount rate of 13.3% (FY19 13.6%), an annual growth rate of between 0% to 2% (FY19 2.1%) over the next five years and long term growth rate of 0% to 2% (FY19 2.1%). An increase of 100 basis points in pre-tax discount rate would result in a further impairment of \$4,000 and a decrease of 100 basis points in the long term growth rate would result in further impairment of \$5,000.

|                                  | Indefinite life      |                  | Finite life                     |                    |                                               |                 |
|----------------------------------|----------------------|------------------|---------------------------------|--------------------|-----------------------------------------------|-----------------|
|                                  | Trademarks<br>\$'000 | Brands<br>\$'000 | Customer<br>contracts<br>\$'000 | Software<br>\$'000 | Capitalised<br>development<br>costs<br>\$'000 | Total<br>\$'000 |
| <b>2020 year:</b>                |                      |                  |                                 |                    |                                               |                 |
| <b>Cost</b>                      |                      |                  |                                 |                    |                                               |                 |
| Opening balance                  | 1,392                | 759              | 5,684                           | 2,700              | 38,765                                        | 49,300          |
| Additions – internally developed | –                    | –                | –                               | –                  | 5,694                                         | 5,694           |
| Impairment                       | (448)                | –                | –                               | –                  | –                                             | (448)           |
| Written-off                      | –                    | –                | –                               | –                  | (524)                                         | (524)           |
| Closing balance                  | 944                  | 759              | 5,684                           | 2,700              | 43,935                                        | 54,022          |
| <b>Accumulated amortisation</b>  |                      |                  |                                 |                    |                                               |                 |
| Opening balance                  | –                    | (584)            | (3,063)                         | (347)              | (24,121)                                      | (28,115)        |
| Amortisation expense             | –                    | (175)            | (711)                           | (550)              | (2,143)                                       | (3,579)         |
| Closing balance                  | –                    | (759)            | (3,774)                         | (897)              | (26,264)                                      | (31,694)        |
| <b>Net book value</b>            |                      |                  |                                 |                    |                                               |                 |
| Opening balance                  | 1,392                | 175              | 2,621                           | 2,353              | 14,644                                        | 21,185          |
| <b>Closing balance</b>           | <b>944</b>           | <b>–</b>         | <b>1,910</b>                    | <b>1,803</b>       | <b>17,671</b>                                 | <b>22,328</b>   |
| <b>2019 year:</b>                |                      |                  |                                 |                    |                                               |                 |
| <b>Cost</b>                      |                      |                  |                                 |                    |                                               |                 |
| Opening balance                  | 1,392                | 759              | 5,604                           | –                  | 32,676                                        | 40,431          |
| Additions – internally developed | –                    | –                | –                               | –                  | 6,135                                         | 6,135           |
| Additions through acquisition    | –                    | –                | 80                              | 2,700              | –                                             | 2,780           |
| Written-off                      | –                    | –                | –                               | –                  | (46)                                          | (46)            |
| Closing balance                  | 1,392                | 759              | 5,684                           | 2,700              | 38,765                                        | 49,300          |
| <b>Accumulated amortisation</b>  |                      |                  |                                 |                    |                                               |                 |
| Opening balance                  | –                    | (249)            | (2,297)                         | –                  | (22,182)                                      | (24,728)        |
| Amortisation expense             | –                    | (335)            | (766)                           | (347)              | (1,939)                                       | (3,387)         |
| Closing balance                  | –                    | (584)            | (3,063)                         | (347)              | (24,121)                                      | (28,115)        |
| <b>Net book value</b>            |                      |                  |                                 |                    |                                               |                 |
| Opening balance                  | 1,392                | 510              | 3,307                           | –                  | 10,494                                        | 15,703          |
| <b>Closing balance</b>           | <b>1,392</b>         | <b>175</b>       | <b>2,621</b>                    | <b>2,353</b>       | <b>14,644</b>                                 | <b>21,185</b>   |

## 15. Contract liabilities, trade and other payables

Trade and other payables are recognised at the fair value of the invoice received from the supplier. The carrying value of trade and other payables is considered to approximate fair value.

|                             | 2020<br>\$'000 | 2019<br>\$'000 |
|-----------------------------|----------------|----------------|
| Trade payables              | 7,699          | 11,433         |
| Security deposit            | 6,251          | 5,547          |
| Other payables and accruals | 11,015         | 11,842         |
| Contract liabilities        | 4,544          | 9,091          |
|                             | <b>29,509</b>  | <b>37,913</b>  |

## 16. Loans and borrowings

Loans and borrowings are recognised at the consideration received, less directly attributable transaction costs, with subsequent measurement at amortised cost using the effective interest rate method.

For more information about the Group's exposure to interest rate and liquidity risk, refer to Note 31.

### Composition

|                 | 2020<br>\$'000 | 2019<br>\$'000 |
|-----------------|----------------|----------------|
| Unsecured loans | 2,031          | 2,701          |
|                 | <b>2,031</b>   | <b>2,701</b>   |

### Disclosure in the Consolidated Statement of Financial Position

|                   | 2020<br>\$'000 | 2019<br>\$'000 |
|-------------------|----------------|----------------|
| Current liability | 2,031          | 2,701          |
|                   | <b>2,031</b>   | <b>2,701</b>   |

The unsecured loans are at-call and bear variable interest rates from 1.5% to 2% per annum. Bank borrowings bear interest rate from 2.58% to 2.79% per annum.

On 14 August 2020 the Group renegotiated its debt facilities, with the new facility replacing the existing facility from that date. The new finance facility has a limit of \$25 million and expires on 1 July 2023. The new facility also provides a waiver for the interest cover financial covenant for the 12-month period to 30 June 2021.

For more information about the Group's exposure to interest rate and liquidity risk, refer to Note 31.

## 17. Provisions

### Employee benefits and make good provisions

#### Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave represent the present obligations resulting from employees' services provided up to reporting date. The provisions have been calculated at undiscounted amounts based on expected wage and salary rates that the Group expects to pay as at reporting date and include related on-costs, such as workers' compensation insurance and payroll tax. A liability is recognised in other payables for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### Long service leave

The provision for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made by the Group resulting from employees' services provided up to the reporting date. The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to corporate bonds at reporting date which most closely match the terms of maturity of the related liabilities.

### Superannuation plans

The Group contributes to defined contribution superannuation funds for the benefit of employees or their dependants on retirement, resignation, disablement or death. The Group contributes a percentage of individual employees' gross income and employees may make additional contributions on a voluntary basis. Obligations for contributions to defined contribution superannuation funds are recognised as an employee benefits expense in profit or loss in the periods during which services are rendered by employees.

### Make good provision

The make good provision represents the present value of the estimated future cash outflows to be made where the obligation to restore the lease property to its original condition exists.

### Composition

|                                   | 2020<br>\$'000 | 2019<br>\$'000 |
|-----------------------------------|----------------|----------------|
| <b>Employee benefit provision</b> |                |                |
| – Annual leave provision          | 4,248          | 3,945          |
| – Long service leave provision    | 4,597          | 4,391          |
| Make good provision               | 767            | 752            |
|                                   | <b>9,612</b>   | <b>9,088</b>   |

### Disclosure in the Consolidated Statement of Financial Position

|                                    | 2020<br>\$'000 | 2019<br>\$'000 |
|------------------------------------|----------------|----------------|
| <b>Current provision</b>           |                |                |
| – Employee benefits provision      | 7,982          | 7,258          |
| – Make good provision              | 285            | 269            |
| <b>Total current provision</b>     | <b>8,267</b>   | <b>7,527</b>   |
| <b>Non-current provision</b>       |                |                |
| – Employee benefits provision      | 863            | 1,078          |
| – Make good provision              | 482            | 483            |
| <b>Total non-current provision</b> | <b>1,345</b>   | <b>1,561</b>   |
| <b>Total provisions</b>            | <b>9,612</b>   | <b>9,088</b>   |

### Defined contribution superannuation funds

|                                                            | 2020<br>\$'000 | 2019<br>\$'000 |
|------------------------------------------------------------|----------------|----------------|
| Contributions to defined contribution superannuation funds | 5,130          | 4,554          |

## 18. Share capital and Reserves

### Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

### Profits reserve

The profits reserve represents profits of entities within the Group transferred to a separate reserve to preserve their profit character. Such profits are available to enable payment of franked dividends in future years.

### Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

### Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of unlisted equity investments. On derecognition, the Group transfers that part of the reserve related to the underlying investment that is derecognised directly to Retained earnings.

### Employee Compensation Reserve

The fair value of Long Term Incentive plans granted is recognised in the employee compensation reserve over the vesting period.

### Composition and movement in issued capital (number of shares)

|                               | 2020<br>(number) | 2019<br>(number) |
|-------------------------------|------------------|------------------|
| Composition of issued capital |                  |                  |
| Fully paid ordinary shares    | 120,430,683      | 120,430,683      |

### Composition and movement in share capital (dollars)

|                               | 2020<br>\$'000 | 2019<br>\$'000 |
|-------------------------------|----------------|----------------|
| Composition of issued capital |                |                |
| Fully paid ordinary shares    | 138,325        | 138,325        |

### Options over unissued shares

No options were granted during the year and there were no options outstanding at the end of the financial year. Performance rights were awarded during the year and they may be converted into ordinary shares, subject to Board's discretion.

### Terms and conditions applicable to ordinary shares

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation. The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid.

## Composition and movement in other reserves

|                                                                               | Foreign<br>currency<br>translation<br>reserve<br>\$'000 | Fair value<br>reserve<br>\$'000 | Employee<br>compensation<br>reserve<br>\$'000 | Total<br>\$'000 |
|-------------------------------------------------------------------------------|---------------------------------------------------------|---------------------------------|-----------------------------------------------|-----------------|
| <b>2020 year:</b>                                                             |                                                         |                                 |                                               |                 |
| Opening balance                                                               | (83)                                                    | (498)                           | 652                                           | 71              |
| Net change in fair value of financial assets, net of tax                      | –                                                       | (477)                           | –                                             | (477)           |
| Net change in fair value of financial assets transferred to retained earnings | –                                                       | 541                             | –                                             | 541             |
| Foreign exchange translation differences, net of tax                          | (52)                                                    | –                               | –                                             | (52)            |
| Share-based payments                                                          | –                                                       | –                               | 350                                           | 350             |
| <b>Closing balance</b>                                                        | <b>(135)</b>                                            | <b>(434)</b>                    | <b>1,002</b>                                  | <b>433</b>      |
| <b>2019 year:</b>                                                             |                                                         |                                 |                                               |                 |
| Opening balance                                                               | –                                                       | –                               | 348                                           | 348             |
| Net change in fair value of financial assets, net of tax                      | –                                                       | (498)                           | –                                             | (498)           |
| Foreign exchange translation differences, net of tax                          | (83)                                                    | –                               | –                                             | (83)            |
| Share-based payments                                                          | –                                                       | –                               | 304                                           | 304             |
| <b>Closing balance</b>                                                        | <b>(83)</b>                                             | <b>(498)</b>                    | <b>652</b>                                    | <b>71</b>       |

## 19. Dividends

Dividends are recognised as a liability in the period in which they are declared.

The following fully franked dividends were paid, franked at a tax rate of 30%.

### Dividends paid

|                                                                | 2020<br>\$'000 | 2019<br>\$'000 |
|----------------------------------------------------------------|----------------|----------------|
| 2020 year interim – 4.0 cents per share (from profits reserve) | 4,817          | –              |
| 2019 year final – 4.0 cents per share                          | 4,817          | –              |
| 2019 year interim – 4.0 cents per share                        | –              | 4,817          |
| 2018 year final – 4.0 cents per share                          | –              | 4,817          |
| <b>Total dividends paid</b>                                    | <b>9,634</b>   | <b>9,634</b>   |

### Dividends cents per share – paid

|              | 2020        | 2019        |
|--------------|-------------|-------------|
| Interim      | 4.00        | 4.00        |
| Final        | 4.00        | 4.00        |
| <b>Total</b> | <b>8.00</b> | <b>8.00</b> |

Given uncertainty around the current economic environment and focus on cash preservation for growth opportunities the Board has decided not to declare a final FY20 dividend.

## 20. Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit attributable to equity holders for the reporting period by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit attributable to equity holders for the reporting period by the weighted average number of ordinary shares outstanding including dilutive potential ordinary shares.

|                                                                                                                                             | 2020     | 2019    |
|---------------------------------------------------------------------------------------------------------------------------------------------|----------|---------|
| Consolidated (loss)/profit attributable to owners of the Company (in thousands of AUD)                                                      | (23,820) | 11,822  |
| Weighted average number of fully paid ordinary shares outstanding during the year used in calculation of basic EPS (in thousands of shares) | 120,431  | 120,431 |

Any potential dilution in A2B's earnings per share which might arise following the exercise of the LTI awards is immaterial given the number of existing shares on issue.

|             | 2020         | 2019      |
|-------------|--------------|-----------|
| Basic EPS   | (19.8 cents) | 9.8 cents |
| Diluted EPS | (19.8 cents) | 9.8 cents |

## 21. Dividend franking balance

|                                                                                                                                       | 2020<br>\$'000 | 2019<br>\$'000 |
|---------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Balance at the end of the financial year including franking credits arising from income tax payable in respect of the financial year. | 33,564         | 37,564         |

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

- franking credits that will arise from the payment/receipt of the current tax liabilities/receivables;
- franking debits that will arise from the payment of dividends recognised as a liability at the year-end;
- franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year-end; and
- franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. The impact on the dividend franking account of dividends proposed after the balance sheet date but not recognised as a liability is to reduce it by \$ nil (2019 \$2,064,000). In accordance with the tax consolidation legislation, the Company as the head entity in the tax consolidated group has also assumed the benefit of \$33,564,000 (2019 \$37,564,000) franking credits.

## 22. Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2020 the parent entity of the Group was A2B Australia Limited.

|                                                         | 2020<br>\$'000  | 2019<br>\$'000 |
|---------------------------------------------------------|-----------------|----------------|
| <b>Result of the parent entity</b>                      |                 |                |
| (Loss)/Profit for the year                              | (16,181)        | 5,168          |
| Other comprehensive income, net of tax                  | 43              | 16             |
| <b>Total comprehensive income for the year</b>          | <b>(16,138)</b> | <b>5,184</b>   |
| <b>Financial position of parent entity at year end</b>  |                 |                |
| Current assets                                          | 45,508          | 72,623         |
| Non-current assets                                      | 262,948         | 264,574        |
| <b>Total assets</b>                                     | <b>308,456</b>  | <b>337,197</b> |
| Current liabilities                                     | 25,269          | 30,763         |
| Non-current liabilities                                 | 138,743         | 136,218        |
| <b>Total liabilities</b>                                | <b>164,012</b>  | <b>166,981</b> |
| <b>Total equity of the parent entity comprising of:</b> |                 |                |
| Share capital                                           | 138,325         | 138,325        |
| Reserves                                                | 712             | 668            |
| Profits reserve                                         | 18,823          | –              |
| Retained earnings                                       | (13,416)        | 31,223         |
| <b>Total equity</b>                                     | <b>144,444</b>  | <b>170,216</b> |

### Parent entity capital expenditure commitments and contingencies

At 30 June 2020 the parent entity has not made any capital expenditure commitments (2019 \$nil). For the contingent liability as at 30 June 2020 (2019 \$nil), refer to Note 28.

### Parent entity guarantees in respect of the debts of its subsidiaries

The parent entity has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of certain subsidiaries.

Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed are disclosed in Note 23.

Notes to the Consolidated Financial Statements  
for the year ended 30 June 2020 (continued)

## 23. Deed of Cross Guarantee

Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785, the wholly-owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports, and Directors' reports.

It is a condition of the Instrument that the Company and each of the subsidiaries seeking relief enter into a Deed of Cross Guarantee ("**Deed**"). The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporation Act. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries are subject to the Deed are:

- Taxis Combined Services Pty Ltd
- Black Cabs Combined Pty Ltd
- Yellow Cabs (South Australia) Pty Ltd
- Yellow Cabs Australia Pty Ltd
- Combined Communications Network Pty Ltd
- EFT Solutions Pty Ltd
- Maxi Taxi (Australia) Pty Ltd
- 135466 Pty Ltd
- Newcastle Taxis Pty Ltd
- Austaxi Group Pty Ltd
- Taxitech Pty Ltd
- Arrow Taxi Services Pty Ltd
- North Suburban Taxis (Vic) Pty Ltd
- ABC Radio Taxi Pty Ltd
- Cabcharge Payments Pty Ltd
- Mobile Technologies International Pty Ltd

The Consolidated income statement and retained earnings for the Company and controlled entities which are a party to the Deed is as follows:

|                                                                 | 2020<br>\$'000  | 2019<br>\$'000 |
|-----------------------------------------------------------------|-----------------|----------------|
| Revenue                                                         | 159,891         | 190,978        |
| Expenses                                                        | (183,156)       | (173,458)      |
| <b>Results from operating activities</b>                        | <b>(23,265)</b> | <b>17,520</b>  |
| Finance income                                                  | 76              | 187            |
| Finance costs                                                   | (1,290)         | (804)          |
| <b>Profit before income tax</b>                                 | <b>(24,479)</b> | <b>16,903</b>  |
| Income tax expense                                              | 2,319           | (5,368)        |
| <b>Profit for the year</b>                                      | <b>(22,160)</b> | <b>11,535</b>  |
| <i>Items that will not be reclassified to profit or loss:</i>   |                 |                |
| Net change in fair value of financial assets                    | (703)           | (712)          |
| Income tax on other comprehensive income                        | 174             | 214            |
| <b>Other comprehensive loss for the year, net of income tax</b> | <b>(529)</b>    | <b>(498)</b>   |
| <b>Total comprehensive income for the year</b>                  | <b>(22,689)</b> | <b>11,037</b>  |
| Retained earnings at beginning of year                          | 29,120          | 27,219         |
| Transfer to profits reserve                                     | (18,823)        | -              |
| Profit for the year                                             | (22,160)        | 11,535         |
| Dividends provided for or paid                                  | (9,634)         | (9,634)        |
| <b>Retained earnings at end of year</b>                         | <b>(21,497)</b> | <b>29,120</b>  |

The Consolidated financial position for the Company and controlled entities which are a party to the Deed is as follows:

|                                                                   | 2020<br>\$'000 | 2019<br>\$'000 |
|-------------------------------------------------------------------|----------------|----------------|
| <b>Current assets</b>                                             |                |                |
| Cash and cash equivalents                                         | 22,922         | 17,680         |
| Trade and other receivables                                       | 43,063         | 79,526         |
| Current tax assets                                                | 2              | –              |
| Inventories                                                       | 2,855          | 3,108          |
| Other current assets                                              | 3,509          | 4,855          |
| <b>Total current assets</b>                                       | <b>72,351</b>  | <b>105,169</b> |
| <b>Non-current assets</b>                                         |                |                |
| Trade and other receivables                                       | 5,624          | 4,880          |
| Investments                                                       | 2,928          | 2,295          |
| Property, plant and equipment                                     | 35,004         | 35,786         |
| Right-of-use assets                                               | 17,438         | –              |
| Net deferred tax assets                                           | 6,293          | 4,068          |
| Taxi plate licences                                               | 3,237          | 17,459         |
| Goodwill                                                          | 26,838         | 25,708         |
| Intellectual property                                             | 22,058         | 21,157         |
| <b>Total non-current assets</b>                                   | <b>119,420</b> | <b>111,353</b> |
| <b>Total assets</b>                                               | <b>191,771</b> | <b>216,522</b> |
| <b>Current liabilities</b>                                        |                |                |
| Trade and other payables                                          | 27,779         | 37,180         |
| Loans and borrowings                                              | 2,031          | 2,701          |
| Lease liabilities                                                 | 2,174          | –              |
| Current tax liabilities                                           | –              | 1,107          |
| Provisions                                                        | 8,097          | 7,401          |
| <b>Total current liabilities</b>                                  | <b>40,081</b>  | <b>48,389</b>  |
| <b>Non-current liabilities</b>                                    |                |                |
| Lease liabilities                                                 | 15,624         | –              |
| Provisions                                                        | 1,345          | 1,561          |
| <b>Total non-current liabilities</b>                              | <b>16,969</b>  | <b>1,561</b>   |
| <b>Total liabilities</b>                                          | <b>57,050</b>  | <b>49,950</b>  |
| <b>Net assets</b>                                                 | <b>134,721</b> | <b>166,572</b> |
| <b>Equity</b>                                                     |                |                |
| Share capital                                                     | 137,304        | 137,304        |
| Reserves                                                          | 91             | 148            |
| Profits reserve                                                   | 18,823         | –              |
| Retained earnings                                                 | (21,497)       | 29,120         |
| <b>Total equity attributable to equity holders of the Company</b> | <b>134,721</b> | <b>166,572</b> |

## 24. Related Party and Key Management Personnel disclosures

Apart from the details disclosed in this note, no key management personnel ("KMP") have entered into a material contract with the Company or the Group since the end of the previous financial year and there are no material contracts involving key management personnel interests existing at year end.

### KMP compensation (including Non-executive Directors)

|                                                                               | 2020<br>\$       | 2019<br>\$       |
|-------------------------------------------------------------------------------|------------------|------------------|
| Short-term employee benefits – salary, fees, non-cash benefits and cash bonus | 4,013,576        | 4,386,411        |
| Post-employment benefits – superannuation                                     | 208,024          | 182,698          |
| Other long-term benefits                                                      | 62,637           | 72,524           |
| Termination benefits                                                          | 286,312          | –                |
| Share-based payment expense                                                   | 613,623          | 295,227          |
|                                                                               | <b>5,184,172</b> | <b>4,936,860</b> |

### Loans to Directors and other KMP

No loans are made to Directors or other KMP.

### Transactions with Directors and other KMP

The Group has no transactions with related parties in the reporting period.

## 25. Remuneration of auditors

|                                       | 2020<br>\$     | 2019<br>\$     |
|---------------------------------------|----------------|----------------|
| Audit and review of financial reports | 415,000        | 478,000        |
| Other services                        |                |                |
| Taxation services                     | 224,550        | 154,350        |
| Advisory services                     | 22,212         | 54,000         |
|                                       | <b>661,762</b> | <b>686,350</b> |

## 26. Particulars relating to controlled entities

|                                                     | Group Interest %<br>2020 | Group Interest %<br>2019 |
|-----------------------------------------------------|--------------------------|--------------------------|
| 13cabs Innovations Pty Ltd                          | 100                      | 100                      |
| 135466 Pty Ltd                                      | 100                      | 100                      |
| ABC Radio Taxi Pty Ltd                              | 100                      | 100                      |
| Access Communications Net Pty Ltd                   | 100                      | 100                      |
| Arrow Taxi Services Pty Ltd                         | 100                      | 100                      |
| Austaxi Group Pty Ltd                               | 100                      | 100                      |
| Black Cabs Combined Car Sales Pty Ltd               | 100                      | 100                      |
| Black Cabs Combined Pty Ltd                         | 100                      | 100                      |
| Cab Access Pty Ltd                                  | 100                      | 100                      |
| Cabcharge (Investments) Pty Ltd                     | 100                      | 100                      |
| Cabcharge Payments Pty Ltd                          | 100                      | 100                      |
| Carbodies Australia Pty Ltd                         | 100                      | 100                      |
| Champ Australia Pty Ltd                             | 100                      | 100                      |
| Champ NSW Pty Ltd                                   | 100                      | 100                      |
| Champ Victoria Pty Ltd                              | 100                      | 100                      |
| Champ WA Pty Ltd                                    | 100                      | 100                      |
| Combined Communications Network Pty Ltd             | 100                      | 100                      |
| EFT Solutions Pty Ltd                               | 100                      | 100                      |
| Enterprise Speech Recognition Pty Ltd               | 100                      | 100                      |
| Go Taxis Pty Ltd                                    | 100                      | 100                      |
| Helpline Australia Pty Ltd                          | 100                      | 100                      |
| Kingscliff Tweed Coast Taxis Pty Ltd                | 56                       | 22                       |
| Mact Franchise Pty Ltd                              | 100                      | 100                      |
| Mact Network Pty Ltd                                | 100                      | 100                      |
| Mact Rental Pty Ltd                                 | 100                      | 100                      |
| Maxi Taxi (Australia) Pty Ltd                       | 100                      | 100                      |
| Melbourne Taxi Cab Service Pty Ltd                  | 100                      | 100                      |
| Mobile Technologies Developments Pty Ltd            | 100                      | 100                      |
| Mobile Technologies International Pty Ltd           | 100                      | 100                      |
| Newcastle Taxis Pty Ltd                             | 100                      | 100                      |
| North Suburban Taxis (Vic) Pty Ltd                  | 100                      | 100                      |
| Silver Service (Victoria) Pty Ltd                   | 100                      | 100                      |
| Silver Service Taxis Pty Ltd                        | 100                      | 100                      |
| South Western Cabs (Radio Room) Pty Ltd             | 100                      | 100                      |
| Taxi Data Australia Pty Ltd                         | 68                       | 68                       |
| Taxi Industry (Australia) Insurance Brokers Pty Ltd | 62                       | 37                       |
| Taxi Services Management (Newcastle) Pty Ltd        | 100                      | 100                      |
| TaxiProp Pty Ltd                                    | 100                      | 100                      |
| Taxis Australia Pty Ltd                             | 68                       | 68                       |
| Taxis Combined Services (Victoria) Pty Ltd          | 100                      | 100                      |
| Taxis Combined Services Pty Ltd                     | 100                      | 100                      |
| Taxitech Pty Ltd                                    | 100                      | 100                      |

Notes to the Consolidated Financial Statements  
for the year ended 30 June 2020 (continued)

|                                              | Group Interest %<br>2020 | Group Interest %<br>2019 |
|----------------------------------------------|--------------------------|--------------------------|
| Thirteen Hundred Pty Ltd                     | 100                      | 100                      |
| Tiger Taxis NSW Pty Ltd                      | 100                      | 100                      |
| Tiger Taxis Operations Pty Ltd               | 100                      | 100                      |
| Tiger Taxis Pty Ltd                          | 100                      | 100                      |
| Tiger Taxis Queensland Pty Ltd               | 100                      | 100                      |
| Tweed Heads Coolangatta Taxi Service Pty Ltd | 56                       | 22                       |
| Voci Asia Pacific Pty Ltd                    | 100                      | 100                      |
| Yellow Cabs (Queensland) Holdings Pty Ltd    | 100                      | 100                      |
| Yellow Cabs Australia Pty Ltd                | 100                      | 100                      |
| Yellow Cabs of Sydney Pty Ltd                | 100                      | 100                      |
| Yellow Cabs South Australia Pty Ltd          | 100                      | 100                      |
| Yellow Cabs Victoria Pty Ltd                 | 100                      | 100                      |
| Cabcharge New Zealand Limited                | 100                      | 100                      |
| Cabcharge North America Limited              | 93                       | 93                       |
| Manchester Taxi Division Limited             | 100                      | 100                      |
| Mobile Technologies International Limited    | 100                      | 100                      |
| Mobile Technologies International LLC        | 100                      | 100                      |

## 27. Capital expenditure commitments

The Group has not entered into any contracts to purchase plant and equipment for which amounts have not been provided as at 30 June 2020 (2019 \$nil).

## 28. Contingencies

Certain recent court decisions, not involving A2B, regarding the correct application of various employee entitlements may have implications for businesses in Australia that employ casual staff. The Group does not consider the majority of the principles relating to these court decisions directly apply to the Group's employment arrangements. No provision has therefore been recognised in relation to these matters at 30 June 2020.

## 29. Leases

The Group leases various offices and Taxitech workshops. The leases run typically for a fixed period of one to 10 years, with an option to renew the lease after that date.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Previously, these leases were classified as operating leases under AASB 117.

Information about leases for which the Group is a lessee is presented below.

### Right-of-use assets

The right-of-use assets are initially measured at cost, which comprises:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives and any initial direct costs incurred by the lessee
- An estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset.

Subsequently the right-of-use asset is measured at cost less any accumulated depreciation and impairment losses and adjusted for certain measurements of the lease liability.

The right-of-use asset is depreciated over the shorter period of the lease term and the economic useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group will exercise a purchase option, the asset will be depreciated from the commencement date to the end of the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Where the initially anticipated lease term is subsequently reassessed, any changes are reflected in a remeasurement of the lease liability and a corresponding adjustment to the asset.

If the recoverable amount of a right-of-use asset is less than its carrying value, an impairment charge is recognised in the profit or loss, and the carrying value of the asset written-down to its recoverable amount. Should the recoverable amount increase in future periods the carrying value may be adjusted to the lower of the recoverable value or the amortised cost of the asset had it not been impaired.

|                            | Land and<br>buildings<br>\$'000 | Equipment<br>\$'000 | Total<br>\$'000 |
|----------------------------|---------------------------------|---------------------|-----------------|
| <b>2020 year:</b>          |                                 |                     |                 |
| Balance at 1 July          | 18,676                          | 1,196               | 19,872          |
| Depreciation               | (2,853)                         | (112)               | (2,965)         |
| Additions                  | 1,997                           | –                   | 1,997           |
| Derecognition <sup>1</sup> | –                               | (1,084)             | (1,084)         |
| <b>Balance at 30 June</b>  | <b>17,820</b>                   | <b>–</b>            | <b>17,820</b>   |

1 Derecognition of the right-of-use assets during the 2020 is a result of lease cancellation.

## Lease liabilities

|                                             | 2020<br>\$'000 |
|---------------------------------------------|----------------|
| <b>Contractual undiscounted cash flows</b>  |                |
| One year or less                            | 2,809          |
| From one to five years                      | 8,407          |
| Over five years                             | 10,752         |
| <b>Total undiscounted lease liabilities</b> | <b>21,968</b>  |
| Current                                     | 2,262          |
| Non-current                                 | 15,926         |
| <b>Total lease liabilities</b>              | <b>18,188</b>  |

The lease liability is initially measured at the present value of future lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if this rate cannot be readily determined the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivables
- Variable lease payments that depend on an index or a rate
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- The amount expected to be payable under a residual value guarantee
- Payments of penalties for termination of the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

## Notes to the Consolidated Financial Statements for the year ended 30 June 2020 (continued)

Variable lease payments not included in the initial measurement of the lease liability are recognised directly in profit or loss.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- The lease payments change due to changes in an index or rate or a change in the amount expected to be payable under a residual value guarantee
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

### Amounts recognised in the Consolidated Statement of Comprehensive Income

|                                                                                | Total<br>\$'000 |
|--------------------------------------------------------------------------------|-----------------|
| <b>2020 year: Leases under AASB 16</b>                                         |                 |
| Interest on lease liabilities                                                  | 621             |
| Depreciation                                                                   | 2,965           |
| Expenses relating to variable lease payments not included in lease liabilities | 474             |
| <b>2019 year: Leases under AASB 117</b>                                        |                 |
| Lease expenses                                                                 | 3,231           |

### Amounts recognised in the Consolidated Statement of Cash Flows

|                               | \$'000 |
|-------------------------------|--------|
| <b>2020 year:</b>             |        |
| Total cash outflow for leases | 3,692  |

### 30. Notes to the consolidated statement of cash flows

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows.

The carrying value of cash is considered to approximate fair value.

#### Reconciliation of net cash provided by operating activities with profit from ordinary activities after income tax

|                                                                                    | 2020<br>\$'000 | 2019<br>\$'000 |
|------------------------------------------------------------------------------------|----------------|----------------|
| (Loss)/Profit for the year attributable to owners of the Company                   | (23,820)       | 11,822         |
| Adjustment for non-cash items:                                                     |                |                |
| Depreciation and amortisation                                                      | 17,771         | 14,550         |
| Net (profit) on disposal of property, plant and equipment                          | (294)          | (259)          |
| Share-based payments                                                               | 350            | 304            |
| Impairment charges                                                                 | 14,983         | –              |
| Acquisition related costs                                                          | 145            | 401            |
| Other non cash items                                                               | 593            | –              |
| Changes in assets and liabilities, net of the effects of purchase of subsidiaries: |                |                |
| Change in trade and other debtors                                                  | 40,120         | (5,919)        |
| Change in inventories                                                              | 462            | 185            |
| Change in creditors and accruals                                                   | (9,343)        | 3,307          |
| Change in provisions                                                               | 71             | 632            |
| Change in income taxes payable                                                     | (1,229)        | 2,168          |
| Change in deferred tax balances                                                    | (1,834)        | (800)          |
| <b>Net cash provided by operating activities</b>                                   | <b>37,975</b>  | <b>26,391</b>  |

#### Reconciliation of liabilities arising from financing activities

| \$'000                                             | At 1 July<br>2019 | AASB 16<br>Transition<br>adjustment | Changes<br>arising from<br>obtaining<br>NCI | Net cash<br>flows | Lease net<br>additions<br>and<br>remeasure | At 30 June<br>2020 |
|----------------------------------------------------|-------------------|-------------------------------------|---------------------------------------------|-------------------|--------------------------------------------|--------------------|
| Interest bearing loans                             | 2,701             | –                                   | 90                                          | (760)             | –                                          | 2,031              |
| Lease liabilities                                  | –                 | 19,872                              | –                                           | (2,597)           | 913                                        | 18,188             |
| <b>Total liabilities from financing activities</b> | <b>2,701</b>      | <b>19,872</b>                       | <b>90</b>                                   | <b>(3,357)</b>    | <b>913</b>                                 | <b>20,219</b>      |

#### Cash and cash equivalents

|                                                         | 2020<br>\$'000 | 2019<br>\$'000 |
|---------------------------------------------------------|----------------|----------------|
| Cash on hand and at bank                                | 8,520          | 10,620         |
| Money market deposits                                   | 17,239         | 8,552          |
| <b>Balance per Consolidated Statement of Cash Flows</b> | <b>25,759</b>  | <b>19,172</b>  |

#### Restricted cash

There was no restricted cash at 30 June 2020 (30 June 2019 \$nil).

## 31. Financial instruments and financial risk management

### Overview

The Board of Director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on equity, which the Group defines as profit after tax divided by total shareholders' equity. The Board also determines the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group's target is to achieve a return exceeding its cost of equity over the medium term.

There were no changes in the Group's approach to medium term capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The Group has exposure to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

### Financial risk management objectives

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Audit & Risk Committee, which is responsible for developing and monitoring risk management activities. The Committee reports regularly to the Board of Directors on risk management.

Risk management practices are established to identify and analyse the risks faced by the Group, to set appropriate policies which include risk limits and controls, and to monitor risks and adherence to policies. Risk management practices are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through their training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit & Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

### Credit risk

Credit risk is the risk of financial loss to the Group if a Customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from Customers, investments with financial institutions and securities. The carrying value of cash and cash equivalents, trade and other receivables and deposits with financial institutions represents the maximum credit exposure of these assets.

Impairment losses on financial assets and contract assets recognised in the consolidated statement of comprehensive income were as follows:

|                                                                            | 2020<br>\$'000 | 2019<br>\$'000 |
|----------------------------------------------------------------------------|----------------|----------------|
| Impairment loss on trade receivables arising from contracts with customers | (6,199)        | (1,360)        |
| Impairment loss on financial assets measured at FVOCI                      | (581)          | (727)          |
|                                                                            | <b>(6,780)</b> | <b>(2,087)</b> |

#### a) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each Customer and in the current market the broader impacts of COVID-19.

The Group minimises concentration of credit risk in relation to trade accounts receivable by undertaking transactions with a large number of Customers.

Credit risk in trade receivables is managed in the following ways:

- The Board has established delegated limits and authority for agreements, contracts and receivable write-off
- Each new Customer is analysed individually for creditworthiness under a credit policy before the Group's standard payment and delivery terms and conditions are offered
- Payment terms are 28 days
- A risk assessment process is used for Customers over 90 days; and
- Cash or bank guarantee is obtained where appropriate.

The Group assumes the credit risk for the full value of Taxi fares settled through the Cabcharge Payment System (refer to Note 3).

In assessing the combined collective loss allowance and specific doubtful debts provision as at 30 June 2020, the Group has considered the increased risk arising from the economic impacts of the COVID-19 pandemic. The Group has specifically assessed the economic circumstances of individual customers in the current environment, resulting in a material year on year increase in the level of accumulated losses relative to the gross trade receivables balance.

#### b) Investments

The Group limits its exposure to credit risk by placing deposits with major Australian banks.

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group undertakes the following activities to ensure that there will be sufficient funds available to meet obligations:

- Prepare budgeted annual and monthly cash flows;
- Monitor actual cash flows on a daily basis and compare to liquidity requirements;
- Maintain standby money market and commercial overdraft facilities; and
- Maintain committed borrowing facility in excess of budgeted usage levels.

There has been no change in liquidity risk policies during the financial year.

### Maturity profile of financial liabilities by remaining contractual maturities

|                                                | Carrying<br>amount<br>\$'000 | Contractual<br>cashflows<br>\$'000 | 6 months<br>or less<br>\$'000 | 6 to 12<br>months<br>\$'000 | 1 to 2 years<br>\$'000 | 2 to 5 years<br>\$'000 |
|------------------------------------------------|------------------------------|------------------------------------|-------------------------------|-----------------------------|------------------------|------------------------|
| <b>2020 year</b>                               |                              |                                    |                               |                             |                        |                        |
| Contract liabilities, trade and other payables | 29,509                       | 29,509                             | 29,509                        | –                           | –                      | –                      |
| Loans and borrowings                           | 2,031                        | 2,075                              | 2,075                         | –                           | –                      | –                      |
|                                                | <b>31,540</b>                | <b>31,584</b>                      | <b>31,584</b>                 | <b>–</b>                    | <b>–</b>               | <b>–</b>               |
| <b>2019 year</b>                               |                              |                                    |                               |                             |                        |                        |
| Contract liabilities, trade and other payables | 37,913                       | 37,913                             | 37,913                        | –                           | –                      | –                      |
| Loans and borrowings                           | 2,701                        | 2,865                              | 2,865                         | –                           | –                      | –                      |
|                                                | <b>40,614</b>                | <b>40,778</b>                      | <b>40,778</b>                 | <b>–</b>                    | <b>–</b>               | <b>–</b>               |

Notes to the Consolidated Financial Statements  
for the year ended 30 June 2020 (continued)

|                                 | 2020<br>\$'000 | 2019<br>\$'000 |
|---------------------------------|----------------|----------------|
| <b>Bank facilities</b>          |                |                |
| Revolving credit facility       | 45,000         | 45,000         |
| Multi option facility           | 5,000          | 5,000          |
| <b>Total facility</b>           | <b>50,000</b>  | <b>50,000</b>  |
| <b>Amount used at 30 June</b>   | <b>–</b>       | <b>–</b>       |
| <b>Amount unused at 30 June</b> | <b>50,000</b>  | <b>50,000</b>  |

On 14 August 2020 the Group renegotiated its debt facilities, with the new facility replacing the existing facility from that date. The new finance facility has a limit of \$25 million and expires on 1 July 2023. The new facility also provides a waiver for the interest cover financial covenant for the 12-month period to 30 June 2021.

Typically the Group ensures that it has sufficient cash on demand to meet expected current operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group maintains lines of credit as detailed in the above table.

## Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### a) Currency risk

The Group has no significant exposure to foreign exchange risk in respect of the Company and the entities it controls.

### b) Interest rate risk

The principal risk to which financial assets and financial liabilities are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

|                                              | 2020<br>\$'000 | 2019<br>\$'000 |
|----------------------------------------------|----------------|----------------|
| <b>Fixed rate instruments</b>                |                |                |
| Financial assets – Finance lease receivables | 8,763          | 7,700          |
| Financial liabilities                        | –              | –              |
|                                              | <b>8,763</b>   | <b>7,700</b>   |
| <b>Variable rate instruments</b>             |                |                |
| Financial assets – cash and cash equivalents | 25,759         | 19,172         |
| Financial liabilities – Loans and borrowings | (2,031)        | (2,701)        |
|                                              | <b>23,728</b>  | <b>16,471</b>  |

As at 30 June 2020 the carrying value of financial assets and liabilities on the above table are considered to approximate their fair value.

### c) Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, where applicable, are based on the government yield curve at the reporting date plus an adequate credit spread, and were as follows:

|                           | 2020         | 2019       |
|---------------------------|--------------|------------|
| Loans and borrowings      | 1.5% to 2.8% | 2%         |
| Finance lease receivables | 7% to 12%    | 10% to 12% |

#### d) Fair value hierarchy

To determine fair value, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising unobservable inputs. Fair value measurements that are recognised in the Consolidated Financial Statements are categorised as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value hierarchy of the investments is provided below:

|                             | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Total<br>\$'000 |
|-----------------------------|-------------------|-------------------|-------------------|-----------------|
| <b>30 June 2020</b>         |                   |                   |                   |                 |
| Unlisted equity investments | –                 | –                 | 1,298             | 1,298           |
| <b>30 June 2019</b>         |                   |                   |                   |                 |
| Unlisted equity investments | –                 | –                 | 2,186             | 2,186           |

The valuation techniques and significant unobservable inputs used to determine the fair value of on these unlisted equity investments at 30 June 2020 is as follows:

| Valuation techniques                                                                                                                                                                                                                                                                     | Significant unobservable inputs                                                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Future Maintainable Earnings ("FME") methodology – the estimate of FME represents the fair value of the unlisted equity investments on a going concern and cash flow basis, determined by capitalising the maintainable earnings of the investee using an appropriate earnings multiple. | Expected earnings at 30 June 2020, with an adjusted earnings multiple of 3.5x to 4.6x (weighted), derived from comparable companies to the investee.<br><br>The estimate of the fair value will increase (decrease) if the earnings and earnings multiple increases (decreases). |
| Net Tangible Assets approach – the estimate of fair value is determined by valuing the assets and liabilities of the investee at market value (excluding operating assets and liabilities).                                                                                              | Minority discount of 20%. The estimate of the fair value will increase (decrease) if the discount rate decreases (increases).                                                                                                                                                    |

The carrying amount of the unlisted equity investments is sensitive to possible changes in the significant unobservable inputs.

#### e) Sensitivity analysis

##### i. Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

##### ii. Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2019.

|      | Profit or loss            |                           |
|------|---------------------------|---------------------------|
|      | 100 bp increase<br>\$'000 | 100 bp decrease<br>\$'000 |
| 2020 | (20)                      | 20                        |
| 2019 | (27)                      | 27                        |

## 32. Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group operates predominantly in one business and geographic segment being the provision of taxi related services in Australia.

A subsidiary, MTI that was purchased by the Group on 9 November 2018, operates in other geographic segments including North America and Europe. MTI's overseas revenue of \$4,276,000 was included in the Group's Consolidated Statements of Comprehensive Income.

## 33. Share-based payment – Long term incentive

The Group has provided Long term incentive ("LTI") awards to the CEO and other executives and granted them annually in the form of Rights. The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The total share-based payment expense for the year was \$677,170 (FY19 \$303,836).

### Fair value

The fair value of the awards as at the valuation date is set out in the following table:

| Grant date/employees entitled                                          | Number of Rights | Vesting conditions                                                    | Valuation methodology  | Fair Value | Expected vesting date | Performance Period          |
|------------------------------------------------------------------------|------------------|-----------------------------------------------------------------------|------------------------|------------|-----------------------|-----------------------------|
| <b>2020 year</b>                                                       |                  |                                                                       |                        |            |                       |                             |
| Rights granted to CEO and key management personnel On 21 November 2019 | 496,552          | Absolute Total Shareholder Return (market condition) <sup>1</sup>     | Monte Carlo simulation | \$0.79     | 15 September 2022     | 1 July 2019 to 30 June 2022 |
|                                                                        | 331,034          | Relative Total Shareholder Return (non-market condition) <sup>1</sup> | Monte Carlo simulation | \$0.87     |                       |                             |
| <b>Total number of Rights</b>                                          | <b>827,586</b>   |                                                                       |                        |            |                       |                             |
| <b>2019 year</b>                                                       |                  |                                                                       |                        |            |                       |                             |
| Rights granted to CEO and key management personnel On 21 February 2019 | 376,681          | Absolute Total Shareholder Return (market condition) <sup>1</sup>     | Monte Carlo simulation | \$0.82     | 15 September 2021     | 1 July 2018 to 30 June 2021 |
|                                                                        | 251,121          | Relative Total Shareholder Return (non-market condition) <sup>1</sup> | Monte Carlo simulation | \$0.88     |                       |                             |
| Rights granted to senior management personnel On 21 February 2019      | 53,812           | Absolute Total Shareholder Return (market condition)*                 | Monte Carlo simulation | \$0.82     | 15 September 2021     | 1 July 2018 to 30 June 2021 |
|                                                                        | 35,874           | Relative Total Shareholder Return (non-market condition) <sup>1</sup> | Monte Carlo simulation | \$0.88     |                       |                             |
| <b>Total number of Rights</b>                                          | <b>717,488</b>   |                                                                       |                        |            |                       |                             |

<sup>1</sup> Details of the operation of LTI awards are outlined on pages 55 and 56 of this Annual Report.

## Key assumptions

The key assumptions adopted for valuation of the awards are summarised in the following table:

|                           | 2020<br>21 November<br>2019 | 2019<br>21 February<br>2019 |
|---------------------------|-----------------------------|-----------------------------|
| Share price at grant date | \$1.61                      | \$2.02                      |
| Expected life             | 3 years                     | 3 years                     |
| Expected volatility       | 37.5%                       | 40%                         |
| Dividend yield            | 5.29%                       | 4.84%                       |
| Risk-free interest rate   | 0.72%                       | 1.60%                       |

## Reconciliation

The reconciliation of outstanding rights is shown the following table:

|                                   | Number of Rights |           |
|-----------------------------------|------------------|-----------|
| Performance Rights reconciliation | 2020             | 2019      |
| Rights outstanding as at 1 July   | 1,813,066        | 1,212,324 |
| Rights granted                    | 827,586          | 717,488   |
| Rights forfeited                  | –                | –         |
| Rights lapsed                     | (183,612)        | (116,746) |
| Rights exercised                  | –                | –         |
| Rights outstanding as at 30 June  | 2,457,040        | 1,813,066 |
| Rights exercisable as at 30 June  | –                | –         |

## 34. Subsequent event

### Dividends

Given uncertainty around the current economic environment and focus on channelling cash into growth opportunities the Board has decided not to declare a final FY20 dividend.

### Bank Facility

On 14 August 2020 the Group renegotiated its debt facilities, with the new facility replacing the existing facility from that date. The new finance facility has a limit of \$25 million and expires on 1 July 2023. The new facility also provides a waiver for the interest cover financial covenant for the 12-month period to 30 June 2021.

Other than the matters above, there have been no events subsequent to the reporting date that would have had a material impact on the Group's financial statements as at 30 June 2020.

# Directors' Declaration

1. In the opinion of the Directors of A2B Australia Limited ("**Company**"):
  - a. the Consolidated Financial Statements and Notes set out on pages 65 to 111, and the Remuneration Report in the Directors' Report, set out on pages 46 to 63, are in accordance with the *Corporations Act 2001* (Cth), including:
    - i. giving a true and fair view of the consolidated entity's financial position at 30 June 2020 and of the performance for the financial year ended on that date; and
    - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.
  - b. there are reasonable grounds to believe that the Company and the controlled entities identified in Note 23 as parties to a Deed of Cross Guarantee will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those entities pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785.
2. The Consolidated Financial Statements and Notes comply with International Financial Reporting Standards as disclosed in Note 2.
3. The Directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by section 295A of the Corporations Act.

Signed in accordance with a resolution of the Directors



**Paul Oneile**

Chairman

25 August 2020



**Andrew Skelton**

Managing Director

25 August 2020

# Independent Auditor's Report



## To the shareholders of A2B Australia Limited

### Report on the audit of the Financial Report

#### Opinion

We have audited the **Financial Report** of A2B Australia Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2020;
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The **Group** consists of A2B Australia Limited (the Company) and the entities it controlled at the year-end or from time to time during the financial year.

#### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with 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 Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

## Independent Auditor's Report (continued)



### Key Audit Matters

The **Key Audit Matters** we identified are:

- Valuation of Taxi plate licences
- Valuation of Goodwill

**Key Audit Matters** are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation of Taxi plate licences at 30 June 2020 (\$3.3million)

Refer to Note 12: Taxi plate licences in the Financial Report

#### The key audit matter

Valuation of taxi plate licences is a Key Audit Matter due to:

- The level of judgement required by us in evaluating the estimates determined by management for forecast revenues. This is a significant driver in the taxi plate licence value in use model.
- The level of growth in revenue for taxi companies continues to be threatened by changes in consumer habits and government regulations. This is driven by the increased use of alternative platforms, including mobile application based offerings and restrictions on taxi fee incomes. These ongoing changes create uncertainty in the key assumptions used in the taxi plate licence value in use model, and were a focus of our audit work, specifically:
  - Taxi plate licence rental revenue growth expectations: short, medium and long term;
  - The discount rate;
  - Significantly higher estimation uncertainty from the business disruption impact on taxi operations generally and taxi licence rental revenue specifically arising from the COVID-19 global pandemic; and
  - A recorded impairment charge of \$14.5m increasing the sensitivity of the model to small changes in key assumptions

These conditions increase the risk of inaccurate forecasts or a wider range of possible outcomes for us to consider.

#### How the matter was addressed in our audit

Our procedures included:

- Working with our valuation specialists, we independently developed a range for the discount rate used to value the taxi plate licences. This included evaluating the key inputs to the discount rate, including the risk free rate, cost of debt, market participant gearing levels and industry beta, against published rates of comparable entities.
- We challenged the short, medium and long term forecast taxi plate licence rental revenue expectations by assessing the assumptions against published industry growth expectations, adjusted for the impacts of COVID-19.
- We assessed the historical accuracy of the Group's revenue forecasts, by comparing the forecasts used in the prior year model to the actual revenue generated in the current year, after considering the impacts of COVID-19. We also considered the changes in the contracted price for licences. These procedures enabled us to evaluate the accuracy of forecasting the cash flows as included in the value in use calculations.
- We assessed the mathematical accuracy of the Group's value in use model.
- We performed a sensitivity analysis on key assumptions, in particular the discount rate and expected growth rates, to assess the risk of bias or inconsistency in application.
- We assessed the disclosures in relation to the valuation by comparing these disclosures to our understanding of the valuation, the business and accounting standards requirements.



## Valuation of Goodwill at 30 June 2020 (\$27.5million)

Refer to Note 13: Goodwill in the Financial Report

### The key audit matter

The valuation of Goodwill is considered a key audit matter due to the size of the balance and the significant audit effort arising from:

- The industry in which the Group operates being impacted by disruptive technologies. Further, there are changes in government regulations impacting the taxi service fee that can be applied when processing payments. These conditions increase the possibility of goodwill being impaired;
- Discount rates which are applied to determine the Goodwill value are complicated in nature and vary according to the conditions and environment the specific cash generating unit (CGU) is subject to;
- Significantly higher estimation uncertainty from the business impact on all CGUs arising from the COVID-19 global pandemic; and
- Changes to the composition of CGUs during the year necessitating our consideration of the appropriateness of those changes.

These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application.

### How the matter was addressed in our audit

Our audit procedures included:

- We assessed the basis for the Group's changes to the composition of CGUs, based on our understanding of how operations are monitored and where independent cash flows are generated, against the requirements of the accounting standards.
- We obtained the Group's value in use model and checked amounts to the Board approved FY21 budget and the FY22-FY25 business plan.
- We assessed the growth rate assumptions for each CGU based on industry data. We considered the impact of COVID-19 and industry and regulatory changes on the Group's key assumptions, for indicators of bias and inconsistent application, using our industry knowledge. We also compared the compound annual growth rate between FY19 and terminal year in the models to further challenge the projected cash flows in a COVID-19 economic environment.
- We performed sensitivity analysis focusing on the forecast cash flows, the discount rate and terminal growth rate, to identify those assumptions which are at higher risk of bias or inconsistency in application and to focus our procedures. Our sensitivity analysis included various scenarios for the forecast recovery from COVID-19.
- Working with our valuation specialists, we independently developed a discount rate range using publicly available data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in.
- We assessed the allocation of corporate costs and assets to CGUs by comparing the Group's allocation methodology to our understanding of the business and the criteria in the accounting standards.
- We assessed the accuracy of previous forecasting for the Group as an indicator to inform our evaluation of forecasts included in the value in use models.
- We assessed the Group's disclosures of the qualitative and quantitative considerations in relation to the valuation of goodwill, by comparing these disclosures to our understanding of the matter and accounting standard requirements.

## Independent Auditor's Report (continued)



### Other Information

Other Information is financial and non-financial information in A2B Australia Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinions.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

### Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf). This description forms part of our Auditor's Report.



## Report on the Remuneration Report

### Opinion

In our opinion, the Remuneration Report of A2B Australia Limited for the year ended 30 June 2020, complies with Section 300A of the *Corporations Act 2001*.

### Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*.

### Our responsibilities

We have audited the Remuneration Report included in pages 46 to 63 of the Directors' report for the year ended 30 June 2020.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Cameron Slapp  
Partner  
Sydney

25 August 2020

# Shareholder Information

The information below was prepared as at 11 September 2020.

## 20 largest shareholders

| Name                                                          | Number of shares held | % issued capital |
|---------------------------------------------------------------|-----------------------|------------------|
| 1 HSBC Custody Nominees (Australia) Limited                   | 36,138,394            | 30.01            |
| 2 Citicorp Nominees Pty Limited                               | 12,196,447            | 10.13            |
| 3 J P Morgan Nominees Australia Pty Ltd                       | 11,298,547            | 9.38             |
| 4 Comfortdelgro Corporation Limited                           | 8,980,676             | 7.46             |
| 5 National Nominees Limited                                   | 3,070,093             | 2.55             |
| 6 Prudential Nominees Pty Ltd                                 | 3,000,000             | 2.49             |
| 7 Quotidian No 2 Pty Limited                                  | 2,902,438             | 2.41             |
| 8 Swan Taxis Pty Ltd                                          | 2,631,004             | 2.18             |
| 9 Legion Cabs (Trading) Co-operative Society Limited          | 1,750,000             | 1.45             |
| 10 BNP Paribas Nominees Pty Ltd (Agency Lending DRP A/C)      | 1,420,343             | 1.18             |
| 11 One Managed Invst Funds Ltd (Sandon Capital Inv Ltd A/C)   | 1,125,133             | 0.93             |
| 12 National Exchange Proprietary Ltd                          | 1,000,000             | 0.83             |
| 13 BNP Paribas Noms Pty Ltd (DRP)                             | 902,143               | 0.75             |
| 14 Portman Trading Pty Ltd                                    | 661,886               | 0.55             |
| 15 Sandhurst Trustees Limited (SISF A/C)                      | 583,500               | 0.48             |
| 16 NewEconomy Com Au Nominees Pty Limited (900 Account)       | 549,441               | 0.46             |
| 17 Ms Faby Fielan Chong                                       | 525,487               | 0.44             |
| 18 Reyob Pty Ltd (DM Investment A/C)                          | 465,617               | 0.39             |
| 19 AKAT Investments Pty Limited (Tag Family – Core A/C)       | 450,000               | 0.37             |
| 20 BNP Paribas Nominess Pty Ltd (IB AU Noms RetailClient DRP) | 371,660               | 0.31             |
| <b>Total</b>                                                  | <b>90,022,809</b>     | <b>74.75</b>     |

## Substantial shareholders

| Name                          | Number of shares held | % issued capital |
|-------------------------------|-----------------------|------------------|
| Spheria Asset Mgt             | 21,950,883            | 18.23            |
| Investors Mutual              | 13,667,109            | 11.35            |
| Comfortdelgro                 | 11,611,680            | 9.64             |
| Edgbaston Investment Partners | 7,361,324             | 6.11             |
| Samuel Terry Asset Mgt        | 6,490,793             | 5.39             |

Information included in the substantial shareholders table is sourced from substantial shareholder notices or the register that the Company maintains in accordance with section 672DA of the *Corporations Act 2001*, in each case as at 11 September 2020.

## Spread of shareholders

| Size of holding  | Number of holders | Number of shares held | % issued capital |
|------------------|-------------------|-----------------------|------------------|
| 1 – 1,000        | 1,634             | 886,673               | 0.74             |
| 1,001 – 5,000    | 1,175             | 4,508,800             | 3.74             |
| 5,001 – 10,000   | 540               | 3,754,732             | 3.12             |
| 10,001 – 100,000 | 631               | 17,186,654            | 14.27            |
| 100,001 and over | 46                | 94,091,824            | 78.13            |
| <b>Total</b>     |                   | <b>120,430,683</b>    | <b>100</b>       |

701 shareholders hold less than a marketable parcel of shares in the Company based on the closing market price on 11 September 2020.

## Voting rights

The voting rights of shareholders are set out in the Company's Constitution. Each shareholder is entitled, either personally, or by proxy, attorney or representative, to be present at any general meeting of the Company and to vote on any resolution on a show of hands or on a poll. Every shareholder present in person, by proxy, or attorney or representative, has one vote for every share held.

The Company has only one class of shares on issue (fully paid ordinary shares), each with the same voting rights.

## ASX listing

The Company's ordinary shares are quoted on the ASX under the trading code "A2B", with Sydney being the Company's home exchange.

Details of trading activity are published in most daily newspapers and are also available on a 20 minute delayed basis, on the Company's website at [www.a2baustralia.com/investor-center/share-price/](http://www.a2baustralia.com/investor-center/share-price/).

The Company is not currently conducting an on-market buy-back of its shares.

## Website

An electronic version of the Annual Report is available on the Company's website at [www.a2baustralia.com/investor-center/reports/](http://www.a2baustralia.com/investor-center/reports/). A printed copy of the Annual Report will only be sent to shareholders who have elected to receive one.

# Corporate Directory

## Annual General Meeting

The 2020 Annual General Meeting of the shareholders of A2B Australia Limited will be held at 11.00am on Thursday 19 November 2020 online at <https://agmlive.link/A2B20>.

Full details provided in the Notice of Meeting.

## Registered Office

**A2B Australia Limited**

ABN 99 001 958 390

152-162 Riley Street

East Sydney NSW 2010

T: +61 2 9332 9222

F: +61 2 9361 4248

[www.a2baustralia.com](http://www.a2baustralia.com)

## Company Secretary

Adrian Lucchese

## Auditor

**KPMG**

International Towers Sydney 3

300 Barangaroo Avenue

Sydney NSW 2000

## Share Registry

**Link Market Services Limited**

Locked Bag A14

Sydney South NSW 1235

T: 1300 724 911

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)





[a2baustralia.com](http://a2baustralia.com)