

ASX: A2B

3 November 2022

A2B CEO appointment and trading update

Daniela Fontana appointed CEO & Managing Director

A2B Australia Limited (ASX: A2B) is pleased to announce the appointment of Daniela Fontana as Chief Executive Officer & Managing Director, effective 1 March 2023.

Ms Fontana is currently the Chief Executive Officer of the State Transit Authority, a NSW Government enterprise managing a fleet of over 1,400 buses carrying over 600,000 passengers daily throughout the State. Managing a team of 3,400 people, Ms Fontana has successfully overseen improvements in efficiency, financial performance, and the transformation of the organisation into a franchising model. Ms Fontana joined the State Transit Authority in July 2018 in the role of Executive Director, Customer Operations.

Prior to joining the NSW Government, Ms Fontana spent six years with Qantas as Cabin Crew Base Manager, managing all aspects of 1,200 cabin crew prior to becoming Airport Customer Experience Manager with responsibility for all aspects of Airport customer service.

Ms Fontana has a Bachelor of Commerce in management and marketing from Western Sydney University, a Diploma in Business from the Metropolitan Business College, and is a Graduate Member of the Australian Institute of Company Directors.

Commenting on Ms Fontana's appointment, Executive Chairman Mark Bayliss said: "While the Board decided to postpone the search process for a new CEO back in August, the market for senior talent is tight, and we reignited our search when we knew a terrific candidate in Daniela was interested. We are pleased to announce the appointment of a new CEO earlier than planned, and the Board sees this as a positive step for the long-term success of A2B."

"We are delighted to have an executive of Daniela's experience, credentials and track record to lead A2B through its next phase of growth. She brings highly relevant experience in the consumer-focused transport sector, great leadership skills, strong financial management, and an ability to transform organisations and to relate business and growth to the requirements of a regulated industry," added Mr Bayliss.

Mr Bayliss will remain in the role of Executive Chairman until 30 June 2023 to support the transition and handover of executive responsibilities to Ms Fontana, after which he will resume the role of Non-executive Chairman as previously foreshadowed to the market.

Ms Fontana's appointment follows a recruitment process overseen by an external, independent search firm.

The key terms of Ms Fontana's appointment agreement are outlined in the attached Appendix.

Update on the property sale process

As previously announced on 14 July 2022, A2B undertook an independent review of its property portfolio, advised by MA Moelis Australia and Jones Lange Lasalle. A2B subsequently appointed Colliers to run separate marketing campaigns for 9-13 O'Riordan Street and 9-13 Bourke Road, Alexandria.

A2B has provided an exclusive due diligence period on 9-13 Bourke Road based on receiving a proposal on acceptable terms to A2B. Subject to satisfactory completion of due diligence, A2B would expect to enter into binding transaction documentation prior to 31 December 2022.

In relation to 9-13 O'Riordan Street, A2B regards this as an attractive, strategic asset. Due to current property market conditions, terms proposed for this site did not reflect its intrinsic value. Accordingly, the sales process for this site has been stopped, and the process may be revisited when market conditions improve.

As a result, A2B does not expect to be in a position to pay a special dividend from the proceeds of the property sales. The net proceeds from 9-13 Bourke Road will be considered as part of determining an appropriate final dividend for FY23.

A2B performing as planned YTD and reaffirms guidance

A2B's key revenue drivers – fleet and fares – are performing well and trending in line with internal expectations:

- Total fleet of 7,303 cars at 31 October 2022 was up 472 cars or 6.9% since 30 June 2022 with growth across all brands and States, and an improved fleet mix with growth coming through the 13cabs and Silver Service brands
- Total fares processed for the 4 months ending 31 October 2022 of \$293.1 million (unaudited) were up \$144.5 million or 98.4% to the prior corresponding period, with all channels ahead of internal expectations. In October 2022, total fares processed reached 89% of pre-COVID (October 2019) levels.

Besides an increase in demand for taxi trips, recent fare rises in Victoria, Queensland and WA further supported growth in fares processed in these States. This is welcome news as Taxi fares have remained static for a significant time.

The recent operational improvements implemented by the management team are demonstrating that A2B's strategy is gaining traction and delivering results. The Company's performance is continuing to return to pre-pandemic levels, and regulatory equalisation with rideshare will accelerate this turnaround. A2B's Board is confident that the Company will return to growth, with a positive EBITDA and a solid EBITDA margin expected in FY23.

A2B reaffirms its guidance for FY23 issued in August 2022.

- ENDS -

Authorised for lodgement by the Board of A2B Australia Limited.

For further information please contact:

Investors

Ronn Bechler
Automic Markets
P: +61-400 009 774
E: ronn.bechler@automicgroup.com.au

Media

Tristan Everett
Automic Markets
P: +61 403 789 096
E: tristan.everett@automicgroup.com.au

About us

Operating since 1976, over the past 40+ years A2B has grown to become the market leader in personal transportation services and solutions.

For further information, please visit: <https://www.a2baustralia.com/>.

Appendix: Key terms of appointment for Daniela Fontana

Role	<ul style="list-style-type: none"> CEO and Managing Director.
Commencement date	<ul style="list-style-type: none"> 1 March 2023, unless otherwise agreed in writing.
Term	<ul style="list-style-type: none"> No fixed term. Ongoing until terminated by either party in accordance with the terms of appointment.
Fixed Annual Remuneration	<ul style="list-style-type: none"> \$575,000 each year (inclusive of superannuation). Reviewed annually. For FY23, this will be pro-rated from the commencement date.
Short term incentives (STI)	<ul style="list-style-type: none"> 30% of Fixed Annual Remuneration. Payment of any STI will be subject to achievement of key performance indicators (which may be based on individual performance, company performance or other objectives), as determined by the Board in its absolute discretion. Whether or not the CEO receives an STI in a particular year will be at the absolute discretion of the Board. For FY23, the STI will be pro-rated from the commencement date and be subject to an EBITDA gateway and achievement of financial targets and personal performance targets.
Long term incentives (LTI)	<ul style="list-style-type: none"> 70% of Fixed Annual Remuneration. Payment of any LTI will be subject to achievement of key performance indicators (which may be based on individual performance, company performance or other objectives), as determined by the Board in its absolute discretion. Whether or not the CEO receives an LTI in a particular year will be at the absolute discretion of the Board. For FY23, the LTI will be pro-rated from the commencement date and be subject to share price vesting conditions consistent with the terms of the Executive Chairman's LTI (detailed in A2B's Notice of Extraordinary General Meeting released to ASX on 29 March 2022 and approved by A2B shareholders on 28 April 2022). Assuming a commencement date of 1 March 2023, the LTI for FY23 will be tested over an approximate 3 year vesting period from the commencement date to 30 June 2026.
Termination	<ul style="list-style-type: none"> Ms Fontana or A2B may terminate her appointment agreement by providing 12 months' written notice. Ms Fontana's appointment agreement will be subject to a 3 month probation period, during which either party may terminate with 3 months' written notice. Ms Fontana may be required to serve out the whole or part of the notice period, or be paid in lieu of all or part of the notice period at the Board's discretion.
Leave	<ul style="list-style-type: none"> Eligible for statutory leave entitlements including annual and long service leave.
Restraint	<ul style="list-style-type: none"> A cascading 12 month non-compete and cascading 12 month non-solicitation restraint provision applies at their maximum extent throughout Australia.