

23 August 2022

## **2022 Appendix 4E & Annual Report**

Attached is the 2022 Appendix 4E and Annual Report (which contains the FY22 Financial Statements).

*Authorised for lodgement by the Board of A2B Australia Limited.*

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## Appendix 4E

Preliminary Final Report  
Financial year ended 30 June 2022

### 1. Results for announcement to the market

|                                                                        | 2022<br>\$'000 | 2021<br>\$'000 | Change<br>\$'000 | Change<br>% |
|------------------------------------------------------------------------|----------------|----------------|------------------|-------------|
| Revenue*                                                               | 126,138        | 113,373        | 12,765           | 11.3%       |
| Statutory net (loss) after tax attributable to owners of the Company   | (28,118)       | (18,274)       | (9,844)          | 53.9%       |
| Underlying net (loss) after tax attributable to owners of the Company* | (17,120)       | (15,556)       | (1,564)          | 10.1%       |

\*Underlying performance is a non-IFRS measure reported to provide a greater understanding of the underlying business performance of the Group. Underlying revenue ended at \$125.2m in FY22. Non-IFRS measures have not been subject to audit or review.

The Board has decided not to declare a final FY22 dividend.

|                                  | 30 June 2022 | 30 June 2021 |
|----------------------------------|--------------|--------------|
| Net tangible assets per security | 0.37         | 0.54         |

Net tangible assets per security includes A2B's property portfolio carried at cost (net book value of \$10.0m). An independent valuation conducted in June 2022 values these property assets at a range between \$102m and \$114m.

### 2. Commentary on the results

Please refer to the Operating and Financial Review section in the Directors' Report accompanying the attached Financial Report for the year ended 30 June 2022.

The information in the consolidated financial statements has been audited and is not subject to audit dispute or qualification.

This report should be read in conjunction with any public announcements made by A2B Australia Limited in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.



Ton van Hoof  
Chief Financial Officer

Date: 23 August 2022

# 2022 Annual Report



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## Our Values

Caring

Collaborative

Accountable

Authentic

Progressive

# Our Vision

A leading provider of personal transportation services and solutions, committed to the success of our customers, our people and our stakeholders.

## Our Strategy



### Grow Fleet

Enhance Driver and Passenger experience

Improve Operator acquisition and retention

Optimise pricing



### Increase Fares

Upgrade our mobility technology platforms

Grow share of payments

Enhance our corporate offering



### Expand into relevant adjacent markets

Specialist mobility

Deliveries

Premium service

## Our Purpose

Delivering a safe, reliable, sustainable personalised transportation experience.



# Executive Chairman Report

Dear Shareholders,

Having joined A2B in March 2022, I'm delighted to write to you in my capacity as Executive Chairman and present the 2022 Annual Report.

I joined A2B to facilitate an organisational reset. With a track record of successful turnarounds and a passion for creating growing and sustainable businesses, I was eager to support the A2B team given the quality of the business' underlying assets.

## Landscape/need for change:

A2B is a business with significant potential. To this end, change has already quickly begun, with new leadership appointed, a strategic review undertaken, and a cultural reset implemented that is designed to realign and focus business priorities while reinvigorating the workforce.

First, a few words on the operating environment and the regulatory constraints within which A2B exists. The ongoing pandemic has hit the business hard. Government restrictions and consumer hesitancy have restricted personal movement which has significantly impacted profitability, with FY22 recording a loss.

Taxis are a heavily regulated industry with the regulations varying by State, with some States more progressive than others. Historically, these regulations have favoured rideshare, although we remain hopeful that the playing field will continue to equalise as NSW looks to deregulate.

## The change journey:

At the outset of this journey, I spent much time listening to various stakeholder groups, including employees and learning about the business.

Partnering with the executives, we kicked off a strategy and culture review – or as I like to call it, 'Head and Heart'. During the Head and Heart review, we created the new A2B Framework. The framework includes our Organisational Vision, Purpose and Values.

A critical element in creating a growing and sustainable business is having a strong team and a supportive culture. We have focussed heavily on this. Our new values, created by our people for our people, have been enthusiastically embraced across our business over recent months and have informed our strategic reset and cultural transformation.

Redefining our vision and purpose provided the clarity needed to finalise our strategic review. Having assessed our competitive position and performance, our approach, certainly for the near term, is on being 'BETTER BEFORE BIGGER'.

As part of being BETTER BEFORE BIGGER, we will defend and grow the core business by focussing on growing the fleet, the number of trips and enhancing our corporate offering. At the same time, we have stopped work on all non-core and loss-making aspects of the business. A2B now has seven core strategic initiatives – down from 189 in the previous strategy.

This strategic clarity led us to move forward with two operating divisions – B2C, housing 13cabs and Silver Service; and B2B, accountable for our payments products, including Cabcharge and our MTI dispatch technology. Product and Technology, along with other corporate functions, support the operating divisions.



*"As part of being BETTER BEFORE BIGGER, we will defend and grow the core business by focussing on growing the fleet, the number of trips and enhancing our corporate offering."*



## Our vision

A leading provider of personalised transportation services and solutions, committed to the success of our customers, our people and our stakeholders.

## Our strategy: Better Before Bigger

### Grow fleet



- Enhance Driver and Passenger experience
- Improve Operator acquisition and retention
- Optimise pricing

### Increase fares



- Upgrade our mobility technology platforms
- Grow share of payments
- Enhance our corporate offering

### Expand into relevant adjacent markets



- Specialist mobility
- Deliveries
- Premium service

## Our values



Caring



Collaborative



Accountable



Authentic



Progressive

**Our purpose:** Delivering a safe, reliable, sustainable personalised transportation experience.

We have applied a rigorous cost reduction lens to our business, requiring some difficult decisions. We have exited some businesses (including Flamingo Payments and Yellow Couriers) and reduced our personnel expenses by 15%, which unfortunately meant we had to part company with some valued colleagues. However, these difficult decisions were necessary to ensure future profit sustainability and growth. With these changes, A2B now has an appropriate cost base that secures our ability to continue delivering essential community services should there be more pandemic-related restrictions on personal movement. We are also well positioned to pivot more quickly to agencies.

### Board Update:

Recognising the significant changes the Company has made, and in line with the cost reductions implemented across the business, the Board agreed to reduce Director fees by 15% and decrease the number of Directors by one – taking the total number of non-executive Directors to three.

With the right strategy and leadership now in place, David Grant has informed A2B of his intention to step down from the Board, pending the appointment of a Non-executive Director who will also Chair the Company's Audit and Risk Committee. A search process has commenced, and to facilitate an orderly transition David has offered to remain on the Board until an appointment is made. The Board thanks David for his highly valuable contribution to A2B and wishes him well for the future.

We have also been actively looking for a new chief executive, with the intention that within six months of their appointment, I will transition to the Board's non-executive Chair.

However, to facilitate the continued successful delivery of the new growth strategy and ensure stability for the business, the Board has postponed the current CEO search process until early 2023 and requested me to stay on as full time Executive Chairman until 30 June 2023.

### Executive Remuneration:

The Board has reviewed executives' incentive arrangements and implemented a new structure aligning the vesting metrics of the long-term equity scheme with those previously approved by shareholders for my remuneration at the April 2022 EGM. These arrangements are essential in retaining and rewarding key talent and ensuring an aligned team focus to deliver value to shareholders through successfully executing the new strategic goals. Stronger focus and performance will drive a return to both growth, profitability and returns for shareholders.

### Releasing the value of our property portfolio:

After extensive internal consideration of our property strategy, including the operational importance of property location and ownership both now and in the future, A2B appointed MA Financial to undertake an independent strategic property review.

As part of the process, MA Financial appointed an independent valuer, JLL, to value the three properties owned by A2B, namely two in Alexandria, Sydney and one in Oakleigh, Victoria. JLL valued the property portfolio between \$102 million and \$114 million gross value, with our most valuable property being the Company's headquarters at 9-13 O'Riordan St, Alexandria.

After much consideration, the Board has decided that owning or remaining in the current sites in the long term, is not the right solution for the business.

MA Financial concluded that selling the properties would optimise shareholder value and facilitate a cash return to shareholders. The Board has endorsed this recommendation. Following a successful tender bid, Colliers has been appointed as the sales agent to manage the sale of both properties in NSW. We have moved quickly, mindful of market volatility with a target of completing by the end of 2022, subject to market conditions.

We intend to distribute the net sale proceeds to shareholders via a fully franked special dividend when the sale is complete. Net sale proceeds will include deductions for taxes, sale costs, and any necessary debt repayments and will take account of the Company's ongoing working capital requirements.

### Positive Outlook:

While it's still early days, the operational improvements we have achieved over the past few months demonstrate that our strategy is gaining traction and delivering results. Our people are re-energised, collaborating and taking accountability for delivering outcomes.

Key growth indicators for our business continue to improve. The affiliated fleet has grown to 7,066, and fares processed increased to \$71.5m in July. Our performance is gradually returning to pre-pandemic levels. Regulatory equalisation with rideshare will accelerate these results.

With the recent announcement of fare increases in some States and average fares being higher than pre-pandemic, we are hopeful this will aid growth in the fleet. This is welcome news as Taxi fares have remained static for a significant time, meaning drivers have had to work longer hours to absorb increases in operating costs, such as fuel, tolls and cost of living. We are, however, mindful that diminished immigration and full employment will serve as an impediment to rapid growth.

In summary, we are a well-positioned business, and with operating conditions picking up due to our recent actions and a gradual improvement in the market, we are confident we will return to growth, with a positive EBITDA and a solid EBITDA margin expected in FY23.

### Thank you:

In closing, on behalf of the Board, I would like to thank the A2B team for their drive, dedication and continued focus as we complete our reset. Thanks also to the drivers and operators delivering a critical service to our communities. Finally, we are grateful to you, our shareholders, for your ongoing support as we strive to reach our full potential.

A2B has all the ingredients to be a growing and sustainable business that delivers value to all its stakeholders. I look forward to providing you with regular updates on the progress of our plans.

Yours sincerely,



**Mark Bayliss**  
Executive Chairman



# Board of Directors



## Mark Bayliss

### Executive Chairman

Mark was appointed as Executive Chairman of the Company on 7 March 2022. Mark was most recently Executive Chairman and then CEO of ASX listed business technology group, CSG Ltd. His previous executive roles include being CEO of Grays eCommerce Group Limited, and CEO of Quick Service Restaurants Holdings, a national fast food chain of 630 restaurants. Mark has spent four years as a Partner at Anchorage Capital, a private equity fund specialising in the turnaround of underperforming businesses. Mark has also performed roles as Executive Chairman of Burger King (NZ), and as Chief Financial Officer of Australian Discount Retail and Chief Financial Officer of Fairfax Media Limited.

Mark has a Bachelor of Science from the London School of Economics and is a member of the Institute of Chartered Accountants in England and Wales and the Australian Institute of Company Directors.



## David Grant

### Independent Non-Executive Director

David was appointed as a Director of A2B on 2 June 2020. He is an Independent Non-Executive Director, Chairman of the Audit and Risk Committee and a member of the Remuneration and Nominations Committee. David is an experienced Non-executive Director and is 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 Chair 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 Chairman of Dexu Asset Management Limited, and a Non-executive Director of QV Equities and Yarra Funds Management Limited.

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



## Clifford Rosenberg

### Independent Non-Executive Director

Clifford was appointed as a Director in August 2017. He is a member of the Audit and Risk Committee and the Remuneration and Nominations 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.

# Corporate Governance

A2B 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.

## CORPORATE GOVERNANCE HIGHLIGHTS

The Company continued to focus on corporate governance during FY22, reflecting the Board's commitment to fostering a strong governance culture.

Key highlights included:

### **Succession planning and leadership:**

A key focus of the Board during the second half of FY22 was leadership transition at the Company. On 7 February 2022, the Company's previous Chairman Paul Oneile retired from the Board and the Company's previous Managing Director and CEO Andrew Skelton stepped down from his role. The Board actively met on a regular basis over this period to implement transition arrangements, resulting in the appointment of David Grant as Executive Chairman on an interim basis while a recruitment process was undertaken. This process culminated in the appointment of Mark Bayliss as Executive Chairman, effective 7 March 2022. To facilitate the continued successful delivery of the new growth strategy and ensure stability for the business, the Board has postponed the current CEO search process until early 2023. On the Board's request, Mr Bayliss has agreed to extend his current contract as full time Executive Chairman until 30 June 2023.

### **Strategic Review**

The challenges to the Company's core business continued with the impacts of the Omicron variant emerging in late 2021. Along with changing consumer behaviours and the Board's focus on the timeline to enhanced returns, in early February 2022 the Board led a broad-based review of the business as well as a wider review of the Company's asset portfolio. The Board updated the market on this process on 14 July 2022.

## Role of the Board

The Board is responsible for the corporate governance of the Group. 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.

The Board is committed to instilling a culture where its people are expected to behave in a lawful, ethical and socially responsible manner. Details on the standards of ethics and conduct that the Company's representatives are expected to maintain can be found in A2B's Code of Conduct, available on the A2B website.

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 has delegated responsibility for overseeing the day-to-day operation of the Company to Management.

## Board Committees

The Board also delegates a number of responsibilities to its Committees, as set out in their respective Charters.

The Audit and Risk Committee is responsible for overseeing the Company's financial reporting process, external and internal audit, processes for monitoring compliance with laws, regulations and the Code of Conduct, and processes for identifying and managing risk.

The Remuneration and Nomination Committee is responsible for assisting the Board with Director nominations and Board succession planning, and the Company's remuneration framework.

## Board composition and performance

The Board currently comprises three Non-Executive Directors and one Executive Chairman. Mark Bayliss was appointed as Executive Chairman effective 7 March 2022 and elected by shareholders on 28 April 2022.

The Board believes that its current composition represents a depth and breadth of skills and experience that will allow it to continue operating effectively. For details about the Directors and their experience, qualifications and Committee memberships, refer to page 7.

The Board as a whole discusses and analyses its own performance during the year, including suggestions for change or improvement. For more details about the process for the performance evaluation of the Board, as well as its Committees, individual Directors and executive KMPs, refer to pages 8 to 10 of the 2022 Corporate Governance Statement and the Company's Performance Evaluation Policy.

## A2B's Values and Culture

The Company has five 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.

| Caring                                                                                                            | Collaborative                                                                     | Authentic                                                            | Accountable                                            | Progressive                                                      |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------------|
| We care about our business, our customers, each other. We care about safety, quality, reliability and having fun. | We work together as one connected team, including our customers and our partners. | We are straight up. We call it as it is with respect for each other. | We keep our word and take responsibility for our work. | We are innovative, we keep moving forward and are goal oriented. |

## Governance policies

The Board has put in place a suite of policies, all of which are available on the A2B website. They set out the Company's governance arrangements in relation to matters such as speaking up, securities trading, shareholder communication, market disclosures, anti-bribery and corruption, and diversity. An overview of some of the key policies of the Company can be found on pages 11 to 16 of the 2022 Corporate Governance Statement.

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. Details about the Company's measurable objectives and its progress in achieving them in FY22 can be found on pages 11 to 12 of the 2022 Corporate Governance Statement.

## Approach to risk management

The Board, in consultation with the Audit and Risk Committee, is responsible for reviewing, ratifying and monitoring the Company's systems of risk management. The Audit and Risk Committee 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 of those controls and relevant policies and procedures is undertaken.

The CEO and Managing Director (a role currently performed by the Executive Chairman) and Management are responsible for developing and promoting the appropriate management of risk and the ongoing maintenance of the control environment. Refer to pages 16 to 17 of the 2022 Corporate Governance Statement for additional information about the Company's risk framework. An overview of the material risks affecting the company can be found on pages 15 to 16.



**Additional details about the Company's corporate governance are available in the 2022 Corporate Governance Statement, available on the Company's website at [www.a2baustralia.com/investor-center/corporate-governance/](http://www.a2baustralia.com/investor-center/corporate-governance/).**

## Operating and Financial Review

### Principal activities

A2B's principal activities are to serve Passengers, Drivers and Taxi Operators by facilitating taxi bookings, trips and payments. A2B is a leader in the Australian personal transport sector with widely recognised brands. With over 7,000 vehicles in our 13cabs and Silver Service networks across Australia we are a well-established player in the domestic personal transport market.

A2B has two core revenue streams, network subscription revenue and service fee income. A2B receives a fixed monthly fee from taxi operators for network subscriptions. Service fee income is generated on non-cash taxi payment services based on the value of the fare processed.

### Basis of preparation

The FY22 statutory results, including the prior comparative results, are reported in accordance with the leasing standard AASB16 in the attached financial statements. The Company believes that presenting the financial statements on a pre-AASB16 basis provides a better indicator of performance as represented by the tables below.

Unless otherwise stated, full year results disclosed in this Operating and Financial Review are underlying results on a pre-AASB16 basis excluding significant items. Underlying profit is a non-statutory measure for the purpose of assessing the performance of the group. During the period the group updated the classification of certain operating expenses in the consolidated statement of comprehensive income to better reflect the nature of these expenses, further detail is included in note 2.

### Financial Results

In FY22 the COVID pandemic continued to negatively impact the business with Government restrictions, consumer hesitancy and constrained vehicle/driver supply adversely impacting revenue and profitability. Encouraging signs at the end of FY21 reversed as the July – October period saw 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. Subsequent improvement in business conditions occurred in November 2021 as the impact of the delta variant eased, however the emergence of the Omicron variant in late December 2021 once again curtailed recovery.

The industry started to experience recovery from March 2022 onwards and this has been consistent, however slower than expected. Whilst Australian taxi usage is resilient, COVID had a large impact on the business and has taken cars out of our fleet, our biggest revenue driver.

In 2H22 revenue improved vs 1H22, however discontinuation of Government support and increased cost resulted in an EBITDA deterioration. As such further cost efficiencies needed to be implemented to reflect this change in revenue.

In FY22 revenue has grown by \$11.7 million or 10.4% to \$125.1 million while underlying EBITDA experienced a reduction of \$2.6 million ending at a loss of \$9.4 million.

On a statutory basis A2B recorded an EBITDA loss of \$22.3 million and net loss after tax of \$27.8 million. Reported statutory loss reflects the necessary restructuring initiatives that have been put in place to put the business back into profit and positive cash flow.

Significant items influencing the Company's statutory result include the impacts of COVID, asset write-offs (\$9.7 million) and restructuring costs (\$5.6 million).

| Underlying financial results<br>(excl. AASB16 impact & excl. significant items) | FY22<br>\$m   | FY21<br>\$m   | Change<br>over PCP |
|---------------------------------------------------------------------------------|---------------|---------------|--------------------|
| <b>Revenue</b>                                                                  | <b>125.1</b>  | <b>113.4</b>  | <b>10.4%</b>       |
| Other income                                                                    | 2.6           | 18.0          |                    |
| Expenses                                                                        | (137.1)       | (138.1)       |                    |
| <b>EBITDA</b>                                                                   | <b>(9.4)</b>  | <b>(6.8)</b>  | <b>(38.0%)</b>     |
| Depreciation & Amortisation                                                     | (14.2)        | (15.1)        |                    |
| <b>EBIT</b>                                                                     | <b>(23.6)</b> | <b>(21.9)</b> | <b>(7.7%)</b>      |
| Finance costs                                                                   | (0.9)         | (0.5)         |                    |
| <b>Profit before tax</b>                                                        | <b>(24.5)</b> | <b>(22.4)</b> | <b>(9.3%)</b>      |
| Income Tax                                                                      | 7.3           | 6.8           |                    |
| <b>NPAT</b>                                                                     | <b>(17.1)</b> | <b>(15.6)</b> | <b>(9.3%)</b>      |
| EBITDA margin                                                                   | (7.5%)        | (6.0%)        |                    |
| EBIT margin                                                                     | (18.9%)       | (19.3%)       |                    |
| Earnings per share                                                              | (14.1 cents)  | (13.0 cents)  |                    |

| Reconciliation of underlying profit to statutory profit              | FY22<br>\$m   | FY21<br>\$m   | Change<br>over PCP |
|----------------------------------------------------------------------|---------------|---------------|--------------------|
| <b>Underlying profit before tax</b>                                  | <b>(24.5)</b> | <b>(22.4)</b> | <b>(9.3%)</b>      |
| AASB 16 Impact                                                       | 0.0           | (0.2)         |                    |
| <b>Underlying profit before tax</b>                                  | <b>(24.4)</b> | <b>(22.6)</b> | <b>(8.1%)</b>      |
| Acquisition and integration related costs (incl MTI retention costs) | 0.0           | (0.2)         |                    |
| Impairments and asset write-offs                                     | (9.7)         | (1.9)         |                    |
| Termination and restructuring                                        | (5.6)         | (0.9)         |                    |
| <b>Total items excluded from underlying profit before tax</b>        | <b>(15.3)</b> | <b>(3.0)</b>  | <b>(407.9%)</b>    |
| <b>Statutory profit before tax</b>                                   | <b>(39.7)</b> | <b>(25.6)</b> | <b>(55.1%)</b>     |
| Income tax                                                           | 11.9          | 7.5           |                    |
| <b>Statutory NPAT</b>                                                | <b>(27.8)</b> | <b>(18.1)</b> | <b>(47.2%)</b>     |
| Statutory earnings per share (AUD)                                   | (22.9 cents)  | (15.2 cents)  | (46.2%)            |

As of 30 June 2022, A2B had access to \$20.0 million in liquidity, with \$12.3 million in cash and \$7.7 million of undrawn bank facilities. The Company and the entities it controls (the **Group**) existing working capital facility has a limit of \$25 million and expires in September 2023.

## Revenue

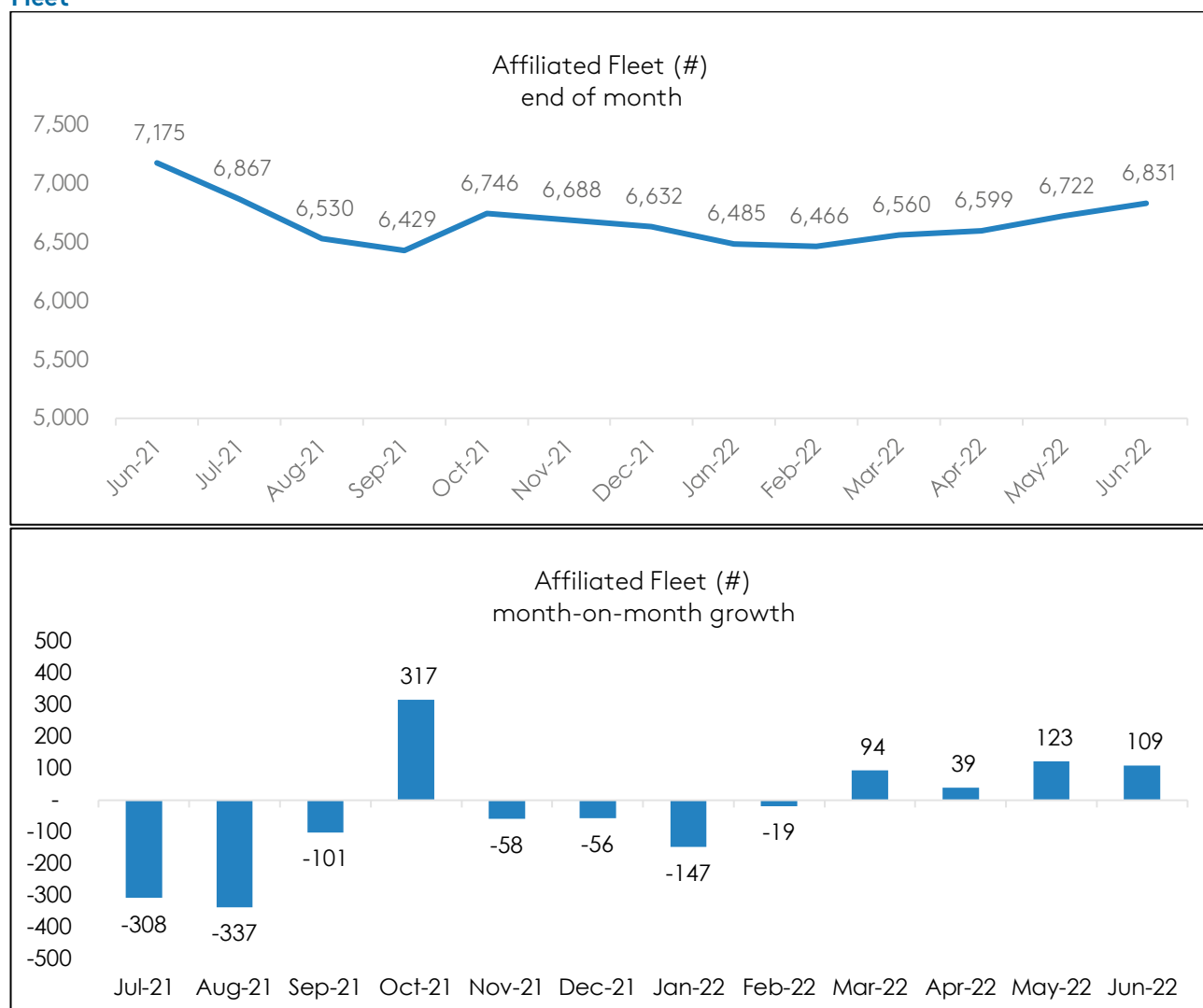
A2B recorded total revenue of \$125.1 million (FY21 \$113.4 million), an increase of \$11.7 million or 10.4% compared to prior year. Revenue growth was primarily driven by:

- Recovery in network subscription revenue (+\$11.2 million or 36%) with fleet subscription pricing returning to pre-pandemic levels.
- Growth in service fee income (+\$3.0 million or 13.4%), with taxi fares processed levels reaching 85% of pre-pandemic levels in June.
- Taxi license plate income (+\$1.0 million) reflecting slow recovery in taxi plate lease rates, primarily in Queensland.

Lower margin revenue such as taxi operations and couriers reduced \$1.9 million and \$1.8 million respectively compared to last year.

## Operating and Financial Review (continued)

### Fleet



During the extensive lockdown period in 1H22 fleet reduced by 543 vehicles or 7.6%. Further decline continued in January and February before a gradual and consistent recovery in fleet was visible from March onwards. In 2H22 total fleet improved by 199 vehicles bringing the 30 June fleet level to 6,831 vehicles, down 344 or 4.8% on 30 June 2021.

A total of \$5.2 million in fee relief was provided to drivers and operators in Sydney and Melbourne during lockdowns in 1H22. Compared to last year the impact of fee relief was more than offset by fleet subscription price recovery in the remaining states. From January onwards all states reverted to pre-pandemic pricing. As a result network subscription revenue improved \$11.2 million or 36% to \$42.2 million.

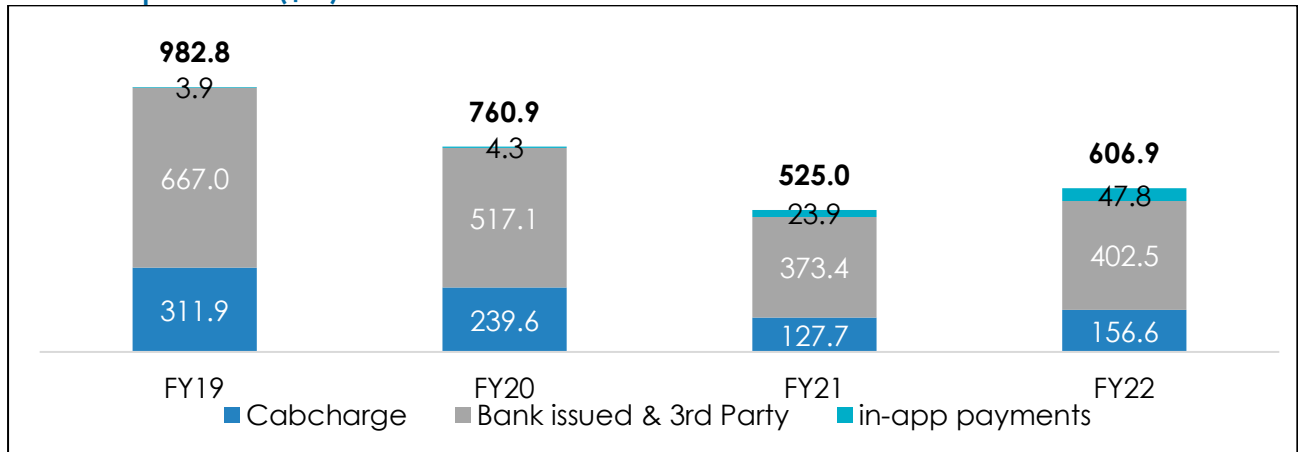
Lower margin taxi operating income decreased \$1.9 million to \$9.5 million (FY21 \$11.4 million) and courier income reduced \$1.8 million to \$3.1 million (FY21 \$5.0 million). Both activities were assessed as part of the strategic review with taxi operations being rationalised nationally resulting in a reduced operated fleet while the courier business was divested in August 2022.

Brokered taxi license plate income improved \$1.0 million to \$2.5 million (FY21 \$1.5 million). This improvement is on the back of improved lease rates, primarily in Queensland.

Vehicle sanitation income reduced \$2.2 million ending at \$5.6 million (FY21 \$7.8 million). The revenue decline is due to cessation of the contract with the NSW Government in May 2022.

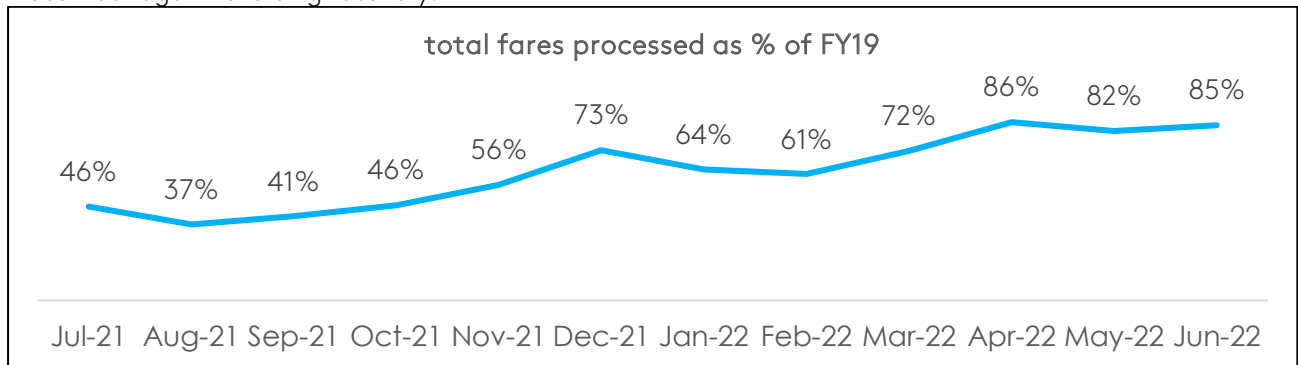


### Taxi fares processed (\$m)



Service fee income increased by \$3.0 million or 13.4% to \$25.7 million (FY21 \$22.7 million). Total taxi fares processed ended at \$606.9 million, an improvement of \$81.9 million or 15.6% compared to last year (FY21 \$525.0 million).

The first half of FY22 was hampered by the extensive lockdowns in Sydney and Melbourne following the spread of the Delta strain. Subsequently an improvement in business conditions was experienced in November as the impact of the Delta variant eased, with the emergence of the Omicron variant in late December again reversing recovery.



Consistent with fleet growth, recovery was visible from March 2022 onwards as Government restrictions were removed and borders opened up. Recovery in fares processed however (the demand side) is faster compared to fleet (the supply side). Fleet recovery is lagging fares and trip growth primarily due to labour and vehicle shortages.

All payment channels experienced growth in FY22 with handheld and in-app payments exceeding pre-pandemic levels. In June 2022 Cabcharge fares reached 65% of pre-pandemic levels with recovery lagging due to a slower return in corporate travel. In June 2022 the total value of credit and debit cards processed (mostly personal travel) reached 95% of pre-pandemic levels.

| Fares processed (\$m)        | FY22         | YoY growth |
|------------------------------|--------------|------------|
| Cabcharge                    | 156.6        | 23%        |
| In-app payments              | 47.8         | 100%       |
| FAREWAYplus                  | 309.0        | 3%         |
| Spotto                       | 93.5         | 29%        |
| <b>Total Fares processed</b> | <b>606.9</b> | <b>16%</b> |

## Operating and Financial Review (continued)

Revenue from contracts with Government for the provision of school bus services and payment services for Taxi subsidy schemes improved \$1.7 million to \$10.4 million (FY21 \$8.7 million). This improvement is driven by additional revenue generated from a Taxi Subsidy Scheme contract with the NSW Government.

### Other income

In FY22 A2B recognised \$2.4m in Government support (FY21 \$17.6 million), primarily driving a decrease of \$15.4 million in other income compared to last year.

### Expenses

On a statutory basis, total expenses, including significant items, increased \$11.4 million or 7.3% to \$167.3 million (FY21 \$155.9 million).

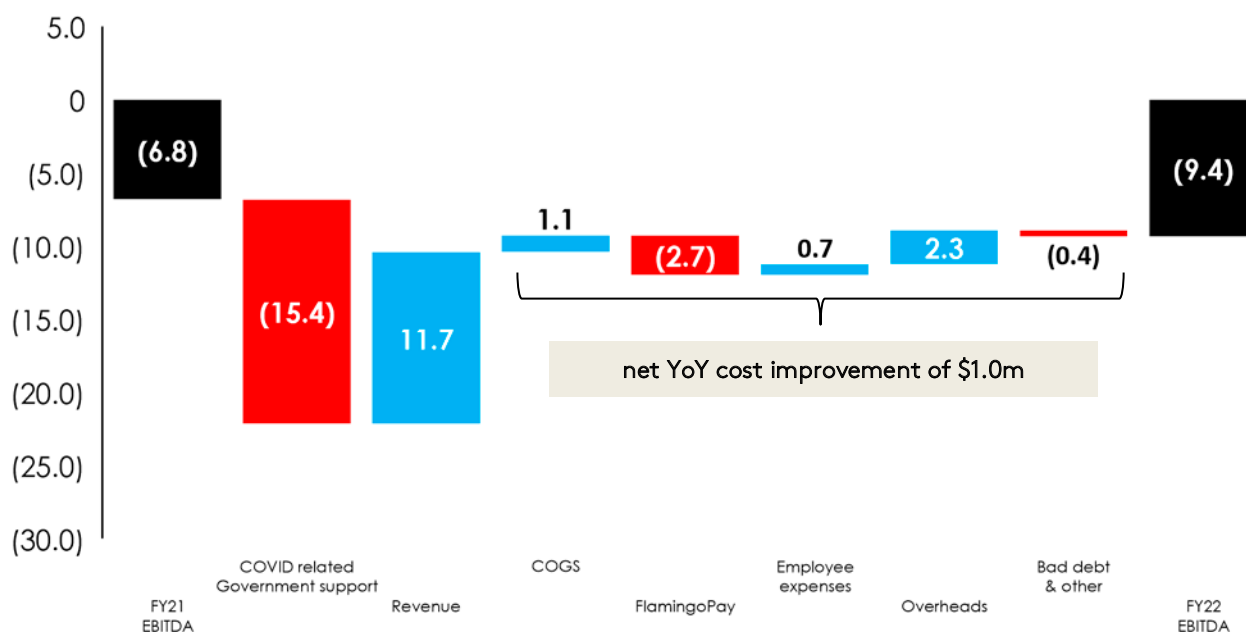
In FY22 A2B incurred a total of \$15.3 million in non-recurring charges (significant items) (FY21 \$3.0 million). These items relate to asset write-offs (\$9.7 million) and termination and restructuring charges (\$5.6 million). These significant items are recognised in FY22 and are as a result of the recently completed strategic review.

On an underlying basis, total expenses excluding depreciation and amortisation decreased \$1.0 million or 0.7% to \$137.1 million.

Cost of goods sold improved by \$1.1 million compared to last year on the back of a reduction in low margin revenue lines, including taxi operations and couriers.

Total indirect expenses ended \$0.1 million below last year, adversely impacted by new initiatives such as FlamingoPay that contributed \$2.7 million to the increase in expenses.

The below waterfall chart outlines the year on year EBITDA movement and movement in expenses. Adjusted for FlamingoPay, a cost decrease was visible in employee expenses (\$0.7 million) and overheads (\$2.3 million), partly offset by an increase in bad debt and other expenses (\$0.5 million).



### Depreciation and amortisation

Total depreciation and amortisation charges reduced \$0.9 million or 6.0% to \$14.2 million. On a statutory basis total depreciation and amortisation charges reduced \$1.7 million or 9.7% following term reduction and cessation of office lease agreements.

## Net finance costs

Net finance costs increased \$0.4 million to \$0.9 million (FY21 \$0.5 million). This increase is primarily driven by the interest charges on drawn down debt in 2H22.

## Income tax expense

On a statutory basis, A2B recorded an income tax benefit of \$11.9 million (FY21 \$7.5 million) resulting from a \$39.7 million loss before income tax adjusted for non-deductible items. As a result, a \$20.5 million deferred tax asset has been recognised at 30 June 2022.

## Profit after tax

Underlying net loss after tax was \$17.1 million (FY21 \$15.6 million). A statutory net loss after tax of \$27.8 million was recorded in FY22 (FY21 loss of \$18.1 million).

## Cashflow

A2B commenced FY22 with net cash of \$10.0 million and experienced a \$16.6 million reduction in net cash during the year. This reduction was primarily driven by:

- Cash outflow from operations of \$6.2 million
- Net capex spend of \$8.3 million

The \$6.2 million cash outflow from operations includes a \$5.5 million tax refund from the Federal Government through available tax carry back COVID relief measures.

| \$m                                                        | 30-Jun-22    | 30-Jun-21     |
|------------------------------------------------------------|--------------|---------------|
| Receipts from customers and others                         | 733.7        | 658.7         |
| Payments to suppliers, licensees and employees             | (744.6)      | (662.5)       |
| Dividends received                                         | 0.2          | 0.0           |
| Finance costs paid                                         | (1.0)        | (1.0)         |
| Income tax received / (paid)                               | 5.5          | (0.1)         |
| <b>Net Cash Flow from Operations</b>                       | <b>(6.2)</b> | <b>(4.9)</b>  |
| Purchase of PPE                                            | (4.0)        | (2.9)         |
| Development of intellectual property                       | (4.7)        | (4.3)         |
| Proceeds from sale of PPE                                  | 0.4          | 1.0           |
| <b>Net Cash Flow from Investing</b>                        | <b>(8.3)</b> | <b>(6.2)</b>  |
| Proceeds from borrowings                                   | 17.3         | 5.1           |
| Repayment of borrowings                                    | (0.3)        | (5.3)         |
| Payment of lease liabilities                               | (2.0)        | (2.6)         |
| Dividends paid to non-controlling interest in subsidiaries | (0.1)        | (0.1)         |
| <b>Net Cash Flow from Financing</b>                        | <b>15.0</b>  | <b>(2.8)</b>  |
| <b>Net Change in Cash Position</b>                         | <b>0.4</b>   | <b>(13.8)</b> |
| Cash and cash equivalents at 1 July                        | 11.9         | 25.8          |
| Effect of movements in exchange rates on cash held         | 0.0          | (0.1)         |
| <b>Gross Cash at the end of Period</b>                     | <b>12.3</b>  | <b>11.9</b>   |

## Operating and Financial Review (continued)

Net capital expenditure for FY22 was \$8.3 million (FY21 \$6.2 million). Capex spend in FY22 primarily comprises \$4.7 million related to internally developed software, \$2.4m relating to in-car equipment (dispatch tablets + eftpos terminals), \$1.1m relating to an office move in Sydney and \$0.5m relating to IT hardware / infrastructure.

### FY22 Dividends

The Board has decided not to declare a final FY22 dividend.

### Financial position

#### Balance sheet

A2B remains in a strong financial position despite net debt of \$6.6 million. As at 30 June 2022, A2B has a \$25 million working capital facility in place that matures in September 2023. In addition, the Company has material property assets on its balance sheet. These property assets have a carrying value of \$10.0 million and have been independently valued in June 2022 in a range of \$102 million to \$114 million.

| \$m                                  | 30-Jun-22    | 30-Jun-21    |
|--------------------------------------|--------------|--------------|
| Cash and cash equivalents            | 12.3         | 11.9         |
| Other current assets                 | 67.2         | 57.1         |
| <b>Total current assets</b>          | <b>79.5</b>  | <b>69.0</b>  |
| Property, plant and equipment        | 23.7         | 33.0         |
| Taxi plate licenses                  | 1.3          | 1.3          |
| Other non-current assets             | 67.0         | 61.9         |
| Right of use asset                   | 6.5          | 12.7         |
| <b>Total non-current assets</b>      | <b>98.5</b>  | <b>109.0</b> |
| <b>Total assets</b>                  | <b>178.1</b> | <b>178.0</b> |
| Payables                             | 55.9         | 39.7         |
| Loans and Borrowings                 | 1.6          | 1.9          |
| Other                                | 8.5          | 8.2          |
| Lease liabilities                    | 1.6          | 2.0          |
| <b>Total current liabilities</b>     | <b>67.6</b>  | <b>51.8</b>  |
| Loans and Borrowings                 | 17.3         | 0.0          |
| Lease liabilities                    | 5.5          | 11.3         |
| Other liabilities                    | 1.5          | 1.9          |
| <b>Total non-current liabilities</b> | <b>24.3</b>  | <b>13.3</b>  |
| <b>Total liabilities</b>             | <b>91.9</b>  | <b>65.0</b>  |
| <b>Total net assets</b>              | <b>86.1</b>  | <b>113.0</b> |
| <b>Net (debt) / cash</b>             | <b>(6.6)</b> | <b>10.0</b>  |

Property, plant and equipment reduced \$9.3 million following a \$4.2 million asset write-off as part of the strategic review, depreciation and limited capex spend during the year.

Other non-current assets increased by \$5.1 million driven by a \$12.2 million increase in deferred tax assets. This was partly offset by \$6.7 million reduction in intellectual property of which \$5.5 million relates to IP asset write-off following completion of the strategic review.

Right of use asset (AASB16) reduced by \$6.2 million, offset by a reduction in lease liabilities following termination and shortening of office lease agreements.

## Outlook

Australian taxi usage remains resilient, as is demonstrated by the quick recovery in fares and trips processed through A2B's systems. However, COVID had a large impact on the business and has taken cars out of our fleet, our biggest revenue driver. Recovery in the second half of FY22 has been consistent although slower than expected. The slower than anticipated recovery has meant that further actions needed to be taken in respect to A2B's cost base. The recently completed strategic review has addressed and right sized the cost base while also simplifying the business and improving margins by exiting loss making and low margin business lines. As a result, the FY23 outlook is driven by new operating principles (i.e. focus on core, "Better-Before-Bigger", a new organisational structure and return to sustainable growth), supported by a strong recovery in demand (trips and fares) while supply (fleet) recovery continues at a slower pace hampered by driver and vehicle supply.

## Material business risks

The operating and financial performance of A2B is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest and exchange rates and access to debt and capital markets. In addition, the possible emergence of additional COVID variants or subsequent waves of existing variants that could lead to the reintroduction of Government imposed movement restrictions or otherwise limit Passenger activity could impact A2B's financial performance.

In FY22 impacts of the COVID pandemic continued to test the financial strength of many companies and industries and highlighted the required focus on liquidity. A2B faces various potential risks that have the potential to materially affect the performance of the Group. These risks are listed below.

| 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. New State Passenger levies were introduced.</p> <p>All states and territories have implemented a 5% limit on payment service fees, including Tasmania in FY21.</p> <p>More recently the NSW government announced it will introduce a package of reforms for the point-to-point transport industry. These reforms include freeing up the supply of taxis by removing the limit on the number of Taxi licences that are available. Once these changes take effect, Taxi licences will no longer be able to be bought and sold.</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</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> |

## Operating and Financial Review (continued)

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licences and setting rates for Government leased Taxi plate licences.

In addition, changes in Taxi regulation, including establishing a regulatory environment for non-Taxi transport can indirectly affect the value of Taxi plate licences.

Taxi Regulators may also restrict the supply of Taxi plate licences which limits growth opportunities for the Taxi Industry.

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### **Changes to competitive landscape / changes to IT environment**

Continued emergence of competitors in personal transport who offer alternative service and payment methods, both within and outside the regulatory framework, or subject to less stringent regulation.

Potential loss of business if the Company fails to keep pace with technological change with respect to Network Operations, bookings and payments.

Be at the forefront of technology development serving the personal transport industry. Development and integrate bookings and payments.

Strategic acquisition-led growth to bolster existing technology and resources and leverage scale.

Standardising, scaling and raising service standards in the mobility business to be leveraged in Australia and the overseas markets we operate in.

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# 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 2022.

## 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:

- Mark Bayliss (appointed 7 March 2022)
- David Grant
- Jennifer Horrigan
- Louise McCann (retired on 2 March 2022)
- Paul Oneile (retired on 7 February 2022)
- Clifford Rosenberg
- Andrew Skelton (stepped down on 7 February 2022)

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

## 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   |
|----------------------------|---------------------------------------|-------------------|------------------|
| Mark Bayliss               | CSG Limited                           | 27 June 2018      | 19 February 2020 |
| 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     |
| Jennifer Horrigan          | Dexus Industria REIT                  | 30 April 2012     | -                |
|                            | Dexus Convenience Retail REIT         | 30 April 2012     | -                |
|                            | QV Equities Limited                   | 26 April 2016     | -                |
| Louise McCann <sup>1</sup> | Macquarie Media Ltd                   | 10 June 2015      | 30 October 2019  |
| Paul Oneile <sup>1</sup>   | Thorn Group Limited                   | 14 October 2019   | -                |
| 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       | -                |

1. Please note that the details listed are current as at the date the Director ceased being a Director of the Company.

## Company Secretary

### Adrian Lucchese

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



## Directors' Report (continued)

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.

### Dividends

No dividends were paid or declared since the end of the previous financial year.

### Principal activities

The principal activities of the Group are included in the Operating and Financial Review ("OFR") set out on pages 8 to 16. 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.

### 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 8 to 16. The Group's business strategies and prospects for future financial years are also included in the OFR.

### 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.

### Events subsequent to reporting date

No other matter or circumstance has arisen since 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 page 15.

### 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 current Director as at the date of this report are set out in the table below.

| Director                        | Interest in shares |
|---------------------------------|--------------------|
| Mark Bayliss                    | 800,000            |
| David Grant                     | 35,000             |
| Jennifer Horrigan               | 0                  |
| Clifford Rosenberg <sup>1</sup> | 111,307            |

1. The indirect shares are 111,307 fully paid ordinary shares held by Cliffro Pty Ltd atf the Cliffro Trust.

Mr Bayliss has been granted the following performance rights pursuant to the terms of his package approved by shareholders at the Company's EGM.

| Grant Period                                   | Performance Rights |
|------------------------------------------------|--------------------|
| FY22 grant<br>(for period ending 30 June 2026) | 1,500,000          |

## Remuneration Report

The Remuneration Report is set out on pages 21 to 33 and forms part of this Directors' Report and 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 |
| Mark Bayliss <sup>4</sup>   | 3                 | 3        | -                           | -        | 1                                         | 1        |
| David Grant                 | 12                | 12       | 3                           | 3        | 4                                         | 4        |
| Jennifer Horrigan           | 12                | 12       | 3                           | 3        | 4                                         | 4        |
| Louise McCann <sup>5</sup>  | 12                | 1        | 2                           | 0        | 3                                         | 0        |
| Paul Oneile <sup>6</sup>    | 7                 | 7        | 2                           | 2        | 3                                         | 3        |
| Clifford Rosenberg          | 12                | 10       | 3                           | 3        | 4                                         | 4        |
| Andrew Skelton <sup>7</sup> | 7                 | 7        | 2                           | 2        | 3                                         | 3        |

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. Mark Bayliss was appointed on 7 March 2022.

5. Louise McCann was on a leave of absence after the Board meeting on 7 July 2021 and retired on 2 March 2022.

6. Paul Oneile retired on 7 February 2022.

7. Andrew Skelton stepped down on 7 February 2022

### 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 3,438,696 performance rights over unissued shares which have been granted to Mark Bayliss and current and former senior executives under the Company's LTI Plan. Other than to Mark Bayliss, no performance rights were issued during the year. Further information on the LTI Plan and performance rights held by key management personnel are included in the Remuneration Report on pages 21 to 33.

### 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.

## Directors' Report (continued)

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 34.

### 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.



Mark Bayliss  
Executive Chairman  
23 August 2022



David Grant  
Director  
23 August 2022

# Remuneration Report

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

Dear Shareholders,

Your Board presents the Remuneration Report for the year ended 30 June 2022. This Report provides an overview of our remuneration structures, policies and practices.

Given A2B's results in FY22, your Board had to make some difficult decisions. While no STI was awarded to current executives in respect of FY22, those who left the business were awarded a portion of their STIs as part of their separation packages. In addition, no LTI was offered to executive KMP in FY22, other than that approved by shareholders at the Extraordinary General Meeting held on 28 April 2022 (**EGM**) for the Executive Chairman.

Detailed information regarding the remuneration outcomes for FY22 are outlined in section 4 of this Remuneration Report.

The remuneration structure for both Executives and Non-Executive Directors was reviewed and reset by the Board in the final quarter of FY22, consistent with the strategic review undertaken and the turnaround being pursued by the Company and its leadership.

For FY23, the Board has approved new remuneration arrangements for Executives and Non-Executive Directors that reflect the turnaround and cost reduction initiatives being implemented across A2B. These initiatives are aligned with creating a growing and sustainable business and creating sustainable value.

### Executive Remuneration

At last year's AGM, the Company received a 'first strike' on its Remuneration Report for FY21, with 50.26% of votes against the Remuneration Report. A2B has considered, and where appropriate adopted, the feedback provided by major shareholders and other stakeholders in relation to the remuneration outcomes for FY22 and the re-designed remuneration arrangements for FY23.

The new Executive remuneration structure and incentive arrangements for FY23 align with the metrics approved by shareholders at the EGM for the Performance Rights granted to Executive Chairman Mark Bayliss. They are essential in retaining and rewarding key talent and ensuring a team aligned with delivering shareholder value growth through successfully executing the new strategic goals and business turnaround ahead.

### Non-Executive Director Remuneration & Arrangements

For FY23, the Board has implemented a 15% reduction to Non-Executive Director Board and Committee fee arrangements, consistent with the cost reduction initiatives implemented across the A2B operations in FY22.

In addition, the Board agreed to decrease the number of Directors by one – taking the total number of Non-Executive Directors to three and to also reduce the aggregate Non-Executive Director fee pool from \$1.3 million per annum (which was approved by shareholders on 26 November 2014) to \$1.0 million per annum.

### Leadership Update

On 7 March 2022, Mark Bayliss was appointed Executive Chairman. Under the terms of his agreement, Mr Bayliss agreed to act in a full-time executive capacity until the earlier of 7 September 2022 or the appointment of a suitably qualified CEO, after which he would become A2B's Non-Executive Chairman. To facilitate the continued successful delivery of the new growth strategy and ensure stability for the business,

## Remuneration Report (continued)

the Board has postponed the current CEO search process until early 2023. On the Board's request, Mr Bayliss has agreed to extend his current contract as full time Executive Chairman until 30 June 2023.

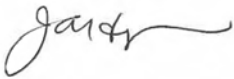
With the correct strategy and leadership now in place, David Grant has informed A2B of his intention to step down from the Board, pending the appointment of a Non-Executive Director who will also Chair the Company's Audit and Risk Committee. A search process has commenced, and to facilitate an orderly transition David has offered to remain on the Board until an appointment is made. The Board thanks David for his highly valued contribution to A2B and wishes him well for the future.

### Concluding Remarks

The Board is committed to ensuring a robust remuneration framework that is responsive to change and rewards executives for performance and long-term value creation for shareholders. The STI and LTI outcomes for FY22, combined with the new remuneration structure for FY23 reflect this commitment.

On behalf of the Board, thank you for your ongoing support and we look forward to receiving your feedback on this report. We would also like to thank Louise McCann for her service and commitment to the Company both as a member of the Board and in her role as former Chairman of the Remuneration and Nominations Committee. As you would have seen in our market announcement in March, Louise made the difficult decision to retire so that she could focus on recovering from her health challenges. We wish her the best and a speedy recovery.

Yours faithfully,



**Jennifer Horrigan**  
Chairman  
Remuneration & Nominations Committee

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This Remuneration Report for the year ended 30 June 2022 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 8 has been audited as required by section 308(3C) of the Corporations Act, unless otherwise stated.

## Remuneration Report (continued)

### 1. Overview

The Board of Directors present the Remuneration Report for the year ended 30 June 2022 (**FY22**). This Report provides an overview of our remuneration structures, practices and outcomes and their alignment with the Company's performance and strategy.

#### 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 FY22                                        |
|--------------------------------|-----------------------------------------|-------------------------------------------------------|
| <b>Non-Executive Directors</b> |                                         |                                                       |
| Paul Oneile                    | Independent Chairman                    | Retired 7 February 2022                               |
| David Grant                    | Independent Director                    | Interim Chairman from 7 February 2022 to 7 March 2022 |
| Jennifer Horrigan              | Independent Director                    |                                                       |
| Louise McCann                  | Independent Director                    | Retired 2 March 2022                                  |
| Clifford Rosenberg             | Independent Director                    |                                                       |
| <b>Executive</b>               |                                         |                                                       |
| Mark Bayliss                   | Executive Chairman                      | Appointed 7 March 2022                                |
| Olivia Barry                   | Chief Operating Officer – Taxi Networks | Appointed 18 May 2022                                 |
| Ton van Hoof                   | Chief Financial Officer                 |                                                       |
| Adrian Lucchese                | General Counsel and Company Secretary   |                                                       |
| Deon Ludick                    | Chief Technology Officer                |                                                       |
| Tanya Steigerwalt              | Chief Human Resources Officer           | Appointed 8 November 2021                             |
| Stuart Overell                 | Chief Operating Officer - Taxi Networks | Stepped Down 18 May 2022                              |
| Andrew Skelton                 | Managing Director and CEO               | Stepped Down 7 February 2022                          |

#### Realised remuneration

The details of statutory executive KMP remuneration prepared in accordance with the Australian Accounting Standards can be found in table 5 on page 29. Details of statutory Non-Executive Director fee arrangements can be found in table 8 on page 31.

The table below provides shareholders with an understanding of the actual remuneration earned by executive KMP in FY22. The value of remuneration includes the short-term incentive (**STI**) components received in cash during the year in relation to deferred STI from previous years. It does not include awards granted during FY22 that may vest during future financial years (such as the Incentive Shares and Performance Rights that were granted to Mr Bayliss).

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 in table 5 prepared in accordance with the Australian Accounting Standards.

Table 2: Actual executive remuneration earned in FY22 (non-statutory) (unaudited)

| Executive         | Fixed remuneration <sup>1</sup><br>\$ | Termination<br>Benefits \$ <sup>2</sup> | STI earned for FY22<br>& vesting of deferred STI<br>\$ | LTI vested in<br>FY22 <sup>4</sup> \$ | Total \$  |
|-------------------|---------------------------------------|-----------------------------------------|--------------------------------------------------------|---------------------------------------|-----------|
| Mark Bayliss      | 249,292                               | -                                       | -                                                      | -                                     | 249,292   |
| Olivia Barry      | 41,933                                | -                                       | -                                                      | -                                     | 41,933    |
| Ton van Hoof      | 456,501                               | -                                       | -                                                      | -                                     | 456,501   |
| Adrian Lucchese   | 422,579                               | -                                       | -                                                      | -                                     | 422,579   |
| Deon Ludick       | 495,000                               | -                                       | -                                                      | -                                     | 495,000   |
| Tanya Steigerwalt | 217,101                               | -                                       | -                                                      | -                                     | 217,101   |
| Stuart Overell    | 379,948                               | 442,746                                 | -                                                      | -                                     | 822,694   |
| Andrew Skelton    | 529,619                               | 835,022                                 | 53,300 <sup>3</sup>                                    | -                                     | 1,417,941 |

1. Fixed remuneration means contracted remuneration amount for base salary and superannuation during the period the Executive was a KMP.

2. Mr Skelton and Mr Overell's termination payments were recognised in FY22.

3. 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 FY20 deferred STI (being \$26,250) and the first instalment of FY21 deferred STI (being \$27,050).

4. The LTI rights awarded in FY18 & FY19 were tested in September 2021 and did not vest. Further information on vesting is set out in the LTI section of this report.

## 2. Remuneration governance

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

### Board

- Ensures remuneration is fair and competitive, and supports the Company's strategic and operational goals and alignment with long-term value creation for shareholders
- Approves remuneration policies, structures and arrangements after consideration of recommendations from the Committee
- Approves performance measures and outcomes after consideration of recommendations from the Committee



### Remuneration and Nominations Committee

- Comprises at least three members appointed by the Board
- Must have an independent chair and a majority of independent Directors
- Makes recommendations to the Board regarding remuneration policies, structures and arrangements
- Makes recommendations to the Board regarding performance measures and outcomes
- The Committee met four times in FY22



### Management

- CEO proposes individual remuneration arrangements and performance outcomes for his or her direct reports to the Committee
- CEO not present when his or her remuneration is decided



### External remuneration consultants and advisers

- Engaged and appointed by the Board or the Committee as required
- Advises the Committee and management to ensure that the Company is fully informed when making decisions
- Mandatory disclosure requirements apply to the use of remuneration consultants under the Corporations Act

For more detail on the Company's charters and policies, see: [www.a2baustralia.com/investor-center/corporate-governance/](http://www.a2baustralia.com/investor-center/corporate-governance/)



## Remuneration Report (continued)

### 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 sustainable shareholder value
- Be supported by a governance framework motivate, reward and retain skilled 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-term and long-term incentive performance hurdles that are challenging and linked to the creation of sustainable shareholder returns, where incentive plans are offered to executive KMP
- Ensure any termination benefits are justified and appropriate

| Business objectives                                                                                                                                                                                                          | Remuneration strategy objectives                                                                                                                                                                                                                                                                                                                                                                                | Remuneration structure                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>▪ Enhance and expand operational platform for the creation of a sustainable business model for future growth</li> <li>▪ Focus on creation of sustainable shareholder value</li> </ul> | <ul style="list-style-type: none"> <li>▪ Attract and retain key talent through balanced remuneration, market competitive pay and performance-focused incentive awards</li> <li>▪ Focus the executive team on the key strategic business imperatives</li> <li>▪ Align interests of executive KMP and shareholders</li> <li>▪ Invite executive KMP to participate in incentive plans where appropriate</li> </ul> | <p><b>Fixed annual remuneration ("FAR")</b><br/>Set with reference to job size and organisations of similar complexity and industry dynamics</p> <p><b>Variable remuneration</b><br/>Equity-based incentive awards based on the Company's short- and long-term performance and other vesting conditions</p> <p><b>Executive arrangements</b><br/>Executive services agreements formalise incentive arrangements, and include termination and post-termination provisions</p> |

#### 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.

#### Executive Chairman

Mr Bayliss was appointed on 7 March 2022 and his remuneration package was approved by shareholders under ASX Listing Rule 10.14 at the Company's Extraordinary General Meeting held 28 April 2022 (**EGM**).

In FY22, the Executive Chairman's remuneration structure consisted of FAR and a grant of Incentive Shares and Performance Rights.

#### Remuneration package approved by shareholders at the EGM

Details of Mr Bayliss' remuneration package are disclosed below.

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FAR              | <ul style="list-style-type: none"> <li>• Earlier of first six months of Mr Bayliss' appointment and the appointment by the Company of a long-term CEO: \$695,000 p.a. (plus statutory superannuation entitlements)</li> <li>• Thereafter: \$195,000 p.a. (plus statutory superannuation entitlements)</li> </ul>                                                                                                                       |
| Incentive Shares | <p>800,000 Incentive Shares subject to trading restrictions as follows:</p> <ul style="list-style-type: none"> <li>▪ 400,000 Incentive Shares will be restricted from trading until vesting on 30 September 2022;</li> <li>▪ 200,000 Incentive Shares will be restricted from trading until vesting on 31 March 2023; and</li> <li>▪ 200,000 Incentive Shares will be restricted from trading until vesting on 1 July 2023.</li> </ul> |

Incentive Shares are fully paid ordinary shares in the Company. However, they may not be dealt with until the trading restriction has been lifted. They are not dependent on the satisfaction of a performance condition as they are intended to provide immediate equity exposure to Mr Bayliss.

On Mr Bayliss resigning from his position, or termination of his appointment agreement by A2B for cause, any unvested Incentive Shares will be forfeited to A2B. On a change of control, any unvested Incentive Shares will be released from their trading restrictions.

#### Performance Rights

1,500,000 Performance Rights.

Each Performance Right will entitle Mr Bayliss to receive one share in A2B Australia Limited on satisfaction of the relevant vesting conditions. Performance Rights do not carry any right to receive dividends, vote or to participate in share issues until and unless they vest into shares.

Performance Rights will vest on satisfaction of the following vesting conditions:

- First Tranche: 500,000 Performance Rights will vest on A2B achieving a 20 day volume-weighted average price (**VWAP**) of at least \$1.70;
- Second Tranche: 500,000 Performance Rights will vest on A2B achieving a 20 day VWAP of at least \$2.00; and
- Third Tranche: 500,000 Performance Rights will vest on A2B achieving a 20 day VWAP of at least \$2.30.

These performance conditions have been chosen because they incentivise Mr Bayliss to achieve increases in the Company's share price, thereby aligning his interests with the creation of shareholder value. A 20 day VWAP method has been chosen for assessing the achievement of these performance conditions because it reduces the impact of daily fluctuations in the Company's share prices and ensures that vesting would only occur where sustained increases in the Company's share price are achieved.

Any Performance Rights which are unvested on 30 June 2026 will lapse (**Sunset Date**).

The target VWAP specified above will be reduced by the amount of any dividend or return of capital paid per share paid prior to the Sunset Date.

On Mr Bayliss resigning from his role, or termination of his appointment agreement by A2B for cause, any unvested Performance Rights will lapse. On a change of control, any unvested Performance Rights will vest.

#### Cost and exercise price

No amount is payable by Mr Bayliss for the issue of the Incentive Shares or Performance Rights as they form part of his remuneration package.

The exercise price for the Performance Rights is nil, as is standard market practice for performance rights that are part of a remuneration package and that only vest on the achievement of vesting conditions.

#### Other executive KMP

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.

## Remuneration Report (continued)

How is FAR determined?

FAR is reviewed annually and our standard executive services agreements do not include any guaranteed FAR increases.

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.

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.

Were any changes made in FY22?

Changes to FAR are typically implemented and take effect on 1 July of each year. The FAR for each executive in FY22 is shown in table 3 on page 28.

No STI, long-term incentive (**LTI**) or other form of performance-related remuneration was offered to current executive KMP (other than the Executive Chairman) in FY22.

For the terms applicable to prior-year STI and LTI grants, please refer to our Remuneration Report for the relevant year, which is available at <https://www.a2baustralia.com/investor-center/reports/>.

### 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> | FAR     |
|-------------------|-----------------------------------|----------------------------|---------|
| Mark Bayliss      | Six months or until CEO appointed | 6 months                   | 695,000 |
| Olivia Barry      | Ongoing                           | 6 months                   | 350,000 |
| Ton van Hoof      | Ongoing                           | 6 months                   | 450,000 |
| Adrian Lucchese   | Ongoing                           | 6 months                   | 421,000 |
| Deon Ludick       | Ongoing                           | 6 months                   | 495,000 |
| Tanya Steigerwalt | Ongoing                           | 3 months                   | 350,000 |
| Stuart Overell    | Stepped down 18 May 2022          | 6 months                   | 426,000 |
| Andrew Skelton    | Stepped down 7 February 2022      | 12 months                  | 825,000 |

1. 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. No other termination payments are provided for under any KMP contract.

## 4. Executive KMP remuneration outcomes for FY22

### FAR

The fixed annual remuneration of executive KMP for FY22 is set out at table 3 on page 28.

### STI

Given A2B's results in FY22, no STI was awarded to current Executives in respect of FY22. Two Executives who left the business were awarded a portion of their STIs as part of their separation packages. In addition, no LTI was offered to executive KMP in FY22, other than that approved by shareholders at the EGM for the Executive Chairman.

With respect to their FY21 STI award, the executive KMP received a cash payment during FY22.

The former Managing Director and CEO, Andrew Skelton, who stepped down on 7 February 2022, received the following STI payments during FY22:

- a cash payment for the non-deferred portion (being 75%) of his FY21 STI award
- a cash payment in respect of the first deferred portion (being 12.5%) of his FY20 STI award
- a cash payment in respect of the second and last deferred portion (being 12.5%) of his FY19 STI award

For the performance conditions and vesting outcomes in relation to these prior-year awards, please refer to our Remuneration Report for the relevant year, which is available at <https://www.a2baustralia.com/investor-center/reports/>.

## LTI

The Company's shareholders approved the LTI plan in November 2014. The fourth and fifth tranches of performance rights under the LTI plan were granted for the performance periods 1 July 2017 – 30 June 2021 and 1 July 2018 – 30 June 2021. The rights were tested in September 2021 and 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 6 on page 30.

## Snapshot of Group performance

Table 4: Performance outcomes for the last five years

|                                                               | FY22  | FY21  | FY20  | FY19 | FY18 |
|---------------------------------------------------------------|-------|-------|-------|------|------|
| Profit (Loss) after tax from continuing operations (\$m)      | -27.8 | -18.1 | -23.7 | 11.9 | -1.9 |
| (Loss) Profit attributable to the owners of the Company (\$m) | -28.1 | -18.3 | -23.8 | 11.8 | -2.2 |
| Dividend paid (\$m)                                           | -     | 0     | 9.6   | 9.6  | 16.9 |
| Dividend paid per share fully franked (cents)                 | -     | 0     | 8     | 8    | 14   |
| Closing share price at 30 June (\$)                           | 1.1   | 1.26  | 0.81  | 1.77 | 2.40 |

Note: Opening share price in FY18 was \$2.47

## Executive remuneration in FY22

The statutory remuneration of each executive KMP in FY22 is set out in the table below.

Table 5: FY22 executive KMP remuneration (statutory)

|                                |      | Short-term benefits |                       | Post-employment benefits          |                        |                         | Share based payments                              |                                                |                  |           |                                                     |
|--------------------------------|------|---------------------|-----------------------|-----------------------------------|------------------------|-------------------------|---------------------------------------------------|------------------------------------------------|------------------|-----------|-----------------------------------------------------|
|                                |      |                     |                       |                                   |                        |                         |                                                   |                                                |                  |           |                                                     |
| Executive                      |      | Salary and fees \$  | STI \$                | Non-cash benefits \$ <sup>1</sup> | Super contributions \$ | Termination benefits \$ | Other long-term employee benefits \$ <sup>2</sup> | LTI rights/ Performance Rights <sup>3</sup> \$ | Incentive Shares | Total \$  | Performance related rem % of total rem <sup>4</sup> |
| Mark Bayliss <sup>5</sup>      | 2022 | 231,668             | -                     | -                                 | 17,624                 | -                       | -                                                 | 101,518                                        | 424,623          | 775,433   | 67.85%                                              |
| Olivia Barry <sup>6</sup>      | 2022 | 38,502              | -                     | 2,962                             | 3,431                  | -                       | 642                                               | -                                              | -                | 45,537    | 0.00%                                               |
| Ton van Hoof                   | 2022 | 426,432             | -                     | -                                 | 30,069                 | -                       | 14,051                                            | 80,015                                         | -                | 550,567   | 14.53%                                              |
|                                | 2021 | 379,021             | 82,875                | -                                 | 21,694                 | -                       | 6,804                                             | 105,247                                        | -                | 595,641   | 31.58%                                              |
| Adrian Lucchese                | 2022 | 399,011             | -                     | 26,885                            | 23,568                 | -                       | 16,879                                            | 80,015                                         | -                | 546,358   | 14.65%                                              |
|                                | 2021 | 399,010             | 74,000                | 13,651                            | 21,694                 | -                       | 12,018                                            | 105,247                                        | -                | 625,620   | 28.65%                                              |
| Deon Ludick                    | 2022 | 471,432             | -                     | -                                 | 23,568                 | -                       | 9,121                                             | 80,015                                         | -                | 584,136   | 13.70%                                              |
|                                | 2021 | 429,029             | 88,500                | 14,904                            | 21,694                 | -                       | 3,858                                             | 105,247                                        | -                | 663,232   | 29.21%                                              |
| Tanya Steigerwalt <sup>7</sup> | 2022 | 200,463             | -                     | 14,777                            | 16,638                 | -                       | -                                                 | -                                              | -                | 231,878   | 0.00%                                               |
| Stuart Overell <sup>8</sup>    | 2022 | 356,885             | -                     | -                                 | 23,063                 | 442,746                 | -                                                 | 122,238                                        | -                | 934,936   | 12.94%                                              |
|                                | 2021 | 404,014             | 60,000                | 13,973                            | 21,694                 | -                       | 7,762                                             | 105,247                                        | -                | 612,690   | 26.97%                                              |
| Andrew Skelton <sup>9</sup>    | 2022 | 487,567             | -                     | -                                 | 42,052                 | 835,022                 | -                                                 | 244,475                                        | -                | 1,609,116 | 15.19%                                              |
|                                | 2021 | 804,022             | 216,400 <sup>10</sup> | 16,443                            | 21,694                 | -                       | 15,239                                            | 210,494                                        | -                | 1,284,292 | 33.24%                                              |
| Total                          | 2022 | 2,611,690           | -                     | 44,625                            | 180,013                | 1,277,768               | 40,693                                            | 708,277                                        | 424,623          | 5,287,958 | 21.42%                                              |
|                                | 2021 | 2,415,096           | 521,775               | 58,971                            | 108,470                | -                       | 45,681                                            | 631,482                                        | -                | 3,781,475 | 30.50%                                              |

1. Movements in accruals for annual leave and reportable fringe benefits are disclosed as non-cash benefits.
2. Other long-term employee benefits represent provisions for long service leave.
3. Mr Bayliss received a grant of Performance Rights during FY22. Amounts shown for the other members of the KMP relate to accrued expenses for rights previously granted under the Company's LTI program.
4. This represents the percentage of the total remuneration that relates to performance.
5. Relates to the period from 7 March 2022 (being the date of Mr Bayliss' appointment as Executive Chairman) to 30 June 2022.
6. Relates to the period from 18 May 2022 (being the date of Ms Barry's appointment as KMP) to 30 June 2022.
7. Relates to the period from 8 November 2021 (being the date of Ms Steigerwalt's appointment as KMP) to 30 June 2022.
8. Relates to the period from 1 July 2021 to 18 May 2022 (being the date of Mr Overell stepping down as a KMP).
9. Relates to the period from 1 July 2021 to 7 February 2022 (being the date of Mr Skelton stepping down as Managing Director and CEO).
10. \$54,100 was deferred and will be paid in August 2022.

## Remuneration Report (continued)

### Incentive awards held by executive KMP

Details of all outstanding share-based incentive awards granted to executive KMP are set out in the table below. The maximum possible total value of each grant is the number of instruments granted multiplied by the market value of shares in the Company. The minimum possible total value of each grant is nil.

Table 6: Incentive awards held by executive KMP

| Executive       | Type of award      | Grant Date    | Performance period         | Number granted | Performance conditions              | Vesting date          |
|-----------------|--------------------|---------------|----------------------------|----------------|-------------------------------------|-----------------------|
| Mark Bayliss    | Incentive Shares   | 28 April 2022 | N/A                        | 400,000        | Service                             | September 2022        |
|                 | Incentive Shares   | 28 April 2022 | N/A                        | 200,000        | Service                             | March 2023            |
|                 | Incentive Shares   | 28 April 2022 | N/A                        | 200,000        | Service                             | July 2023             |
|                 | Performance Rights | 28 April 2022 | N/A                        | 500,000        | Share price                         | June 2026 Sunset Date |
|                 | Performance Rights | 28 April 2022 | N/A                        | 500,000        | Share price                         | June 2026 Sunset Date |
|                 | Performance Rights | 28 April 2022 | N/A                        | 500,000        | Share price                         | June 2026 Sunset Date |
| Andrew Skelton  | LTI rights         | 26 April 2021 | 1 July 2020 – 30 June 2023 | 370,370        | Absolute TSR hurdle and indexed TSR | September 2023        |
|                 | LTI rights         | 1 July 2020   | 1 July 2019 – 30 June 2022 | 275,862        | Absolute TSR hurdle and indexed TSR | September 2022        |
| Ton van Hoof    | LTI rights         | 26 April 2021 | 1 July 2020 – 30 June 2023 | 185,185        | Absolute TSR hurdle and indexed TSR | September 2023        |
|                 | LTI rights         | 1 July 2020   | 1 July 2019 – 30 June 2022 | 137,931        | Absolute TSR hurdle and indexed TSR | September 2022        |
| Adrian Lucchese | LTI rights         | 26 April 2021 | 1 July 2020 – 30 June 2023 | 185,185        | Absolute TSR hurdle and indexed TSR | September 2023        |
|                 | LTI rights         | 1 July 2020   | 1 July 2019 – 30 June 2022 | 137,931        | Absolute TSR hurdle and indexed TSR | September 2022        |
| Deon Ludick     | LTI rights         | 26 April 2021 | 1 July 2020 – 30 June 2023 | 185,185        | Absolute TSR hurdle and indexed TSR | September 2023        |
|                 | LTI rights         | 1 July 2020   | 1 July 2019 – 30 June 2022 | 137,931        | Absolute TSR hurdle and indexed TSR | September 2022        |
| Stuart Overell  | LTI rights         | 26 April 2021 | 1 July 2020 – 30 June 2023 | 185,185        | Absolute TSR hurdle and indexed TSR | September 2023        |
|                 | LTI rights         | 1 July 2020   | 1 July 2019 – 30 June 2022 | 137,931        | Absolute TSR hurdle and indexed TSR | September 2022        |

## 5. Non-Executive Director fee arrangements

### Fees in FY22

During FY22, Non-Executive Director (**NED**) fees were paid out of an aggregate fee pool of \$1.3m per annum which was approved by shareholders on 26 November 2014. The fee pool is inclusive of statutory entitlements (including superannuation).

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.

In June 2021 the Board reviewed the NED fees for FY22 and determined to increase the amount of NED fees in line with the recent legislated increase to statutory superannuation guarantee contributions and to increase the annual NED fees by CPI.

The table below summarises NED fees payable in respect of FY22.

**Table 7: FY22 Board and Committee fees**

|                                        | <b>Chairman \$</b> | <b>Member \$</b> |
|----------------------------------------|--------------------|------------------|
| Board                                  | 235,659            | 107,402          |
| Audit and Risk Committee               | 21,898             | 11,470           |
| Remuneration and Nominations Committee | 21,898             | 11,470           |

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

### **Fees in FY23**

For FY23, the Board has implemented a 15% reduction to Non-Executive Director Board and Committee fee arrangements, consistent with the cost reduction initiatives implemented across the A2B operations in FY22.

In addition, the Board agreed to decrease the number of Directors by one – taking the total number of Non-Executive Directors to three and to also reduce the aggregate Non-Executive Director fee pool from \$1.3 million per annum (which was approved by shareholders on 26 November 2014) to \$1.0 million per annum.

### **NED remuneration in FY22**

The statutory remuneration of each NED for FY22 is set out in the table below.

**Table 8: FY22 NED remuneration (statutory)**

|                                       |                         | <b>Short-term benefits</b> | <b>Post-employment benefits</b>        |                 |
|---------------------------------------|-------------------------|----------------------------|----------------------------------------|-----------------|
|                                       |                         | <b>Salary and fees \$</b>  | <b>Superannuation contributions \$</b> | <b>Total \$</b> |
| <b>Paul Oneile</b>                    | <b>2022<sup>1</sup></b> | <b>142,824</b>             | <b>14,282</b>                          | <b>157,106</b>  |
| Chairman                              | 2021                    | 206,397                    | 19,608                                 | 226,005         |
| <b>David Grant<sup>2</sup></b>        | <b>2022</b>             | <b>177,973</b>             | <b>15,490</b>                          | <b>193,463</b>  |
| Non-executive Director                | 2021                    | 134,936                    | 12,819                                 | 147,755         |
| <b>Jennifer Horrigan<sup>3</sup></b>  | <b>2022</b>             | <b>134,509</b>             | <b>-</b>                               | <b>134,509</b>  |
| Non-executive Director                | 2021                    | 100,694                    | -                                      | 100,694         |
| <b>Louise McCann<sup>4</sup></b>      | <b>2022</b>             | <b>85,315</b>              | <b>8,532</b>                           | <b>93,847</b>   |
| Non-executive Director                | 2021                    | 123,293                    | 11,713                                 | 135,006         |
| <b>Clifford Rosenberg<sup>5</sup></b> | <b>2022</b>             | <b>130,342</b>             | <b>-</b>                               | <b>130,342</b>  |
| Non-executive Director                | 2021                    | 125,000                    | -                                      | 125,000         |
| <b>Total fees</b>                     | <b>2022</b>             | <b>670,963</b>             | <b>38,304</b>                          | <b>709,267</b>  |
|                                       | 2021                    | 690,320                    | 44,140                                 | 734,460         |

1. Includes amounts paid from 1 July 2021 to 7 February 2022 (being the date on which Mr Oneile retired as a Director).

2. The Board determined that Mr Grant be paid a special exertion payment of \$50,000 for the work he performed for the Company as interim Chairman.

3. Ms Horrigan's fees were invoiced and paid monthly to Scarp Consulting Pty Ltd as trustee for The MacDonald Horrigan Family Trust.

4. Includes amounts paid from 1 July 2021 to 2 March 2022 (being the date on which Ms McCann retired as a Director).

5. 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 have three years from their appointment date to meet the expected level of share ownership.

Executive KMP are granted rights which convert into shares on the achievement of performance measures. As indicated on page 32, no rights vested during FY22.

The relevant interests of each KMP (and their related parties) in the share capital of the Company for FY22 are detailed in the table below.

## Remuneration Report (continued)

Table 9: Shareholdings of KMP and their related parties

|                                 | Balance 1 July 2021 |                   | Received as remuneration |                   | Net other change |                   | Balance 30 June 2022 |                   |
|---------------------------------|---------------------|-------------------|--------------------------|-------------------|------------------|-------------------|----------------------|-------------------|
|                                 | 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>        | 50,000              | 56,968            | -                        | -                 | -                | 35,000            | 50,000               | 91,968            |
| David Grant                     | 27,000              | -                 | -                        | -                 | 8,000            | -                 | 35,000               | -                 |
| Jennifer Horrigan               | -                   | -                 | -                        | -                 | -                | -                 | -                    | -                 |
| Louise McCann <sup>2</sup>      | -                   | 48,800            | -                        | -                 | -                | -                 | -                    | 48,800            |
| Clifford Rosenberg <sup>3</sup> | -                   | 111,307           | -                        | -                 | -                | -                 | -                    | 111,307           |
| <b>Executive</b>                |                     |                   |                          |                   |                  |                   |                      |                   |
| Mark Bayliss                    | -                   | -                 | 800,000                  | -                 | -                | -                 | 800,000              | -                 |
| Olivia Barry                    | -                   | -                 | -                        | -                 | 3,807            | -                 | 3,807                | -                 |
| Ton van Hoof                    | 14,139              | -                 | -                        | -                 | -                | -                 | 14,139               | -                 |
| Adrian Lucchese                 | 3,856               | -                 | -                        | -                 | -                | -                 | 3,856                | -                 |
| Deon Ludick                     | -                   | -                 | -                        | -                 | -                | -                 | -                    | -                 |
| Tanya Steigerwalt               | -                   | -                 | -                        | -                 | -                | -                 | -                    | -                 |
| Stuart Overell                  | -                   | -                 | -                        | -                 | -                | -                 | -                    | -                 |
| Andrew Skelton <sup>4</sup>     | 20,861              | 45,938            | -                        | -                 | -                | -                 | 20,861               | 45,938            |

1. The balance of shares as at the date of Mr Oneile's Appendix 3Z. The indirect shares are 56,968 fully paid ordinary shares held by PNM Management Pty Ltd atf the Kyambra Superannuation Fund and 35,000 fully paid ordinary shares held by Kyambra Management Pty Ltd.

2. The balance of shares as at the date of Ms McCann's Appendix 3Z. The indirect shares are 48,800 fully paid ordinary shares held by Tyrrell McCann Pty Ltd atf the Tyrrell McCann Superannuation Fund.

3. The indirect shares are 111,307 fully paid ordinary shares held by Cliffro Pty Ltd atf the Cliffro Trust.

4. The balance of the shares held are as at the date of Mr Skelton's Appendix 3Z. The indirect shares are 45,938 fully paid ordinary shares are held by Julie Skelton.

### Rights

The table below details the rights and incentive shares granted to executive KMP as part of their remuneration during FY22.

Table 10: Rights granted to executive KMP

| Executive         | Balance 1 July 2021 | Number of rights granted in FY22 | Value of rights granted in FY22 | Net other change | Vested | Value of rights vested | Lapsed  | Balance 30 June 2022 <sup>2</sup> |
|-------------------|---------------------|----------------------------------|---------------------------------|------------------|--------|------------------------|---------|-----------------------------------|
|                   |                     |                                  |                                 |                  |        |                        |         |                                   |
| Mark Bayliss      | 0                   | 1,500,000                        | 1,315,000 <sup>1</sup>          | 0                | 0      | 0                      | 0       | 1,500,000                         |
| Olivia Barry      | 0                   | 0                                | 0                               | 0                | 0      | 0                      | 0       | 0                                 |
| Ton van Hoof      | 412,802             | 0                                | 0                               | 0                | 0      | 0                      | 89,686  | 323,116                           |
| Adrian Lucchese   | 523,913             | 0                                | 0                               | 0                | 0      | 0                      | 200,797 | 323,116                           |
| Deon Ludick       | 496,135             | 0                                | 0                               | 0                | 0      | 0                      | 173,019 | 323,116                           |
| Tanya Steigerwalt | 0                   | 0                                | 0                               | 0                | 0      | 0                      | 0       | 0                                 |
| Stuart Overell    | 523,913             | -                                | 0                               | 0                | 0      | 0                      | 200,797 | 323,116                           |
| Andrew Skelton    | 1,047,826           | 0                                | 0                               | 0                | 0      | 0                      | 401,594 | 646,232                           |

1. The fair value of the grant of the Performance Rights has been calculated as at the date of grant by an external adviser to be \$1,315,000 comprising Tranche 1 (\$510,000, or \$1.02 per Performance Right), Tranche 2 (\$435,000, or \$0.87 per Performance Right) and Tranche 3 (\$370,000, or \$0.74 per Performance Right). These valuations have been calculated using assumptions underlying the Black-Scholes methodology to produce a Monte-Carlo simulation model, which allows for the incorporation of the share price-based vesting conditions that must be met before the Performance Rights will vest to Mr Bayliss. The calculation included the following assumptions: a share price of \$1.29 (being the closing price on 28 April 2022), a term of 3 years, a risk-free rate of 2.68% and volatility (p.a.) of 37%.

2. As at the end of the reporting period, no member of the KMP was holding any vested and exercisable or vested and unexercisable rights.

## **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 2021 Remuneration Report**

At last year's AGM, the Company received a 'first strike' on its Remuneration Report for FY21, with 50.26% of votes against the Remuneration Report. A2B has considered, and where appropriate adopted, the feedback provided by major shareholders and other stakeholders in relation to the remuneration outcomes for FY22 and the re-designed remuneration arrangements for FY23.

The Board 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 / review] of A2B Australia Limited for the financial year ended 30 June 2022 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.

Yours faithfully

KPMG

KPMG

A handwritten signature in blue ink, appearing to read 'C Slapp', with a stylized flourish at the end.

Cameron Slapp  
Partner  
Sydney  
23 August 2022

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# Consolidated Financial Statements

For the year ended 30 June 2022

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## Consolidated Financial Statements (continued)

For the year ended 30 June 2022

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# Consolidated statement of comprehensive income

For the year ended 30 June 2022

|                                                                       | Notes       | 2022<br>\$'000  | 2021*<br>\$'000<br>(Re-stated) |
|-----------------------------------------------------------------------|-------------|-----------------|--------------------------------|
| <b>Continuing operations</b>                                          |             |                 |                                |
| Revenue                                                               | 3           | 126,138         | 113,373                        |
| Other income                                                          | 3           | 2,637           | 17,992                         |
|                                                                       |             | 128,775         | 131,365                        |
| Direct mobility and payment related expenses                          | 5           | (21,160)        | (23,765)                       |
| Employee benefits expenses                                            |             | (66,729)        | (62,990)                       |
| Advertising and marketing expenses                                    |             | (11,221)        | (10,892)                       |
| Technology and communications expenses                                |             | (11,288)        | (10,518)                       |
| Depreciation and amortisation expenses                                |             | (16,177)        | (17,917)                       |
| Impairment charges                                                    | 10, 12 & 14 | (10,249)        | (1,879)                        |
| Other expenses                                                        |             | (30,451)        | (27,944)                       |
| <b>Results from operating activities</b>                              |             | <b>(38,500)</b> | <b>(24,540)</b>                |
| Finance income                                                        | 4           | 4               | 16                             |
| Finance costs                                                         |             | (1,222)         | (1,079)                        |
| <b>Net finance costs</b>                                              |             | <b>(1,218)</b>  | <b>(1,063)</b>                 |
| <b>(Loss) before income tax</b>                                       |             | <b>(39,718)</b> | <b>(25,603)</b>                |
| Income tax benefit                                                    | 6           | 11,900          | 7,537                          |
| <b>(Loss) after tax for the year</b>                                  |             | <b>(27,818)</b> | <b>(18,066)</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                  |             | (76)            | 128                            |
| <i>Items that will not be reclassified to profit or loss:</i>         |             |                 |                                |
| Net change in fair value of financial assets                          |             | -               | (233)                          |
| <b>Other comprehensive (loss) for the year, net of income tax</b>     |             | <b>(76)</b>     | <b>(105)</b>                   |
| <b>Total comprehensive (loss) for the year</b>                        |             | <b>(27,894)</b> | <b>(18,171)</b>                |
| <b>Attributable to:</b>                                               |             |                 |                                |
| Owners of the Company                                                 |             | (28,118)        | (18,274)                       |
| Non-controlling interest                                              |             | 300             | 208                            |
| <b>Total (loss) for the year</b>                                      |             | <b>(27,818)</b> | <b>(18,066)</b>                |
| Owners of the Company                                                 |             | (28,194)        | (18,379)                       |
| Non-controlling interest                                              |             | 300             | 208                            |
| <b>Total comprehensive (loss) for the year</b>                        |             | <b>(27,894)</b> | <b>(18,171)</b>                |
| <b>Earnings per share</b>                                             |             |                 |                                |
| Basic earnings per share                                              | 20          | (23.3 cents)    | (15.2 cents)                   |
| Diluted earnings per share                                            | 20          | (23.3 cents)    | (15.2 cents)                   |

\*The comparative information has been re-stated, certain operating expenses have been reclassified to better reflect the nature of the expenses. Refer to Note 2.

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 2022

|                                                           | Notes | 2022<br>\$'000 | 2021<br>\$'000 |
|-----------------------------------------------------------|-------|----------------|----------------|
| <b>Current assets</b>                                     |       |                |                |
| Cash and cash equivalents                                 | 30    | 12,295         | 11,874         |
| Trade and other receivables                               | 7     | 60,254         | 44,620         |
| Current tax assets                                        |       | -              | 5,604          |
| Inventories                                               | 8     | 3,667          | 3,271          |
| Prepayments                                               |       | 3,322          | 3,629          |
| <b>Total current assets</b>                               |       | <b>79,538</b>  | <b>68,998</b>  |
| <b>Non-current assets</b>                                 |       |                |                |
| Trade and other receivables                               | 7     | 5,303          | 5,841          |
| Financial assets                                          | 9     | 977            | 977            |
| Property, plant and equipment                             | 10    | 23,673         | 32,989         |
| Right-of-use assets                                       | 29    | 6,517          | 12,716         |
| Net deferred tax assets                                   | 11    | 20,507         | 8,218          |
| Taxi plate licences                                       | 12    | 1,349          | 1,349          |
| Goodwill                                                  | 13    | 27,487         | 27,487         |
| Intellectual property                                     | 14    | 12,722         | 19,414         |
| <b>Total non-current assets</b>                           |       | <b>98,535</b>  | <b>108,991</b> |
| <b>Total assets</b>                                       |       | <b>178,073</b> | <b>177,989</b> |
| <b>Current liabilities</b>                                |       |                |                |
| Contract liabilities, trade and other payables            | 15    | 55,880         | 39,654         |
| Loans and borrowings                                      | 16    | 1,649          | 1,864          |
| Lease liabilities                                         | 29    | 1,556          | 1,999          |
| Current tax liabilities                                   |       | 310            | -              |
| Deferred income                                           |       | 118            | 118            |
| Provisions                                                | 17    | 8,112          | 8,117          |
| <b>Total current liabilities</b>                          |       | <b>67,625</b>  | <b>51,752</b>  |
| <b>Non-current liabilities</b>                            |       |                |                |
| Loans and borrowings                                      | 16    | 17,274         | -              |
| Lease liabilities                                         | 29    | 5,530          | 11,318         |
| Deferred income                                           | 3     | 236            | 354            |
| Provisions                                                | 17    | 1,268          | 1,581          |
| <b>Total non-current liabilities</b>                      |       | <b>24,308</b>  | <b>13,253</b>  |
| <b>Total liabilities</b>                                  |       | <b>91,933</b>  | <b>65,005</b>  |
| <b>Net assets</b>                                         |       | <b>86,140</b>  | <b>112,984</b> |
| <b>Equity</b>                                             |       |                |                |
| Share capital                                             | 18    | 138,325        | 138,325        |
| Other reserves                                            | 18    | 2,016          | 959            |
| Profits reserve                                           |       | 18,823         | 18,823         |
| Retained losses                                           |       | (74,428)       | (46,310)       |
| <b>Total equity attributable to owners of the Company</b> |       | <b>84,736</b>  | <b>111,797</b> |
| Non-controlling interest                                  |       | 1,404          | 1,187          |
| <b>Total equity</b>                                       |       | <b>86,140</b>  | <b>112,984</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 2022

|                                                               | Notes     | 2022<br>\$'000 | 2021<br>\$'000  |
|---------------------------------------------------------------|-----------|----------------|-----------------|
| <b>Cash flows from operating activities</b>                   |           |                |                 |
| Receipts from customers and others                            |           | 733,673        | 658,710         |
| Payments to suppliers, licensees and employees                |           | (744,600)      | (662,458)       |
| Dividends received                                            |           | 167            | -               |
| Interest received                                             |           | 1              | 16              |
| Finance costs paid                                            |           | (1,014)        | (1,040)         |
| Income tax received / (paid)                                  |           | 5,529          | (79)            |
| <b>Net cash (used in) operating activities</b>                | <b>30</b> | <b>(6,244)</b> | <b>(4,851)</b>  |
| <b>Cash flows from investing activities</b>                   |           |                |                 |
| Purchase of property, plant and equipment                     |           | (4,044)        | (2,938)         |
| Payments for development of intellectual property             |           | (4,731)        | (4,253)         |
| Proceeds from sale of property, plant and equipment           |           | 449            | 1,029           |
| <b>Net cash (used in) investing activities</b>                |           | <b>(8,326)</b> | <b>(6,162)</b>  |
| <b>Cash flows from financing activities</b>                   |           |                |                 |
| Proceeds from borrowings                                      |           | 17,347         | 5,132           |
| Repayment of borrowings                                       |           | (288)          | (5,298)         |
| Payment of lease liabilities                                  |           | (2,021)        | (2,576)         |
| Dividends paid to non-controlling interest in subsidiaries    |           | (83)           | (67)            |
| <b>Net cash provided by / (used in) financing activities</b>  |           | <b>14,955</b>  | <b>(2,809)</b>  |
| <b>Net increase / (decrease) in cash and cash equivalents</b> |           | <b>385</b>     | <b>(13,822)</b> |
| Cash and cash equivalents at 1 July                           |           | 11,874         | 25,759          |
| Effect of movements in exchange rates on cash held            |           | 36             | (63)            |
| <b>Cash and cash equivalents at 30 June</b>                   | <b>30</b> | <b>12,295</b>  | <b>11,874</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 2022

|                                                             | Notes | Share capital<br>\$'000 | Other reserves<br>\$'000 | Profits reserves<br>\$'000 | Retained losses<br>\$'000 | Non-controlling interest<br>\$'000 | Total equity<br>\$'000 |
|-------------------------------------------------------------|-------|-------------------------|--------------------------|----------------------------|---------------------------|------------------------------------|------------------------|
| <b>Balance at 1 July 2021</b>                               |       | <b>138,325</b>          | <b>959</b>               | <b>18,823</b>              | <b>(46,310)</b>           | <b>1,187</b>                       | <b>112,984</b>         |
| <b>Total comprehensive (loss) for the year</b>              |       |                         |                          |                            |                           |                                    |                        |
| Profit / (Loss) for the year                                |       | -                       | -                        | -                          | (28,118)                  | 300                                | (27,818)               |
| Other comprehensive loss                                    |       | -                       | (76)                     | -                          | -                         | -                                  | (76)                   |
| <b>Total comprehensive (loss) for the year</b>              |       | <b>-</b>                | <b>(76)</b>              | <b>-</b>                   | <b>(28,118)</b>           | <b>300</b>                         | <b>(27,894)</b>        |
| <b>Transactions with owners in their capacity as owners</b> |       |                         |                          |                            |                           |                                    |                        |
| Share-based payments                                        | 33    | -                       | 1,133                    | -                          | -                         | -                                  | 1,133                  |
| Dividends to non-controlling interest in subsidiaries       |       | -                       | -                        | -                          | -                         | (83)                               | (83)                   |
|                                                             |       | <b>-</b>                | <b>1,133</b>             | <b>-</b>                   | <b>-</b>                  | <b>(83)</b>                        | <b>1,050</b>           |
| <b>Balance at 30 June 2022</b>                              |       | <b>138,325</b>          | <b>2,016</b>             | <b>18,823</b>              | <b>(74,428)</b>           | <b>1,404</b>                       | <b>86,140</b>          |
| <b>Balance at 1 July 2020</b>                               |       | <b>138,325</b>          | <b>433</b>               | <b>18,823</b>              | <b>(28,036)</b>           | <b>1,046</b>                       | <b>130,591</b>         |
| <b>Total comprehensive (loss) for the year</b>              |       |                         |                          |                            |                           |                                    |                        |
| Profit / (Loss) for the year                                |       | -                       | -                        | -                          | (18,274)                  | 208                                | (18,066)               |
| Other comprehensive loss                                    |       | -                       | (105)                    | -                          | -                         | -                                  | (105)                  |
| <b>Total comprehensive (loss) for the year</b>              |       | <b>-</b>                | <b>(105)</b>             | <b>-</b>                   | <b>(18,274)</b>           | <b>208</b>                         | <b>(18,171)</b>        |
| <b>Transactions with owners in their capacity as owners</b> |       |                         |                          |                            |                           |                                    |                        |
| Share-based payments                                        | 33    | -                       | 631                      | -                          | -                         | -                                  | 631                    |
| Dividends to non-controlling interest in subsidiaries       |       | -                       | -                        | -                          | -                         | (67)                               | (67)                   |
|                                                             |       | <b>-</b>                | <b>631</b>               | <b>-</b>                   | <b>-</b>                  | <b>(67)</b>                        | <b>564</b>             |
| <b>Balance at 30 June 2021</b>                              |       | <b>138,325</b>          | <b>959</b>               | <b>18,823</b>              | <b>(46,310)</b>           | <b>1,187</b>                       | <b>112,984</b>         |

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 2022

## 1. Reporting entity

A2B Australia Limited (the **Company**) is a company domiciled in Australia. The address of the Company's registered office is 9-13 O'Riordan Street, Alexandria. The Consolidated Financial Statements as at and for the year ended 30 June 2022 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 2022 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 adopted by the Australian Accounting Standards Board (**AASB**) and the Corporations Act 2001. The Consolidated Financial statements comply with International Financial Reporting Standards (**IFRS**) adopted by the International Accounting Standards Board (**IASB**).

The Consolidated Financial Statements were authorised for issue by the Board of Directors on 23 August 2022.

### Going concern

The financial report has been prepared on a going concern basis. In determining the appropriateness of the basis of preparation, the Directors have considered the impact of the drop in EBITDA from FY2021, which reflects the impact of COVID-19 on the Group's operations. However, the operating environment has shown a significant improvement over the last 4 months, with opening of State borders and resumption of domestic and international travel. Management has now rolled out the Group's new strategy "Better before Bigger", where there is a renewed focus on the core business, divestiture of non-core and underperforming businesses and a cost reduction program. The cost reduction program is being implemented resulting in reduced employee costs, reduced marketing cost and reduced overheads generating savings in FY23. Therefore, management is confident that budget targets for FY23 are achievable and will turn the business back into profit and in particular the next 12 months from the date of which the financial report is authorised for issue.

As of 30 June 2022, the Group had access to \$20.1 million in liquidity, with \$12.3 million in cash and \$7.7 million of undrawn bank facilities. The Group's existing working capital facility has a limit of \$25 million and expires in September 2023. Post balance date, the term of the working capital facility was renewed and reduced, expiring 30 September 2023. Management has prepared cash flow forecast scenarios based on the Group's new strategic plan. The business is expected to improve its cash flow position over the course of FY23 supported by the strategic initiatives outlined earlier. These cash flow forecasts demonstrate that the Group has sufficient cash and undrawn credit facilities to enable the Group to meet its obligations as they fall due.

Therefore, 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 12 months from the date of which the financial report is authorised for issue.

### Interests in land and buildings

The Group's interests in land and buildings are accounted for under Property, Plant and Equipment and are measured at cost less accumulated depreciation and impairment losses. The book value of the Group's interest in land and buildings was \$10,000,000 as at 30 June 2022. In June 2022 an independent



# Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

valuation was completed valuing the Group's interest in land and buildings, comprising three properties, at \$102,000,000 to \$114,000,000. Please refer to Note 10 for further information. Following the completion of the earlier announced strategic review, the Company has decided to sell two of its properties located in Alexandria, NSW. Subsequent to the year end these properties are being actively marketed and represent more than 90% of total value held in land and buildings.

## 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 7 Trade and other receivables  
Note 10 Property, plant and equipment  
Note 12 Taxi plate licences  
Note 13 Goodwill  
Note 14 Intellectual property

The Group has specifically exercised judgement in evaluating the impact of COVID 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.

## Amended Accounting Standard not yet adopted

The amended Accounting Standard below is effective for annual periods beginning after 1 July 2022 and earlier application is permitted; however, the Group has not early adopted the amended standards in preparing these consolidated financial statements. This amended standard is not expected to have a significant impact on the Group's financial statements.

- Classification of Liabilities as Current or Non-current (Amendments to AASB 101)

### Change in classification

During the year ended 30 June 2022, the Group updated the classification of certain operating expenses to better reflect the nature of the expense under the Group's new segment structure.

Comparative amounts in the consolidated statement of comprehensive income were re-stated as follows:

| Previous financial statement captions | Jun 2021<br>\$'000 | Re-stated financial statement captions       | Jun 2021<br>\$'000 |
|---------------------------------------|--------------------|----------------------------------------------|--------------------|
| Processing fees to networks           | (4,183)            | Direct mobility and payment related expenses | (23,765)           |
| Brokered taxi plate license costs     | (1,323)            |                                              |                    |
| Taxi operating expenses               | (6,688)            |                                              |                    |
| Courier service expenses              | (3,450)            |                                              |                    |
| Cost of cars and hardware sold        | (5,562)            |                                              |                    |
| Other taxi related costs              | (2,559)            |                                              |                    |
| Depreciation                          | (11,747)           | Depreciation and amortisation expenses       | (17,917)           |
| Amortisation                          | (6,170)            |                                              |                    |
| General and administrative expenses   | (33,738)           | Advertising and marketing expenses           | (10,892)           |
| Other expenses                        | (15,616)           | Technology and communications expenses       | (10,518)           |
|                                       |                    | Other expenses                               | (27,944)           |
|                                       | <b>(91,036)</b>    |                                              | <b>(91,036)</b>    |

\* Other expenses includes legal & professional fees, premises costs, travel costs, bank charges and bad debt expenses  
Please refer to Note 5 for further detail on Direct mobility and payment related expenses.

### 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:

#### Payment processing revenue

Payment processing revenue is derived from payments processed through the A2B Payment System and is disclosed net of Goods and Services Tax (GST) and third party credit card fees. Payments processed through the A2B payments system relates to total transaction value processed, both taxi and non-taxi volumes. 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 payments processed. Payment processing revenue is recognised at the point in time when the payment is processed. Payment processing revenue was disclosed as Taxi service fee income in prior year.

#### 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

# Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

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 Governments. 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.

## Revenues

|                                                    | 2022<br>\$'000 | 2021<br>\$'000 |
|----------------------------------------------------|----------------|----------------|
| <b>Revenue from contracts with customers</b>       |                |                |
| Payment processing revenue                         | 25,707         | 22,666         |
| Network subscription fee income                    | 42,408         | 31,140         |
| Brokered taxi plate licence income                 | 2,487          | 1,517          |
| Owned taxi plate licence income                    | 125            | 115            |
| Other taxi related services income                 | 1,747          | 3,300          |
| Taxi operating income                              | 9,483          | 11,381         |
| Courier service income                             | 3,149          | 4,984          |
| Insurance commission revenue                       | 917            | 1,069          |
| Car and hardware sales income                      | 5,711          | 5,569          |
| School bus route services income                   | 6,382          | 6,042          |
| Taxi Subsidy Scheme Revenue                        | 3,986          | 2,611          |
| Software consulting and licence income             | 5,291          | 5,394          |
| Others                                             | 11,849         | 11,314         |
| <b>Total revenue from contracts with customers</b> | <b>119,242</b> | <b>107,102</b> |
| <b>Other revenue</b>                               |                |                |
| Interest on finance lease receivables and others   | 1,610          | 1,387          |
| Taxi equipment and terminal rental income          | 5,286          | 4,884          |
| <b>Total other revenue</b>                         | <b>6,896</b>   | <b>6,271</b>   |
| <b>Total revenue</b>                               | <b>126,138</b> | <b>113,373</b> |

For more information about receivables and contract liabilities from contract with customers, refer Note 7 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

|                                                   | 2022<br>\$'000 | 2021<br>\$'000 |
|---------------------------------------------------|----------------|----------------|
| <b>Non-operating activities</b>                   |                |                |
| Government grants                                 | 2,496          | 17,643         |
| Gain on disposal of property, plant and equipment | 141            | 349            |
| <b>Total other income</b>                         | <b>2,637</b>   | <b>17,992</b>  |

## Government grants

The Group has recognised Government grants (JobKeeper payments, JobSaver payments and industry stimulus support package) at their fair value where there is a reasonable assurance that grants will be received.

In FY22 the Group received Government grants amounting to \$2,378,000 (FY21 \$18,115,000) where the amount of \$2,496,000 is presented as part of other income (FY21 \$17,643,000) and the amount of

# Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

\$236,000 is recognised as deferred income (FY21: \$354,000) as it is related to the capitalised development costs and amortised over the useful life of the projects.

## 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. The Group'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 and expenses

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

|                             | 2022<br>\$'000 | 2021<br>\$'000 |
|-----------------------------|----------------|----------------|
| <b>Finance income</b>       |                |                |
| Interest income             | 4              | 16             |
| <b>Total finance income</b> | <b>4</b>       | <b>16</b>      |

## 5. Direct mobility and payment related expenses

|                                                     | Jun 2022<br>\$'000 | Jun 2021<br>\$'000 |
|-----------------------------------------------------|--------------------|--------------------|
| <b>Direct mobility and payment related expenses</b> |                    |                    |
| Processing fees to networks                         | (3,652)            | (4,183)            |
| Brokered Taxi plate license costs                   | (2,059)            | (1,323)            |
| Taxi operating expenses                             | (5,427)            | (6,688)            |
| Courier service expenses                            | (1,979)            | (3,450)            |
| Cost of cars and hardware sold                      | (5,507)            | (5,562)            |
| Other Taxi related costs                            | (2,536)            | (2,559)            |
|                                                     | <b>(21,160)</b>    | <b>(23,765)</b>    |

### Processing fees to networks

Processing fees to networks are fees paid to Taxi Networks and Drivers relating to payments processed through the A2B Payment System.

### Brokered taxi license plate costs

Brokered taxi license plate costs consists of taxi licence plate fees paid to Taxi licence owners and Government.

### Taxi operating expenses

Taxi operating expenses are all running expenses related to operating A2B's owned fleet of taxis. This fleet makes up a small proportion (<5%) of all vehicles affiliated with A2B's network.

### Courier service expenses

Courier service expenses are all expenses incurred by the Group related to the provision of courier dispatch services.

### Cost of cars and hardware sold

The cost of cars and hardware sold represents cost of goods sold, the cost of acquiring cars and hardware that the Group sells.

### Other Taxi related costs

Other Taxi related costs include all costs related to fitting out of vehicles as Taxis.

## 6. 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

|                                                   | 2022<br>\$'000  | 2021<br>\$'000 |
|---------------------------------------------------|-----------------|----------------|
| <b>Current income tax benefit</b>                 |                 |                |
| Current year                                      | (13,002)        | (6,517)        |
| Adjustment for prior years                        | 34              | (398)          |
|                                                   | (12,968)        | (6,915)        |
| <b>Deferred tax expense</b>                       |                 |                |
| Origination and reversal of temporary differences | 1,296           | (519)          |
| Utilisation of previously unbooked tax losses     | (228)           | (103)          |
| <b>Total income tax (benefit)</b>                 | <b>(11,900)</b> | <b>(7,537)</b> |

# Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

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

|                                                                        | 2022<br>\$'000  | 2021<br>\$'000 |
|------------------------------------------------------------------------|-----------------|----------------|
| Profit before tax                                                      | (39,718)        | (25,603)       |
| Prima-facie income tax using the corporate tax rate of 30% (2020: 30%) | (11,915)        | (7,681)        |
| Effect of tax rates in foreign jurisdiction                            | (117)           | (85)           |
| Add tax effect of:                                                     |                 |                |
| Non-deductible depreciation                                            | 305             | 213            |
| Non-allowable impairment charges                                       | -               | 564            |
| Other non-allowable items                                              | 60              | 23             |
| Less tax effect of:                                                    |                 |                |
| Rebateable fully franked dividends                                     | (39)            | (70)           |
| Utilisation of previously unbooked tax losses                          | (228)           | (103)          |
| Adjustment for prior years - tax payable                               | 34              | (398)          |
| <b>Income tax (benefit)</b>                                            | <b>(11,900)</b> | <b>(7,537)</b> |
| <b>Effective tax rate on pre-tax profit</b>                            | <b>30.0%</b>    | <b>29.4%</b>   |

## Amounts recognised in other comprehensive income

|                                                                | 2022                    |                                       |                         | 2021                    |                                       |                         |
|----------------------------------------------------------------|-------------------------|---------------------------------------|-------------------------|-------------------------|---------------------------------------|-------------------------|
|                                                                | Before<br>tax<br>\$'000 | Tax<br>(expense)<br>benefit<br>\$'000 | Net of<br>tax<br>\$'000 | Before<br>tax<br>\$'000 | Tax<br>(expense)<br>benefit<br>\$'000 | Net of<br>tax<br>\$'000 |
| Items that may be reclassified subsequently to profit or loss: |                         |                                       |                         |                         |                                       |                         |
| Foreign exchange translation differences                       | 76                      | -                                     | 76                      | (128)                   | -                                     | (128)                   |
|                                                                | <b>76</b>               | <b>-</b>                              | <b>76</b>               | <b>(128)</b>            | <b>-</b>                              | <b>(128)</b>            |
| Items that will not be reclassified to profit or loss:         |                         |                                       |                         |                         |                                       |                         |
| Net change in fair value of financial assets                   | -                       | -                                     | -                       | 333                     | (100)                                 | 233                     |
|                                                                | <b>-</b>                | <b>-</b>                              | <b>-</b>                | <b>333</b>              | <b>(100)</b>                          | <b>233</b>              |
|                                                                | <b>76</b>               | <b>-</b>                              | <b>76</b>               | <b>205</b>              | <b>(100)</b>                          | <b>105</b>              |

## 7. 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 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

The Group has considered the increased risk arising from the economic impacts of the COVID-19 pandemic. The Group has specifically assessed the circumstances of individual customers in the current environment. Specific doubtful debt provision accounts for most of the Group's allowance for impairment as at 30 June 2022.

In addition, 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 collective loss allowance is determined based on the historical default rate.

## 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.

|                                               | 2022           | 2021           |
|-----------------------------------------------|----------------|----------------|
|                                               | \$'000         | \$'000         |
| <b>Current</b>                                |                |                |
| Trade receivables                             | 55,216         | 42,688         |
| Accumulated impairment losses                 | (6,937)        | (7,366)        |
| Finance lease receivables                     | 3,356          | 3,237          |
| Other receivables                             | 8,619          | 6,061          |
|                                               | <b>60,254</b>  | <b>44,620</b>  |
| <b>Non-current</b>                            |                |                |
| Finance lease receivables                     | 5,303          | 5,841          |
|                                               | <b>5,303</b>   | <b>5,841</b>   |
| <b>Movement in allowance for impairment</b>   |                |                |
| <b>Opening balance</b>                        | <b>(7,366)</b> | <b>(6,323)</b> |
| Net remeasurement in allowance for impairment | (1,973)        | (1,106)        |
| Amount written off as uncollectable           | 2,402          | 63             |
| <b>Closing balance</b>                        | <b>(6,937)</b> | <b>(7,366)</b> |



# Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

## Ageing of trade receivables

|                       | 2022            |                      |               | 2021            |                      |               |
|-----------------------|-----------------|----------------------|---------------|-----------------|----------------------|---------------|
|                       | Gross<br>\$'000 | Impairment<br>\$'000 | Net<br>\$'000 | Gross<br>\$'000 | Impairment<br>\$'000 | Net<br>\$'000 |
| Not past due          | 44,060          | (415)                | 43,645        | 27,773          | (312)                | 27,461        |
| Past due 1 - 30 days  | 3,162           | (352)                | 2,810         | 3,025           | (406)                | 2,619         |
| Past due 31 - 60 days | 739             | (489)                | 250           | 2,178           | (267)                | 1,911         |
| Past due 61 - 90 days | 354             | (293)                | 61            | 3,055           | (279)                | 2,776         |
| Past due over 90 days | 6,905           | (5,392)              | 1,513         | 6,657           | (6,102)              | 555           |
|                       | <b>55,220</b>   | <b>(6,941)</b>       | <b>48,279</b> | <b>42,688</b>   | <b>(7,366)</b>       | <b>35,322</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.

## Finance lease receivables

|                            | 2022                                             |                    |                                                               | 2021                                             |                    |                                                               |
|----------------------------|--------------------------------------------------|--------------------|---------------------------------------------------------------|--------------------------------------------------|--------------------|---------------------------------------------------------------|
|                            | Future<br>minimum<br>lease<br>payments<br>\$'000 | Interest<br>\$'000 | Present<br>value of<br>minimum<br>lease<br>payments<br>\$'000 | Future<br>minimum<br>lease<br>payments<br>\$'000 | Interest<br>\$'000 | Present<br>value of<br>minimum<br>lease<br>payments<br>\$'000 |
| Less than one year         | 4,080                                            | 724                | 3,356                                                         | 4,068                                            | 831                | 3,237                                                         |
| Between one and five years | 5,849                                            | 546                | 5,303                                                         | 6,616                                            | 775                | 5,841                                                         |
|                            | <b>9,929</b>                                     | <b>1,270</b>       | <b>8,659</b>                                                  | <b>10,684</b>                                    | <b>1,606</b>       | <b>9,078</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.

## 8. 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.

|                                              | 2022<br>\$'000 | 2021<br>\$'000 |
|----------------------------------------------|----------------|----------------|
| Motor vehicles - at cost                     | 769            | 418            |
| Parts, safety cameras and sundries - at cost | 2,898          | 2,853          |
|                                              | <b>3,667</b>   | <b>3,271</b>   |

In 2022, inventories of \$7,826,000 (2021: \$7,743,000) were recognised as an expense during the year and included in "cost of cars and hardware sold" and "other taxi related costs".

## 9. 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.

|                              | 2022<br>\$'000 | 2021<br>\$'000 |
|------------------------------|----------------|----------------|
| <b>Unlisted investments</b>  |                |                |
| Shares in other corporations | 977            | 977            |
|                              | <b>977</b>     | <b>977</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.

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.

### Impairment testing

The property, plant and equipment is allocated to the two groups of Cash Generating Units (CGU) according to business operation and assessed for impairment based on the methodology described in Note 13.

If the recoverable amount of specific property, plant and equipment is identified to be 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

# Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

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.

Following a strategic review completed in May 2022 the Company identified certain items of property, plant and equipment that would no longer be required to support the core remaining business. Accordingly, the recoverable value of these assets was assessed and where less than carrying value an impairment was recognised. This impairment was \$4,230,000.

## Independent valuations of interests in land and buildings

In monitoring market values for the Group's interest in land and buildings the directors have relied upon independent valuations from registered qualified valuers. The last market valuations were completed in June 2022. The properties included in the independent valuations are subject to mortgage security to secure the Group's bank loan facilities.

Amounts disclosed below represent the fair value of the Group's interest in land and buildings, as determined at the time of the most recent independent valuation report. Independent registered qualified valuers are engaged to perform the valuations. The values are determined based on the highest and best use of each property.

The fair value disclosure has been categorised as a Level 3 fair value based on certain unobservable inputs to the valuation techniques used. The valuers have used either a capitalisation of net income approach or a direct comparison approach to determine the fair value. The significant inputs to the capitalisation of net income approach included the forecast net income, adopted capitalisation rate and the discount rate. The significant inputs to the direct comparison approach included the land value range per square metre and the estimated demolition costs.

The fair values determined by the independent registered qualified valuers are sensitive to changes in these significant inputs, amongst others. However, overall the fair value of the Group's interest in land and buildings is significantly higher than the book value of these interests as noted below:

Book value of properties subject to an independent valuation: \$10,000,000

Fair value of properties subject to an independent valuation range: \$102,000,000 to \$114,000,000

The above market valuations do not consider the potential impact of capital gains tax.

|                                 | Land & buildings<br>\$'000 | Furniture, fittings, plant and equipment<br>\$'000 | Eftpos equipment<br>\$'000 | Total<br>\$'000 |
|---------------------------------|----------------------------|----------------------------------------------------|----------------------------|-----------------|
| <b>2022 year:</b>               |                            |                                                    |                            |                 |
| <b>Cost</b>                     |                            |                                                    |                            |                 |
| Opening balance                 | 16,292                     | 78,045                                             | 44,568                     | 138,905         |
| Additions                       | 262                        | 3,640                                              | 142                        | 4,044           |
| Impairment                      | (578)                      | (2,265)                                            | (3,713)                    | (6,556)         |
| Disposals                       | -                          | (495)                                              | -                          | (495)           |
| Closing balance                 | 15,976                     | 78,925                                             | 40,997                     | 135,898         |
| <b>Accumulated depreciation</b> |                            |                                                    |                            |                 |
| Opening balance                 | (5,636)                    | (62,379)                                           | (37,901)                   | (105,916)       |
| Depreciation expense            | (610)                      | (6,359)                                            | (1,810)                    | (8,779)         |
| Impairment                      | 270                        | 1,483                                              | 573                        | 2,326           |
| Disposals                       | -                          | 144                                                | -                          | 144             |
| Closing balance                 | (5,976)                    | (67,111)                                           | (39,138)                   | (112,225)       |

|                        |               |               |              |               |
|------------------------|---------------|---------------|--------------|---------------|
| <b>Net Book Value</b>  |               |               |              |               |
| Opening balance        | 10,656        | 15,666        | 6,667        | 32,989        |
| <b>Closing balance</b> | <b>10,000</b> | <b>11,814</b> | <b>1,859</b> | <b>23,673</b> |

## 2021 year:

### Cost

|                 |        |         |        |         |
|-----------------|--------|---------|--------|---------|
| Opening balance | 15,817 | 77,688  | 43,909 | 137,414 |
| Additions       | 493    | 1,786   | 659    | 2,938   |
| Disposals       | (18)   | (1,429) | -      | (1,447) |
| Closing balance | 16,292 | 78,045  | 44,568 | 138,905 |

### Accumulated depreciation

|                      |         |          |          |           |
|----------------------|---------|----------|----------|-----------|
| Opening balance      | (4,859) | (56,953) | (35,862) | (97,674)  |
| Depreciation expense | (795)   | (6,080)  | (2,039)  | (8,914)   |
| Disposals            | 18      | 654      | -        | 672       |
| Closing balance      | (5,636) | (62,379) | (37,901) | (105,916) |

### Net Book Value

|                        |               |               |              |               |
|------------------------|---------------|---------------|--------------|---------------|
| Opening balance        | 10,958        | 20,735        | 8,047        | 39,740        |
| <b>Closing balance</b> | <b>10,656</b> | <b>15,666</b> | <b>6,667</b> | <b>32,989</b> |

## 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 and tax losses 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

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

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. Unrecognized capital losses at 30 June 2022 are \$6,154,712 (gross).

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

|                                             | Opening<br>balance<br>\$'000 | Charged<br>to<br>income<br>\$'000 | Charged<br>to OCI<br>\$'000 | Charged<br>to<br>equity<br>\$'000 | Acquisitions<br>/ (Transfer)<br>\$'000 | Closing<br>balance<br>\$'000 |
|---------------------------------------------|------------------------------|-----------------------------------|-----------------------------|-----------------------------------|----------------------------------------|------------------------------|
| <b>2022 year:</b>                           |                              |                                   |                             |                                   |                                        |                              |
| Accumulated impairment losses - receivables | 2,100                        | (43)                              | -                           | -                                 | -                                      | 2,057                        |
| Financial assets (unlisted investment)      | 286                          | -                                 | -                           | -                                 | -                                      | 286                          |
| Employee entitlements                       | 3,188                        | (262)                             | -                           | -                                 | -                                      | 2,926                        |
| Accruals                                    | 411                          | 108                               | -                           | -                                 | -                                      | 519                          |
| Tax losses                                  | 3,536                        | 13,585                            | -                           | -                                 | -                                      | 17,121                       |
| Prepayments                                 | (369)                        | (155)                             | -                           | -                                 | -                                      | (524)                        |
| Intellectual property                       | (538)                        | -                                 | -                           | -                                 | -                                      | (538)                        |
| Other taxable temporary differences         | (396)                        | (944)                             | -                           | -                                 | -                                      | (1,340)                      |
|                                             | <b>8,218</b>                 | <b>12,289</b>                     | <b>-</b>                    | <b>-</b>                          | <b>-</b>                               | <b>20,507</b>                |

|                                             | Opening<br>balance<br>\$'000 | Charged<br>to<br>income<br>\$'000 | Charged<br>to OCI<br>\$'000 | Charged<br>to<br>equity<br>\$'000 | Acquisitions<br>/ (Transfer)<br>\$'000 | Closing<br>balance<br>\$'000 |
|---------------------------------------------|------------------------------|-----------------------------------|-----------------------------|-----------------------------------|----------------------------------------|------------------------------|
| <b>2021 year:</b>                           |                              |                                   |                             |                                   |                                        |                              |
| Accumulated impairment losses - receivables | 1,790                        | 310                               | -                           | -                                 | -                                      | 2,100                        |
| Financial assets (unlisted investment)      | 186                          | -                                 | 100                         | -                                 | -                                      | 286                          |
| Employee entitlements                       | 3,180                        | 8                                 | -                           | -                                 | -                                      | 3,188                        |
| Accruals                                    | 229                          | 182                               | -                           | -                                 | -                                      | 411                          |
| Tax losses                                  | 2,086                        | 6,831                             | -                           | -                                 | (5,381)                                | 3,536                        |
| Prepayments                                 | (470)                        | 101                               | -                           | -                                 | -                                      | (369)                        |
| Intellectual property                       | (538)                        | -                                 | -                           | -                                 | -                                      | (538)                        |
| Other taxable temporary differences         | (314)                        | (82)                              | -                           | -                                 | -                                      | (396)                        |
|                                             | <b>6,149</b>                 | <b>7,350</b>                      | <b>100</b>                  | <b>-</b>                          | <b>(5,381)</b>                         | <b>8,218</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 is estimated to be less than its carrying amount, the carrying amount of the asset 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 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 in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### Composition and movement

|                                 | Indefinite life | Finite life          |           |              |
|---------------------------------|-----------------|----------------------|-----------|--------------|
|                                 |                 | 50 year<br>renewable | 10 year   | Total        |
|                                 | \$'000          | \$'000               | \$'000    | \$'000       |
| <b>2022 year:</b>               |                 |                      |           |              |
| <b>Cost</b>                     |                 |                      |           |              |
| Opening balance                 | 1,311           | 2,195                | 3,356     | 6,862        |
| Additions                       | -               | -                    | -         | -            |
| Closing balance                 | 1,311           | 2,195                | 3,356     | 6,862        |
| <b>Accumulated amortisation</b> |                 |                      |           |              |
| Opening balance                 | -               | (2,194)              | (3,319)   | (5,513)      |
| Amortisation expense            | -               | -                    | -         | -            |
| Closing balance                 | -               | (2,194)              | (3,319)   | (5,513)      |
| <b>Net book value</b>           |                 |                      |           |              |
| Opening balance                 | 1,311           | 1                    | 37        | 1,349        |
| <b>Closing balance</b>          | <b>1,311</b>    | <b>1</b>             | <b>37</b> | <b>1,349</b> |

#### 2021 year:

##### Cost

|                 |              |              |              |              |
|-----------------|--------------|--------------|--------------|--------------|
| Opening balance | 2,879        | 2,506        | 3,356        | 8,741        |
| Additions       | -            | -            | -            | -            |
| Impairment      | (1,568)      | (311)        | -            | (1,879)      |
| Disposals       | -            | -            | -            | -            |
| Closing balance | <b>1,311</b> | <b>2,195</b> | <b>3,356</b> | <b>6,862</b> |

# Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

## Accumulated amortisation

|                      |   |                |                |                |
|----------------------|---|----------------|----------------|----------------|
| Opening balance      | - | (2,147)        | (3,319)        | (5,466)        |
| Amortisation expense | - | (47)           | -              | (47)           |
| Disposals            | - | -              | -              | -              |
| Closing balance      | - | <b>(2,194)</b> | <b>(3,319)</b> | <b>(5,513)</b> |

## Net book value

|                        |              |          |           |              |
|------------------------|--------------|----------|-----------|--------------|
| Opening balance        | 2,879        | 359      | 37        | 3,275        |
| <b>Closing balance</b> | <b>1,311</b> | <b>1</b> | <b>37</b> | <b>1,349</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 no impairment charge was required (FY21 \$1,879,000). 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 -20% to 5% for years 2 to 5 based on expected market conditions with weights of between 10% to 30% (FY21 between -15% to 5% for years 2 to 5 with weights of between 10% to 30%) and a long term growth rate of between -20% to 0% after 5 years (FY21 -20% to 0%). A post-tax discount rate of 12.4% (FY21 9.5%) 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. An increase of 100 basis points in post-tax discount rate would result in an impairment of \$70,000 and a decrease of 100 basis points in the long term growth rate would result in an impairment of \$41,000.

## 13. Goodwill

Goodwill arising on the acquisition of a subsidiary is included in intangible assets. 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 business is managed and at what level performance of goodwill is monitored, two groups of cash generating units have been identified and goodwill has been allocated each of these cash generating units. Impairment testing has been carried out on both these cash generating units. The two groups of cash generating units are B2C (previously Mobility Services) and B2B (previously Platforms).

## Impairment considerations

For the purpose of impairment testing, goodwill is allocated to groups of 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.

The impairment tests of the goodwill allocated to each CGU as per 30 June 2022 was based on base case scenario for the period FY23-FY27. The base case scenario was prepared based on a forecast EBITDA for the forthcoming year. For the base scenario, the assumed annual growth from FY23 - FY27 is 28.08% for B2C CGU and 1.59% for B2B CGU. The long-term terminal growth rate is 2.1% for both CGU's. A post-tax discount rate of 12.4% (FY21 9.5%) 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.

The valuation of the B2C CGU assumes growth driven by an increased fleet and associated revenue. The recoverable amount of the B2C CGU currently exceeds its carrying value in the base case model by \$6.6m. This is based on a compound annual growth rate of 28.1% for EBITDA over the period from FY22 to FY27 terminal year.

The valuation of the B2B CGU assumes growth driven by an increase in fares processed and associated revenue. The recoverable amount of the B2B CGU currently exceeds its carrying value in the base case model by \$20.2m. This is based on the assumed annual growth from FY23 - FY27 of 1.6% and long-term terminal growth rate of 2.1%.

Management has identified that a reasonably possible unfavourable change in the five-year compound annual EBITDA growth rate and discount rate assumptions in isolation and in the absence of any mitigating factors would result in the carrying value of the B2C and B2B CGUs becoming equal to the recoverable amount.

For B2C Individual changes in key assumptions used in the base case model that would result in nil headroom would be a decrease to 24.3% in FY23-FY27 compound annual EBITDA growth rate, or an increase to 13.7% in the post-tax discount rate.

For B2B Individual changes in key assumptions used in the base case model that would result in nil headroom would be a decrease to -6.3% in FY23-FY27 compound annual EBITDA growth rate, or an increase to 17.9% in the post-tax discount rate.

|     | Goodwill allocated |               | Impairment loss |          |
|-----|--------------------|---------------|-----------------|----------|
|     | 2022               | 2021          | 2022            | 2021     |
|     | \$'000             | \$'000        | \$'000          | \$'000   |
| B2C | 22,954             | 22,954        | -               | -        |
| B2B | 4,533              | 4,533         | -               | -        |
|     | <b>27,487</b>      | <b>27,487</b> | <b>-</b>        | <b>-</b> |

|                               | B2C           | B2B          | Total         |
|-------------------------------|---------------|--------------|---------------|
|                               | \$'000        | \$'000       | \$'000        |
| <b>2022 year:</b>             |               |              |               |
| <b>Cost</b>                   |               |              |               |
| Opening balance               | 22,954        | 4,533        | 27,487        |
| Additions through acquisition | -             | -            | -             |
| Impairment loss               | -             | -            | -             |
| <b>Closing balance</b>        | <b>22,954</b> | <b>4,533</b> | <b>27,487</b> |



# Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

## 2021 year:

### Cost

|                               |               |              |               |
|-------------------------------|---------------|--------------|---------------|
| Opening balance               | 22,954        | 4,533        | 27,487        |
| Additions through acquisition | -             | -            | -             |
| Impairment loss               | -             | -            | -             |
| <b>Closing balance</b>        | <b>22,954</b> | <b>4,533</b> | <b>27,487</b> |

## 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.

### Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such the Group does not receive a software intangible asset at the contract commencement date.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

|                                                                         |                                                                                                                                                                      |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Recognise as an operating expense over the term of the service contract | <ul style="list-style-type: none"><li>• Fee for use of application software</li><li>• Customisation costs</li></ul>                                                  |
| Recognise as an operating expense as the service is received            | <ul style="list-style-type: none"><li>• Configuration costs</li><li>• Data conversion and migration costs</li><li>• Testing costs</li><li>• Training costs</li></ul> |

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

### 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<br>(Internally developed applications) | 4 to 8 years |

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

### Impairment testing

The intellectual property is allocated to the two groups of Cash Generating Units (**CGU**) according to business operation and assessed for impairment based on the methodology described in Note 13.

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

Intangible assets with finite useful lives and capitalised development costs (Internally developed) are tested for impairment 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 CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) 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 (CGU) 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 (CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Following a strategic review completed in May 2022 the Company identified certain items of capital development costs that would no longer be required to support the core remaining business. Accordingly, the recoverable value of these assets was assessed and where less than carrying value an impairment was recognised. This impairment was \$6,019,000.

|                                  | Indefinite life |        |                       |          | Finite life                      |                      |         |
|----------------------------------|-----------------|--------|-----------------------|----------|----------------------------------|----------------------|---------|
|                                  | Trademark<br>s  | Brands | Customer<br>contracts | Software | Capitalised development<br>costs |                      | Total   |
|                                  |                 |        |                       |          | Internally<br>developed          | Under<br>development |         |
|                                  | \$'000          | \$'000 | \$'000                | \$'000   | \$'000                           | \$'000               | \$'000  |
| <b>2022 year:</b>                |                 |        |                       |          |                                  |                      |         |
| <b>Cost</b>                      |                 |        |                       |          |                                  |                      |         |
| Opening balance                  | 944             | 759    | 5,684                 | 2,700    | 44,503                           | 2,551                | 57,141  |
| Additions - internally developed | -               | -      | -                     | -        | -                                | 4,731                | 4,731   |
| Impairment                       | -               | -      | -                     | -        | (7,727)                          | (2,207)              | (9,934) |

# Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

|                                 |            |          |            |            |              |              |               |
|---------------------------------|------------|----------|------------|------------|--------------|--------------|---------------|
| Transfer                        | -          | -        | -          | -          | 3,649        | (3,649)      | -             |
| Closing balance                 | 944        | 759      | 5,684      | 2,700      | 40,425       | 1,426        | 51,938        |
| <b>Accumulated amortisation</b> |            |          |            |            |              |              |               |
| Opening balance                 | -          | (759)    | (4,334)    | (1,415)    | (31,219)     | -            | (37,727)      |
| Amortisation expense            | -          | -        | (498)      | (520)      | (4,386)      | -            | (5,404)       |
| Impairment                      | -          | -        | -          | -          | 3,915        | -            | 3,915         |
| Closing balance                 | -          | (759)    | (4,832)    | (1,935)    | (31,690)     | -            | (39,216)      |
| <b>Net book value</b>           |            |          |            |            |              |              |               |
| Opening balance                 | 944        | -        | 1,350      | 1,285      | 13,284       | 2,551        | 19,414        |
| <b>Closing balance</b>          | <b>944</b> | <b>-</b> | <b>852</b> | <b>765</b> | <b>8,735</b> | <b>1,426</b> | <b>12,722</b> |

## 2021 year:

### Cost

|                                  |     |     |       |       |        |         |        |
|----------------------------------|-----|-----|-------|-------|--------|---------|--------|
| Opening balance                  | 944 | 759 | 5,684 | 2,700 | 39,282 | 3,519   | 52,888 |
| Additions - internally developed | -   | -   | -     | -     | -      | 4,253   | 4,253  |
| Transfer                         | -   | -   | -     | -     | 5,221  | (5,221) | -      |
| Closing balance                  | 944 | 759 | 5,684 | 2,700 | 44,503 | 2,551   | 57,141 |

### Accumulated amortisation

|                        |          |              |                |                |                 |          |                 |
|------------------------|----------|--------------|----------------|----------------|-----------------|----------|-----------------|
| Opening balance        | -        | (759)        | (3,774)        | (897)          | (26,174)        | -        | (31,604)        |
| Amortisation expense   | -        | -            | (560)          | (518)          | (5,045)         | -        | (6,123)         |
| <b>Closing balance</b> | <b>-</b> | <b>(759)</b> | <b>(4,334)</b> | <b>(1,415)</b> | <b>(31,219)</b> | <b>-</b> | <b>(37,727)</b> |

### Net book value

|                        |            |          |              |              |               |              |               |
|------------------------|------------|----------|--------------|--------------|---------------|--------------|---------------|
| Opening balance        | 944        | -        | 1,910        | 1,803        | 13,108        | 3,519        | 21,284        |
| <b>Closing balance</b> | <b>944</b> | <b>-</b> | <b>1,350</b> | <b>1,285</b> | <b>13,284</b> | <b>2,551</b> | <b>19,414</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.

Contract liabilities primarily relates to revenue arising from network subscription fee income, brokered taxi plate licence income, owned taxi plate licence income, taxi operating income, interest on vehicle and insurance loans and taxi equipment and terminal rental which have been billed in advance. This will be recognised as revenue when the services are provided to the customers in the following month.

|                             | 2022   | 2021   |
|-----------------------------|--------|--------|
|                             | \$'000 | \$'000 |
| Trade payables              | 10,222 | 12,161 |
| Security deposit            | 7,092  | 5,748  |
| Other payables and accruals | 33,073 | 16,596 |
| Contract liabilities        | 6,993  | 5,149  |
|                             | 57,380 | 39,654 |

## 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

|                 | 2022   | 2021   |
|-----------------|--------|--------|
|                 | \$'000 | \$'000 |
| Unsecured loans | 1,649  | 1,864  |
| Bank borrowings | 17,274 | -      |
|                 | 18,923 | 1,864  |

### Disclosure in the Consolidated Statement of Financial Position

|                       | 2022   | 2021   |
|-----------------------|--------|--------|
|                       | \$'000 | \$'000 |
| Current liability     | 1,649  | 1,864  |
| Non-current liability | 17,274 | -      |
|                       | 18,923 | 1,864  |

|                                 | 2022          | 2021          |
|---------------------------------|---------------|---------------|
|                                 | \$'000        | \$'000        |
| <b>Bank facilities</b>          |               |               |
| Revolving credit facility       | 25,000        | 25,000        |
| Multi option facility           | 4,500         | -             |
| <b>Total facility</b>           | <b>29,500</b> | <b>25,000</b> |
| <b>Amount used at 30 June</b>   | <b>17,274</b> | <b>-</b>      |
| <b>Amount unused at 30 June</b> | <b>12,226</b> | <b>25,000</b> |

The unsecured loans are at-call and bear variable interest rates at 1.5% per annum.

All bank borrowings are denominated in Australian dollars and are secured by a registered first mortgage on all commercial properties with a net carrying value of \$10,000,000, trade debtors with a value of \$28,583,000 and over the assets of the Company and its Subsidiaries. Bank borrowings represent a working capital facility with CBA. At 30 June 2022 this facility had a limit of \$25,000,000

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

expiring in September 2023. Bank borrowings bear interest, the interest rates are calculated as BBSY plus margin on the drawn loan balance ranging between 2.62% and 3.28% in FY22.

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**

|                                | <b>2022</b>   | <b>2021</b>   |
|--------------------------------|---------------|---------------|
|                                | <b>\$'000</b> | <b>\$'000</b> |
| Employee benefit provision     |               |               |
| - Annual leave provision       | 4,094         | 4,647         |
| - Long service leave provision | 3,035         | 4,085         |
| - Redundancy provision         | 1,500         | -             |
| Make good provision            | 751           | 966           |
|                                | <b>9,380</b>  | <b>9,698</b>  |

## Disclosure in the Consolidated Statement of Financial Position

|                                                            | 2022         | 2021         |
|------------------------------------------------------------|--------------|--------------|
|                                                            | \$'000       | \$'000       |
| <b>Current provision</b>                                   |              |              |
| - Employee benefits provision                              | 7,840        | 7,814        |
| - Make good provision                                      | 272          | 303          |
| <b>Total current provision</b>                             | <b>8,112</b> | <b>8,117</b> |
| <b>Non-current provision</b>                               |              |              |
| - Employee benefits provision                              | 789          | 918          |
| - Make good provision                                      | 479          | 663          |
| <b>Total non-current provision</b>                         | <b>1,268</b> | <b>1,581</b> |
| <b>Total provisions</b>                                    | <b>9,380</b> | <b>9,698</b> |
| <b>Defined contribution superannuation funds</b>           |              |              |
|                                                            | 2022         | 2021         |
|                                                            | \$'000       | \$'000       |
| Contributions to defined contribution superannuation funds | 5,298        | 4,782        |

## 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.

# Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

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

|                                      | 2022<br>(number)   | 2021<br>(number)   |
|--------------------------------------|--------------------|--------------------|
| <b>Composition of issued capital</b> |                    |                    |
| <b>Fully paid ordinary shares</b>    | <b>121,230,683</b> | <b>120,430,683</b> |

The issuance of 800,000 ordinary shares as Incentive Shares occurred on 5 May 2022 following approval at the Company's EGM.

## Composition and movement in share capital (dollars)

|                                      | 2022<br>\$'000 | 2021<br>\$'000 |
|--------------------------------------|----------------|----------------|
| <b>Composition of issued capital</b> |                |                |
| <b>Fully paid ordinary shares</b>    | <b>138,325</b> | <b>138,325</b> |

## 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 the 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>2022 year:</b>                                        |                                                         |                                 |                                               |                 |
| Opening balance                                          | (7)                                                     | (667)                           | 1,633                                         | 959             |
| Foreign exchange translation differences, net of tax     | (76)                                                    | -                               | -                                             | (76)            |
| Share-based payments                                     | -                                                       | -                               | 1,133                                         | 1,133           |
| <b>Closing balance</b>                                   | <b>(83)</b>                                             | <b>(667)</b>                    | <b>2,766</b>                                  | <b>2,016</b>    |
| <b>2021 year:</b>                                        |                                                         |                                 |                                               |                 |
| Opening balance                                          | (135)                                                   | (434)                           | 1,002                                         | 433             |
| Net change in fair value of financial assets, net of tax | -                                                       | (233)                           | -                                             | (233)           |
| Foreign exchange translation differences, net of tax     | 128                                                     | -                               | -                                             | 128             |
| Share-based payments                                     | -                                                       | -                               | 631                                           | 631             |
| <b>Closing balance</b>                                   | <b>(7)</b>                                              | <b>(667)</b>                    | <b>1,633</b>                                  | <b>959</b>      |

## 19. Dividends

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

The Board has determined that no final dividend be paid in conjunction with FY22.

## 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.

|                                                                                                                                                    | 2022            | 2021            |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>Consolidated (loss) attributable to owners of the Company (in thousands of AUD)</b>                                                             | <b>(28,118)</b> | <b>(18,274)</b> |
| <b>Weighted average number of fully paid ordinary shares outstanding during the year used in calculation of basic EPS (in thousands of shares)</b> | <b>120,556</b>  | <b>120,431</b>  |

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.

|                    | 2022                | 2021                |
|--------------------|---------------------|---------------------|
| <b>Basic EPS</b>   | <b>(23.3 cents)</b> | <b>(15.2 cents)</b> |
| <b>Diluted EPS</b> | <b>(23.3 cents)</b> | <b>(15.2 cents)</b> |

## 21. Dividend franking balance

|                                                                                                                                                                       | 2022          | 2021          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                                                                                       | \$'000        | \$'000        |
| <b>Balance at the end of the financial year including franking credits / (debits) arising from income tax payable / (receivable) in respect of the financial year</b> | <b>27,232</b> | <b>32,854</b> |

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

- franking credits/(debits) 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 (2021 \$nil). In accordance with the tax consolidation legislation, the Company as the head entity in the tax consolidated group has also assumed the benefit of \$27,232,000 (2021: \$32,854,000) franking credits.



# Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

## 22. Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2022 the parent entity of the Group was A2B Australia Limited.

|                                                         | 2022<br>\$'000  | 2021<br>\$'000  |
|---------------------------------------------------------|-----------------|-----------------|
| <b>Result of the parent entity</b>                      |                 |                 |
| (Loss) for the year                                     | (19,523)        | (11,347)        |
| Other comprehensive income, net of tax                  | -               | 216             |
| <b>Total comprehensive (loss) for the year</b>          | <b>(19,523)</b> | <b>(11,131)</b> |
| <b>Financial position of parent entity at year end</b>  |                 |                 |
| Current assets                                          | 51,516          | 41,091          |
| Non-current assets                                      | 250,795         | 258,656         |
| <b>Total assets</b>                                     | <b>302,311</b>  | <b>299,747</b>  |
| Current liabilities                                     | 34,202          | 30,374          |
| Non-current liabilities                                 | 153,722         | 136,592         |
| <b>Total liabilities</b>                                | <b>187,924</b>  | <b>166,966</b>  |
| <b>Total equity of the parent entity comprising of:</b> |                 |                 |
| Share capital                                           | 138,325         | 138,325         |
| Reserves                                                | 2,256           | 1,127           |
| Profits reserve                                         | 18,823          | 18,823          |
| Retained earnings                                       | (45,017)        | (25,494)        |
| <b>Total equity</b>                                     | <b>114,387</b>  | <b>132,781</b>  |

### Parent entity capital expenditure commitments and contingencies

At 30 June 2022 the parent entity has not made any capital expenditure commitments (2021 \$nil). For the contingent liability as at 30 June 2022 (2021 \$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.

## 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 Corporations 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 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:

|                                                                 | 2022<br>\$'000  | 2021<br>\$'000  |
|-----------------------------------------------------------------|-----------------|-----------------|
| Revenue and other income                                        | 110,874         | 113,075         |
| Expenses                                                        | (150,125)       | (138,895)       |
| <b>Results from operating activities</b>                        | <b>(39,251)</b> | <b>(25,820)</b> |
| Finance income                                                  | 2               | 15              |
| Finance costs                                                   | (1,131)         | (958)           |
| <b>(Loss) before income tax</b>                                 | <b>(40,380)</b> | <b>(26,763)</b> |
| Income tax benefit                                              | 11,996          | 7,737           |
| <b>(Loss) for the year</b>                                      | <b>(28,384)</b> | <b>(19,026)</b> |
| <i>Items that will not be reclassified to profit or loss:</i>   |                 |                 |
| Net change in fair value of financial assets                    | -               | (333)           |
| Income tax on other comprehensive income                        | -               | 100             |
| <b>Other comprehensive loss for the year, net of income tax</b> | <b>-</b>        | <b>(233)</b>    |
| <b>Total comprehensive (loss) for the year</b>                  | <b>(28,384)</b> | <b>(19,259)</b> |
| Retained earnings at beginning of year                          | (41,254)        | (22,228)        |
| (Loss) for the year                                             | (28,384)        | (19,026)        |
| <b>Retained earnings at end of year</b>                         | <b>(69,638)</b> | <b>(41,254)</b> |

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

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

|                                      | 2022<br>\$'000 | 2021<br>\$'000 |
|--------------------------------------|----------------|----------------|
| <b>Current assets</b>                |                |                |
| Cash and cash equivalents            | 8,695          | 8,488          |
| Trade and other receivables          | 65,734         | 53,699         |
| Current tax assets                   | -              | 5,541          |
| Inventories                          | 3,342          | 3,099          |
| Other current assets                 | 2,927          | 2,980          |
| <b>Total current assets</b>          | <b>80,698</b>  | <b>73,807</b>  |
| <b>Non-current assets</b>            |                |                |
| Trade and other receivables          | 5,303          | 5,841          |
| Investments                          | 2,596          | 2,596          |
| Property, plant and equipment        | 21,035         | 29,296         |
| Right-of-use assets                  | 5,921          | 11,972         |
| Net deferred tax assets              | 20,217         | 7,951          |
| Taxi plate licences                  | 1,311          | 1,311          |
| Goodwill                             | 26,838         | 26,838         |
| Intellectual property                | 12,312         | 18,924         |
| <b>Total non-current assets</b>      | <b>95,533</b>  | <b>104,729</b> |
| <b>Total assets</b>                  | <b>176,231</b> | <b>178,536</b> |
| <b>Current liabilities</b>           |                |                |
| Trade and other payables             | 53,270         | 37,097         |
| Loans and borrowings                 | 1,649          | 1,864          |
| Lease liabilities                    | 1,446          | 1,861          |
| Current tax liabilities              | 152            | -              |
| Deferred income                      | 118            | 118            |
| Provisions                           | 6,714          | 8,664          |
| <b>Total current liabilities</b>     | <b>63,349</b>  | <b>49,604</b>  |
| <b>Non-current liabilities</b>       |                |                |
| Lease liabilities                    | 5,014          | 10,691         |
| Loans and borrowings                 | 17,274         | -              |
| Deferred income                      | 236            | 354            |
| Provisions                           | 1,226          | 1,503          |
| <b>Total non-current liabilities</b> | <b>23,750</b>  | <b>12,548</b>  |
| <b>Total liabilities</b>             | <b>87,099</b>  | <b>62,152</b>  |
| <b>Net assets</b>                    | <b>89,132</b>  | <b>116,384</b> |

|                                                                   |               |                |
|-------------------------------------------------------------------|---------------|----------------|
| <b>Equity</b>                                                     |               |                |
| Share capital                                                     | 138,325       | 138,325        |
| Reserves                                                          | 1,622         | 490            |
| Profits reserve                                                   | 18,823        | 18,823         |
| Retained losses                                                   | (69,638)      | (41,254)       |
| <b>Total equity attributable to equity holders of the Company</b> | <b>89,132</b> | <b>116,384</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)

|                                                                               | <b>2022</b>      | <b>2021</b>      |
|-------------------------------------------------------------------------------|------------------|------------------|
|                                                                               | <b>\$</b>        | <b>\$</b>        |
| Short-term employee benefits - salary, fees, non-cash benefits and cash bonus | 2,656,584        | 2,995,842        |
| Post-employment benefits - superannuation                                     | 180,013          | 108,470          |
| Other long-term benefits                                                      | 40,693           | 45,681           |
| Termination benefits                                                          | 1,277,768        | -                |
| Share-based payment expense                                                   | 708,277          | 631,482          |
| Incentive Shares                                                              | 424,623          | -                |
|                                                                               | <b>5,287,958</b> | <b>3,781,475</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

|                                                 | <b>2022</b>    | <b>2021</b>    |
|-------------------------------------------------|----------------|----------------|
|                                                 | <b>\$</b>      | <b>\$</b>      |
| <b>Audit and review of financial reports</b>    | <b>453,000</b> | <b>431,012</b> |
| <b>Other services</b>                           |                |                |
| <i>Auditors of the Company - KPMG Australia</i> |                |                |
| Taxation services                               | 255,521        | 325,690        |
|                                                 | <b>708,521</b> | <b>756,702</b> |

# Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

## 26. Particulars relating to controlled entities

|                                                                                | Group<br>Interest %<br>2022 | Group<br>Interest %<br>2021 |
|--------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| 13cabs Innovations Pty Ltd                                                     | 100                         | 100                         |
| 135466 Pty Ltd                                                                 | 100                         | 100                         |
| A2B Corporate Services Pty Ltd (previously known as Voci Asia Pacific 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                          | 56                          |
| 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                          | 62                          |
| 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                         |
| 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                          | 56                          |
| 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                         |

|                                           | <b>Group<br/>Interest %</b> | <b>Group<br/>Interest %</b> |
|-------------------------------------------|-----------------------------|-----------------------------|
| Cabcharge NZ 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 2022 (2021 \$nil).

## 28. Contingencies

The Group had no material contingent liabilities at 30 June 2022 (2021 \$nil)

## 29. Leases

The Group leases various offices and Taxitech workshops. The leases run typically for a fixed period of 1 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. 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.

# Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

|                           | Land and<br>buildings<br>\$'000 | Equipment<br>\$'000 | Total<br>\$'000 |
|---------------------------|---------------------------------|---------------------|-----------------|
| <b>2022 year:</b>         |                                 |                     |                 |
| Balance at 1 July         | 12,716                          | -                   | 12,716          |
| Depreciation              | (1,994)                         | -                   | (1,994)         |
| Additions                 | 459                             | -                   | 459             |
| Derecognition*            | (4,664)                         | -                   | (4,664)         |
| <b>Balance at 30 June</b> | <b>6,517</b>                    | <b>-</b>            | <b>6,517</b>    |
| <b>2021 year:</b>         |                                 |                     |                 |
| Balance at 1 July         | 17,820                          | -                   | 17,820          |
| Depreciation              | (2,831)                         | -                   | (2,831)         |
| Additions                 | 3,056                           | -                   | 3,056           |
| Derecognition*            | (5,329)                         | -                   | (5,329)         |
| <b>Balance at 30 June</b> | <b>12,716</b>                   | <b>-</b>            | <b>12,716</b>   |

\*Derecognition of the right-of-use assets during 2021 and 2022 is a result of lease re-assessment.

## Lease liabilities

|                                             | 2022<br>\$'000 | 2021<br>\$'000 |
|---------------------------------------------|----------------|----------------|
| <b>Contractual undiscounted cash flows</b>  |                |                |
| One year or less                            | 2,006          | 2,348          |
| From one to five years                      | 5,377          | 6,864          |
| Over five years                             | 789            | 5,927          |
| <b>Total undiscounted lease liabilities</b> | <b>8,172</b>   | <b>15,139</b>  |
|                                             |                |                |
| Current                                     | 1,556          | 1,999          |
| Non-current                                 | 5,530          | 11,318         |
| <b>Total lease liabilities</b>              | <b>7,086</b>   | <b>13,317</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.

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

|                                                                                | 2022   | 2021   |
|--------------------------------------------------------------------------------|--------|--------|
|                                                                                | \$'000 | \$'000 |
| Interest on lease liabilities                                                  | 359    | 595    |
| Depreciation                                                                   | 1,993  | 2,831  |
| Expenses relating to variable lease payments not included in lease liabilities | 410    | 304    |

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

|                               | 2022   | 2021   |
|-------------------------------|--------|--------|
|                               | \$'000 | \$'000 |
| Total cash outflow for leases | 2,380  | 3,472  |

### 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.



# Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

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

|                                                                                    | 2022<br>\$'000 | 2021<br>\$'000 |
|------------------------------------------------------------------------------------|----------------|----------------|
| (Loss) for the year attributable to owners of the Company                          | (28,118)       | (18,274)       |
| Adjustment for non-cash items:                                                     |                |                |
| Depreciation and amortisation                                                      | 16,177         | 17,917         |
| Property, plant and equipment impairment charges                                   | 4,230          | -              |
| Capitalised development costs impairment charges                                   | 6,019          | -              |
| Net (profit) on disposal of property, plant and equipment                          | (97)           | (254)          |
| Share-based payments                                                               | 1,133          | 631            |
| Impairment charges                                                                 | -              | 1,879          |
| Other non cash items                                                               | 182            | 291            |
| Changes in assets and liabilities, net of the effects of purchase of subsidiaries: |                |                |
| Change in trade and other debtors                                                  | (14,789)       | (10,265)       |
| Change in inventories                                                              | (396)          | (262)          |
| Change in creditors and accruals                                                   | 16,226         | 10,621         |
| Change in provisions                                                               | (436)          | 86             |
| Change in income taxes payable                                                     | 5,914          | (5,322)        |
| Change in deferred tax balances                                                    | (12,289)       | (1,899)        |
| <b>Net cash (used in) operating activities</b>                                     | <b>(6,244)</b> | <b>(4,851)</b> |

## Reconciliation of liabilities arising from financing activities

|                                                  | Interest<br>bearing loans<br>\$'000 | Lease<br>liabilities<br>\$'000 | Total liabilities<br>from financing<br>activities<br>\$'000 |
|--------------------------------------------------|-------------------------------------|--------------------------------|-------------------------------------------------------------|
| <b>Balance at 1 July 2021</b>                    | <b>1,864</b>                        | <b>13,316</b>                  | <b>15,180</b>                                               |
| Net cash flows                                   | 17,059                              | (2,021)                        | 15,038                                                      |
| Lease net additions, derecognition and remeasure | -                                   | (4,209)                        | (4,209)                                                     |
| <b>Balance at 30 June 2022</b>                   | <b>18,923</b>                       | <b>7,086</b>                   | <b>26,009</b>                                               |
| <b>Balance at 1 July 2020</b>                    | <b>2,031</b>                        | <b>18,188</b>                  | <b>20,219</b>                                               |
| Net cash flows                                   | (167)                               | (2,576)                        | (2,743)                                                     |
| Lease net additions, derecognition and remeasure | -                                   | (2,296)                        | (2,296)                                                     |
| <b>Balance at 30 June 2021</b>                   | <b>1,864</b>                        | <b>13,316</b>                  | <b>15,180</b>                                               |

## Cash and cash equivalents

|                                                         | 2022<br>\$'000 | 2021<br>\$'000 |
|---------------------------------------------------------|----------------|----------------|
| Cash on hand and at bank                                | 12,295         | 10,422         |
| Money market deposits                                   | -              | 1,452          |
| <b>Balance per Consolidated Statement of Cash Flows</b> | <b>12,295</b>  | <b>11,874</b>  |

## Restricted cash

There was no restricted cash at 30 June 2022 (30 June 2021 \$nil) which relates to current bank facilities.

## 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 and changes on financial assets recognised in the consolidated statement of comprehensive income were as follows:

# Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

|                                                                                       | 2022           | 2021           |
|---------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                       | \$'000         | \$'000         |
| Impairment loss on trade receivables arising from contracts with customers            | (1,973)        | (1,106)        |
| Changes on financial assets measured at Fair Value through Other Comprehensive Income | -              | (333)          |
|                                                                                       | <b>(1,973)</b> | <b>(1,439)</b> |

## a) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each Customer. 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 2022, the Group has considered the increased risk arising from the follow on 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 monthly 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<br>years<br>\$'000 | 2 to 5<br>years<br>\$'000 |
|------------------------------------------------------|------------------------------|------------------------------------|-------------------------------|-----------------------------|---------------------------|---------------------------|
| <b>2022 year</b>                                     |                              |                                    |                               |                             |                           |                           |
| Contract liabilities,<br>trade and other<br>payables | 55,880                       | 55,880                             | 55,880                        | -                           | -                         | -                         |
| Loans and borrowings                                 | 18,923                       | 18,923                             | 1,649                         | -                           | 17,274                    | -                         |
|                                                      | <b>74,803</b>                | <b>74,803</b>                      | <b>57,529</b>                 | <b>-</b>                    | <b>17,274</b>             | <b>-</b>                  |
| <b>2021 year</b>                                     |                              |                                    |                               |                             |                           |                           |
| Contract liabilities,<br>trade and other<br>payables | 39,654                       | 39,654                             | 39,654                        | -                           | -                         | -                         |
| Loans and borrowings                                 | 1,864                        | 1,897                              | 1,897                         | -                           | -                         | -                         |
|                                                      | <b>41,518</b>                | <b>41,551</b>                      | <b>41,551</b>                 | <b>-</b>                    | <b>-</b>                  | <b>-</b>                  |

Typically the Group ensures that it has sufficient cash on demand and available liquidity 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:

|                                              | 2022<br>\$'000 | 2021<br>\$'000 |
|----------------------------------------------|----------------|----------------|
| <b>Fixed rate instruments</b>                |                |                |
| Financial assets - Finance lease receivables | 8,659          | 9,078          |
| Financial liabilities - lease liabilities    | 7,086          | 13,317         |
|                                              | <b>15,745</b>  | <b>22,395</b>  |
| <b>Variable rate instruments</b>             |                |                |
| Financial assets - cash and cash equivalents | 12,295         | 11,874         |
| Financial liabilities - loans and borrowings | (18,923)       | (1,864)        |
|                                              | <b>(6,628)</b> | <b>10,010</b>  |

## Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

As at 30 June 2022 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:

|                           | 2022          | 2021       |
|---------------------------|---------------|------------|
| Loans and borrowings      | 1.5% to 3.28% | 1.5% to 2% |
| Finance lease receivables | 8% to 11%     | 8% 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 2022</b>         |                   |                   |                   |                 |
| Unlisted equity investments | -                 | -                 | 977               | 977             |
| <b>30 June 2021</b>         |                   |                   |                   |                 |
| Unlisted equity investments | -                 | -                 | 977               | 977             |

The valuation techniques and significant unobservable inputs used to determine the fair value of on these unlisted equity investments at 30 June 2022 are 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 2022 using an adjusted earnings multiple, derived from comparable companies to the investee.<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 2021.

|      | Profit or loss  |                 |
|------|-----------------|-----------------|
|      | 100 bp increase | 100 bp decrease |
|      | \$'000          | \$'000          |
| 2022 | (189)           | 189             |
| 2021 | (18)            | 18              |

## 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.

### Identification of reportable segments

The Group's operating segments are organised and managed separately according to the nature of the products and services provided.

The Group previously operated under one business segment being the provision of taxi related services. During the year ended 30 June 2022, the Group was organised into three operating segments comprising of Mobility Services, Mobility Platforms and Payments. Each segment represents a strategic business unit that offers different products and operates in different industries or markets.

In May 2022 the Group announced its intention to discontinue elements of the Payments segment. Due to the relatively small size of elements of the Payments segment they are not considered separate major lines of business and therefore discontinued operations disclosures have not been made.

Underlying EBITDA is the primary reporting measure used by A2B's CODM. The CODM monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue and expenses are eliminated on consolidation.

# Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

## Segment description

Reportable segments under AASB 8 Operating Segments are as follows:

| Reportable segment        | Principal activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Mobility Services</b>  | <p>Provides Taxi network services to Taxi Operators and Drivers nationally in Australia. These services include Taxi booking services, vehicle financing and insurance, full Taxi fit-outs and repairs, as well as Driver training and education.</p> <p>Mobility Services are provided under brands including 13cabs, Silver Service, Maxi Taxi and Yellow Couriers. The majority of revenue comes from Network subscriptions that are charged monthly while revenue from related and ancillary services are generated as and when the services are provided (eg car sales income, interest on finance lease receivables and others, insurance commission revenue or Taxi equipment and terminal rental income not included in subscriptions).</p>                                                                                                                                                                                                                   |
| <b>Mobility Platforms</b> | <p>Provides integrated booking, payment and dispatch technologies to mobility providers under the brands Mobile Technologies International (MTI) and Cabcharge.</p> <p>MTI provides a SaaS booking, dispatch, payment, contact centre and vehicle monitoring platform. MTI earns SaaS style subscription revenue from vehicles accessing its technologies, income from bespoke software development, and fees from project management, which are recorded under software consulting and licence income. MTI operates throughout Australia, New Zealand, North America, Europe and the United Kingdom.</p> <p>Cabcharge provides corporate clients with a range of payment solutions to charge trips on a designated account accompanied by detailed trip information to enable efficient management of travel expenditure. Cabcharge operates throughout Australia and receives service fee income on non-cash payments based on the value of the fare processed.</p> |
| <b>Payments</b>           | <p>Provides merchant acquiring, consulting, licensing and other payment services under the brands FlamingoPay, Spotto, Giraffe and EFT Solutions in Australia.</p> <p>FlamingoPay represents our generic retail payment offering, this brand was launched in FY22 reaching a total terminal count of 250. A strategic review conducted in Q422 concluded that FlamingoPay and non-mobility payments do not form part of A2B's core business, these activities were discontinued in June.</p> <p>Spotto and Giraffe represent our handheld offering for taxi and hire car drivers. The current pricing model attracts a service fee based on the value of transactions processed and/or a terminal rental fee.</p>                                                                                                                                                                                                                                                     |

Subsequent to year end the composition of segments has changed to reflect the new business operating model. Mobility Services will be renamed B2C and Mobility Platforms will be renamed B2B. The continuing elements of the Payments Segment will be Spotto and Giraffe and form part of B2B.

## Analysis by segment

| Jun 2022                                       | Mobility Services<br>\$'000 | Mobility Platforms<br>\$'000 | Payments<br>\$'000 | Unallocated /Eliminations <sup>1</sup><br>\$'000 | Consolidated<br>\$'000 |
|------------------------------------------------|-----------------------------|------------------------------|--------------------|--------------------------------------------------|------------------------|
| External segment revenue and other income      | 86,487                      | 36,694                       | 4,017              | 1,577                                            | 128,775                |
| Inter-segment segment revenue and other income | 69                          | 3,251                        | -                  | (3,320)                                          | -                      |
| <b>Total segment revenue and other income</b>  | <b>86,556</b>               | <b>39,945</b>                | <b>4,017</b>       | <b>(1,743)</b>                                   | <b>128,775</b>         |
| <b>Underlying EBITDA</b>                       | <b>9,447</b>                | <b>19,086</b>                | <b>(2,352)</b>     | <b>(33,174)</b>                                  | <b>(6,993)</b>         |

| Jun 2021                                       | Mobility Services<br>\$'000 | Mobility Platforms<br>\$'000 | Payments<br>\$'000 | Unallocated /Eliminations <sup>1</sup><br>\$'000 | Consolidated<br>\$'000 |
|------------------------------------------------|-----------------------------|------------------------------|--------------------|--------------------------------------------------|------------------------|
| External segment revenue and other income      | 78,575                      | 29,293                       | 2,890              | 20,607                                           | 131,365                |
| Inter-segment segment revenue and other income | (151)                       | (2,469)                      | -                  | 2,620                                            | -                      |
| <b>Total segment revenue and other income</b>  | <b>78,424</b>               | <b>26,824</b>                | <b>2,890</b>       | <b>23,227</b>                                    | <b>131,365</b>         |
| <b>Underlying EBITDA</b>                       | <b>1,273</b>                | <b>13,006</b>                | <b>(436)</b>       | <b>(17,230)</b>                                  | <b>(3,387)</b>         |

1. Unallocated/Eliminations represents unallocated corporate costs, other businesses (including Mantax, a small taxi business operating in the U.K.), Government subsidies (including JobKeeper) and consolidation elimination entries.

## Reconciliation of Underlying EBITDA to Statutory Results from operating activities

|                                                      | Jun 2022<br>\$'000 | Jun 2021<br>\$'000 |
|------------------------------------------------------|--------------------|--------------------|
| <b>Underlying EBITDA</b>                             | <b>(6,993)</b>     | <b>(3,387)</b>     |
| Items not included in Underlying PBT                 |                    |                    |
| Asset / Balance Sheet write-offs                     | (9,750)            | (1,879)            |
| Termination and restructuring                        | (5,580)            | (1,357)            |
| <b>Total items not included in underlying EBITDA</b> | <b>(15,330)</b>    | <b>(3,236)</b>     |
| <b>Depreciation and amortisation expenses</b>        | <b>(16,177)</b>    | <b>(17,917)</b>    |
| <b>Results from operating activities</b>             | <b>(38,500)</b>    | <b>(24,540)</b>    |

Segment assets and liabilities have not been disclosed as these are not reported to the CODM and not used by the CODM to assess performance and to make resource allocation decisions.

## Geographical information

The Group operates predominantly in one geographic segment with >95% of revenue generated in Australia.

Through its subsidiary, MTI the Group operates in other geographic segments including North America and Europe. MTI's overseas revenue of \$5,860,000 and non-current assets of \$609,000 were included in the Group's Consolidated Statements.

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

The Group has provided Long Term Incentive (LTI) awards to the KMP, including the former 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



# Notes to the consolidated financial statements (continued)

For the year ended 30 June 2022

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.

In addition, incentive shares were granted to the Executive Chairman in FY22. These shares are subject to the following trading conditions:

- 400,000 Shares will be restricted from trading until vesting on 30 September 2022;
- 200,000 Shares will be restricted from trading until vesting on 31 March 2023; and
- 200,000 Shares will be restricted from trading until vesting on 1 July 2023.

The total share-based payment expense for the year was \$1,132,899 (FY21 \$631,482).

## 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>2022 year</b>                                                              |                  |                                                           |                        |            |                       |                               |
| <b>Incentive shares granted to Executive Chairman On 28 April 2022</b>        | 400,000          | Service                                                   | Monte Carlo simulation | \$1.29     | 30 September 2022     | N/A                           |
|                                                                               | 200,000          | Service                                                   |                        |            | 31 March 2023         |                               |
|                                                                               | 200,000          | Service                                                   |                        |            | 1 July 2023           |                               |
| <b>Performance rights granted to Executive Chairman On 28 April 2022</b>      | 500,000          | Share price                                               | Monte Carlo simulation | \$1.02     | 30 June 2026          | 28 April 2022 to 30 June 2026 |
|                                                                               | 500,000          | Share price                                               | Monte Carlo simulation | \$0.87     |                       |                               |
|                                                                               | 500,000          | Share price                                               | Monte Carlo simulation | \$0.74     |                       |                               |
| <b>Total number of Rights</b>                                                 | <b>2,300,000</b> |                                                           |                        |            |                       |                               |
| <b>2021 year</b>                                                              |                  |                                                           |                        |            |                       |                               |
| <b>Rights granted to CEO and key management personnel On 19 November 2020</b> | 666,667          | Absolute Total Shareholder Return (market condition)*     | Monte Carlo simulation | \$0.68     | 15 September 2023     | 1 July 2020 to 30 June 2023   |
|                                                                               | 444,444          | Relative Total Shareholder Return (non-market condition)* | Monte Carlo simulation | \$0.69     |                       |                               |
| <b>Total number of Rights</b>                                                 | <b>1,111,111</b> |                                                           |                        |            |                       |                               |
| <b>2020 year</b>                                                              |                  |                                                           |                        |            |                       |                               |
| <b>Rights granted to CEO and key management personnel On 21 November 2019</b> | 496,552          | Absolute Total Shareholder Return (market condition)*     | Monte Carlo simulation | \$0.79     | 15 September 2022     | 1 July 2019 to 30 June 2022   |
|                                                                               | 331,034          | Relative Total Shareholder Return (non-market condition)* | Monte Carlo simulation | \$0.87     |                       |                               |
| <b>Total number of Rights</b>                                                 | <b>827,586</b>   |                                                           |                        |            |                       |                               |

\* Details of the operation of LTI awards are outlined in the Remuneration Report from page 21 to 33.

### Key assumptions

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

|                           | 2022          | 2021             |
|---------------------------|---------------|------------------|
|                           | 28 April 2022 | 19 November 2020 |
| Share price at grant date | \$1.29        | \$1.20           |
| Expected life             | 3 years       | 3 years          |
| Expected volatility       | 37.0%         | 38%              |
| Dividend yield            | 0.00%         | 0.00%            |
| Risk-free interest rate   | 2.68%         | 0.15%            |

### Reconciliation

The reconciliation of outstanding rights is shown the following table:

|                                   | Number of Rights |           |
|-----------------------------------|------------------|-----------|
| Performance Rights reconciliation | 2022             | 2021      |
| Rights outstanding as at 1 July   | 3,178,743        | 2,457,040 |
| Rights granted                    | 2,300,000        | 1,111,111 |
| Rights forfeited                  | -                | -         |
| Rights lapsed                     | (1,065,893)      | (389,408) |
| Rights exercised                  | -                | -         |
| Rights outstanding as at 30 June  | 4,412,850        | 3,178,743 |
| Rights exercisable as at 30 June  | -                | -         |

## 34. Subsequent event

### Dividends

The Board has determined that no final dividend be paid in conjunction with FY22.

### Property sales

The Group intends to sell its two property assets located in Alexandria, Sydney. Since the reporting date A2B has appointed Colliers as its sales agent and instructed them to market the properties located in 9-13 O'Riordan Street, Alexandria and 9-13 Bourke Road, Alexandria.

## Directors' Declaration

In the opinion of the Directors of A2B Australia Limited (**Company**):

the Consolidated Financial Statements and Notes set out on page 35 to 83, and the Remuneration Report in the Directors' Report, set out on page 17 to 20, are in accordance with the Corporations Act 2001 (Cth), including:

- giving a true and fair view of the consolidated entity's financial position at 30 June 2022 and of the performance for the financial year ended on that date; and
- complying with Australian Accounting Standards and the Corporations Regulations 2001.

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.

The Consolidated Financial Statements and Notes comply with International Financial Reporting Standards as disclosed in Note 2.

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



**Mark Bayliss**  
**Executive Chairman**  
23 August 2022



**David Grant**  
**Director**  
23 August 2022

# Independent Auditor's Report



## 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 2022 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 2022;
- 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; and
- Directors' Declaration.

The **Group** consists of 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 these requirements.

# Independent Auditor's Report (continued)



## Key Audit Matters

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.

This matter was 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 this matter.

### Valuation of Goodwill at 30 June 2022 (\$ 27.5 million)

Refer to Note 13: Goodwill in the Financial Report

| The key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The valuation of Goodwill is considered a key audit matter due to the size of the balance and the increased judgement applied by us when evaluating the evidence available arising from:</p> <ul style="list-style-type: none"> <li>The industry in which the Group operates being impacted by disruptive technologies. Further, there are changes in government regulations impacting the taxi service fee which can be applied when processing payments; and</li> <li>Significant estimation uncertainty on the recovery of the CGUs in the Group from the impacts of the COVID-19 global pandemic.</li> </ul> <p>We focussed on the significant forward looking assumptions the Group applied in their value in use models, including:</p> <ul style="list-style-type: none"> <li>Discount rates, which are complicated in nature and vary according to the conditions and environment the specific cash generating unit (CGU) is subject to; and</li> <li>Forecast growth rates and terminal growth rates.</li> </ul> <p>In addition to the uncertainties described above, the Group's models are highly sensitive to small changes in these assumptions, reducing available headroom. This drives additional audit effort specific to their feasibility and consistency of application to the Group's strategy.</p> <p>These conditions increase the possibility of goodwill being impaired, which necessitates additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>We considered the appropriateness of the value in use method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards.</li> <li>We checked the forecast cash flows in the Group's value in use model to the Board approved FY23 budget.</li> <li>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 noted previous trends where constrained market conditions existed, in particular for the interdependencies of key assumptions and how they impacted the business, for use in further testing.</li> <li>We challenged the Group's forecast cash flow and growth rate assumptions in light of the impact of COVID-19 and industry and regulatory changes on the Group. We compared forecast cash flow and growth rate assumptions for the taxi industry against available industry data. We considered the impact of COVID-19, including the expected rate of recovery of the CGU's, and industry and regulatory changes on the Group's key assumptions, for indicators of bias and inconsistent application using our knowledge of the Group, business and customers, and our industry experience. We checked the consistency of the growth rates to the Group's revised plans and our experience regarding the feasibility of these in the industry economic environment in which they operate.</li> <li>We performed sensitivity analysis on the models by varying key assumptions such as forecast cash flows and terminal growth rate, within a reasonably possible range. We did this</li> </ul> |



|                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>application.</p> <p>We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.</p> | <p>to identify those assumptions which are at higher risk of bias or inconsistency in application. Our sensitivity analysis included various scenarios for the forecast recovery from COVID-19.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• We analysed the Group's internal reporting to assess the Group's monitoring and management of activities, and the consistency of the allocation of goodwill to CGUs.</li> <li>• We assessed the Group's allocation methodology of corporate costs and assets to CGUs to our understanding of the business and the criteria in the accounting standards.</li> <li>• 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 obtained from our testing and accounting standard requirements.</li> </ul> |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## 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.

# Independent Auditor's Report (continued)



## 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 2022, 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 21 to 33 of the Directors' report for the year ended 30 June 2022.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Cameron Slapp  
Partner  
Sydney  
23 August 2022



## Shareholder Information

The information below was prepared as at 2 August 2022.

### 20 largest shareholders

|              | Holder                                    | Number of shares held | % issued capital |
|--------------|-------------------------------------------|-----------------------|------------------|
| 1            | Citicorp Nominees Pty Limited             | 30,874,975            | 25.64            |
| 2            | HSBC Custody Nominees (Australia) Limited | 12,125,998            | 10.07            |
| 3            | ComfortDelgro Corporation Limited         | 8,980,676             | 7.46             |
| 4            | BNP Paribas Noms Pty Ltd                  | 5,080,742             | 4.22             |
| 5            | One Managed Invst Funds Ltd               | 4,914,135             | 4.08             |
| 6            | J P Morgan Nominees Australia Pty Limited | 4,724,661             | 3.92             |
| 7            | BNP Paribas Noms Pty Ltd                  | 4,717,642             | 3.92             |
| 8            | Prudential Nominees Pty Ltd               | 4,000,000             | 3.32             |
| 9            | One Fund Services Ltd                     | 3,197,429             | 2.65             |
| 10           | National Nominees Limited                 | 2,897,909             | 2.41             |
| 11           | Swan Taxis Pty Ltd                        | 2,631,004             | 2.18             |
| 12           | National Exchange Pty Ltd                 | 2,000,000             | 1.66             |
| 12           | Portman Trading Pty Ltd                   | 2,000,000             | 1.66             |
| 13           | Bond Street Custodians Limited            | 669,112               | 0.56             |
| 14           | Akat Investments Pty Limited              | 650,000               | 0.54             |
| 15           | Neweconomy Com Au Nominees Pty Limited    | 566,507               | 0.47             |
| 16           | Warbont Nominees Pty Ltd                  | 564,219               | 0.47             |
| 17           | Ms Faby Chong                             | 525,487               | 0.44             |
| 18           | Baradnil Pty Limited                      | 500,000               | 0.42             |
| 19           | Sandhurst Trustees Ltd                    | 482,000               | 0.40             |
| 20           | Reyob Pty Ltd                             | 465,617               | 0.39             |
| <b>Total</b> |                                           | <b>92,568,113</b>     | <b>76.86</b>     |

### Substantial shareholders

| Holder                            | Number of shares held | % issued capital |
|-----------------------------------|-----------------------|------------------|
| Spheria Asset Management          | 23,184,864            | 19.12            |
| Investors Mutual                  | 15,496,109            | 12.78            |
| Sandon Capital                    | 12,861,564            | 10.61            |
| Comfortdelgro Corporation Limited | 11,611,680            | 9.58             |
| Edgbaston Investment Partners     | 6,347,465             | 5.24             |

Information included in the substantial shareholders table is sourced from substantial shareholder notices of the register that the Company' maintains in accordance with section 672DA of the Corporations Act 2001, in each case as at 2 August 2022.

## Spread of shareholders

| Size of holding | Number of holders | Number of shares held | % of issued capital |
|-----------------|-------------------|-----------------------|---------------------|
| 1 to 1000       | 1,463             | 773,971               | 0.64                |
| 1001 to 5000    | 1,406             | 3,717,034             | 3.07                |
| 5001 to 10000   | 452               | 3,150,293             | 2.60                |
| 10001 to 100000 | 506               | 14,202,628            | 11.72               |
| 100001 and Over | 55                | 99,386,757            | 81.98               |
| <b>Total</b>    | <b>3,882</b>      | <b>121,230,683</b>    | <b>100</b>          |

The number of security investors holding less than a marketable parcel of 417 securities (\$1.200 on 02/08/2022) is 635 and they hold 99163 securities.

## 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 2022 Annual General Meeting of the shareholders of A2B Australia Limited will be held at 11am on Thursday 17 November 2022 in The Gold Melting Room, The Mint, 10 Macquarie Street, Sydney.

Full details provided in the Notice of Meeting.

## Registered Office

### **A2B Australia Limited**

ABN 99 001 958 390

9-13 O’Riordan Street

Alexandria NSW 2015

T: +61 2 9332 9222

[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)





A2B Australia Limited  
ABN 99 001 958 390