

24 December 2021

The Manager

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

**Electronic Lodgement**

**New finance facility with CBA**

Attached is an announcement for release to the market.

Authorised for lodgement by:



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Company Secretary

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## **ASX Release**

24 December 2021

### **New finance facility with CBA**

#### **Protecting A2B's strong balance sheet and enhancing its liquidity position**

A2B has agreed the terms of a new finance facility with CBA with cash advance facilities totalling \$40m. This new arrangement has a 3 year term and will replace an existing \$25m finance facility. A2B's liquidity position will be further strengthened by \$15m through this new agreement. A2B is in a net cash position and the new facility is an enhancement of A2B's existing facilities that provides additional flexibility.

*"Over the past two years we have experienced the toughest trading conditions this company has ever faced. Our decisive actions allowed us to address the challenges of the pandemic while supporting our stakeholders and retaining a net cash position.*

*Today we are pleased to announce that we have signed a \$40m new finance facility agreement with CBA. We appreciate the support of Australia's largest bank as our new lender. This new agreement enhances and secures our liquidity position well into FY25. The new partnership with CBA is an important milestone as we embark on our next chapter and deliver on our new strategy", said Andrew Skelton, A2B CEO."*

The two key financial covenants under this agreement are an earnings and a leverage ratio. Fully utilised the \$40m finance facility represents 1.1x pre-COVID EBITDA earnings, well below our maximum leverage levels. Financial close on the new facility is expected to occur early in the new year following satisfaction of customary conditions precedent.

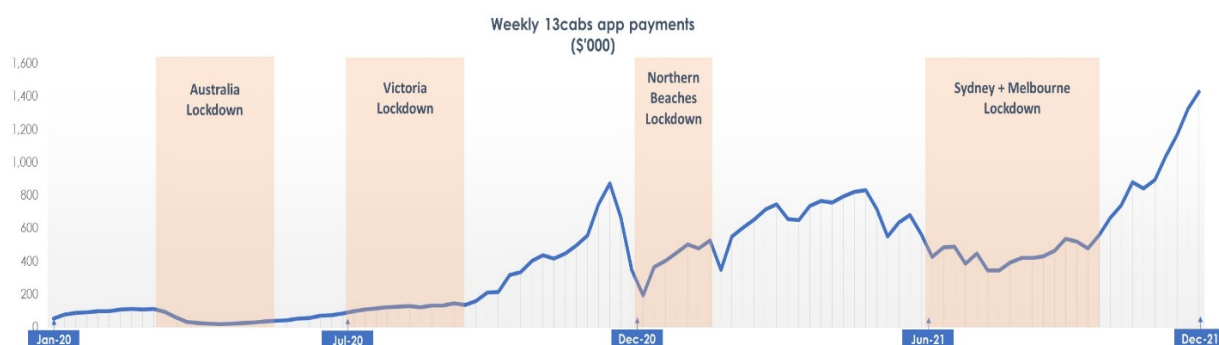
This is another key milestone, in addition to the recently announced Property MoU, that strengthens our balance sheet and improves liquidity. Our current cost-out program and optimisation of our property and land portfolio is expected to drive further value while our recovery accelerates as Government imposed restrictions unwind and management continues to execute our strategic growth initiatives.

#### **Update on recovery and trading conditions**

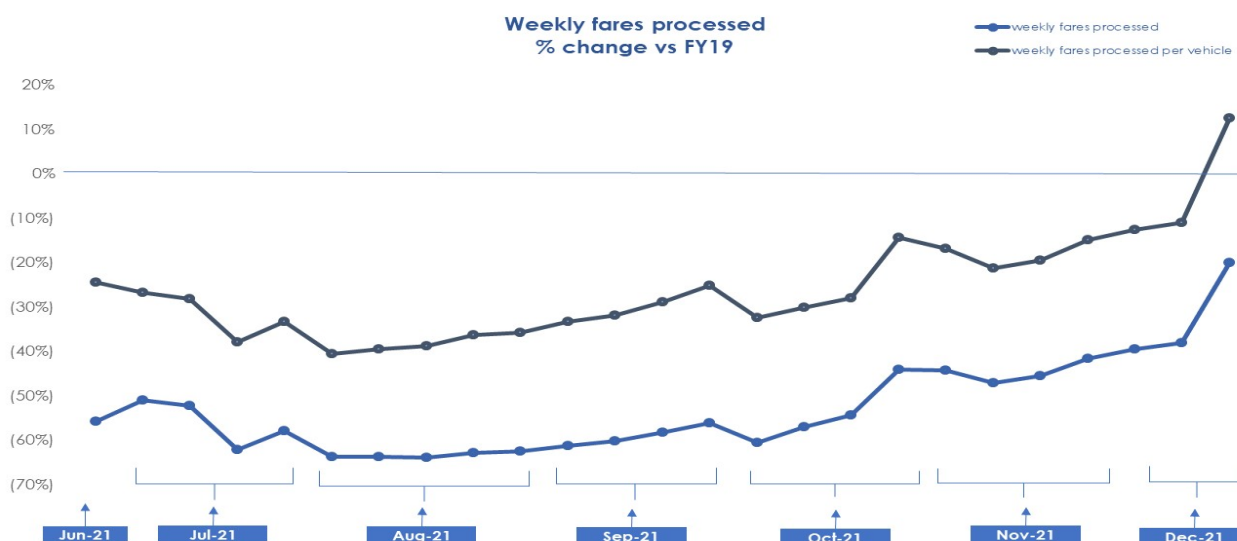
The recovery experienced in 4Q21, reaching >80% of pre-COVID revenue levels, reversed in the current half. During the July – October period we have seen the toughest restrictions across the country since the start of the pandemic with lockdown periods of 107 days in Sydney and 82 days in Melbourne.

As an essential service provider we continued to operate throughout the period whilst experiencing declines in fleet and taxi fares processed. Cost initiatives and additional cash preservation measures allowed A2B to maintain a net cash position throughout this period.

Fares processed improved when compared to the same period last year and despite the challenging trading conditions in the July – October period. The rate of recovery in fares processed and trips since October has been encouraging and demonstrates how we are primed to respond to the reopening of the economy. However macro-economic factors including low immigration rates, constrained vehicle supply and labour shortages across a range of industries has softened short term fleet growth.



The mix in transaction volumes continues to improve with 10% of transactions now going through the 13cabs app and 18% of transactions being processed through Spotto. Growth in app payments accelerated during the pandemic reaching an all-time high last week.



The recent increase in travel demand has translated into a significant improvement in average transaction volumes per vehicle. Last week average transaction volumes per vehicle exceeded FY19 (ie pre-pandemic) levels. These trends are encouraging and we expect transaction volume improvements to continue as we target 85% of pre-pandemic group revenue by 4Q22.