

ASX Announcement: P2P

31 July 2018

QUARTERLY ACTIVITIES REPORT & APPENDIX 4C CASHFLOW STATEMENT.

P2P Transport Limited (ASX: P2P) (P2P), one of Australia's largest vertically integrated passenger transport fleet managers, submits the following Activities Report and Appendix 4C Cash Flow Statement for the third quarter ended 30 June 2018.

HIGHLIGHTS

Financial performance of the business

- Q4 fleet size at 1,134 vehicles delivering 105% of the FY18 full year forecast number of vehicles
- Run rate EBITDA (on a normalised pro forma basis) has increased to \$12,423 per vehicle per annum despite a softer than expected May and June period
- Revenue increase of 253% on same quarter last year highlighting the significant and rapid growth of the business
- Strong balance sheet with \$21.7 million in net assets and \$3.1 million in cash and cash equivalents following another significant growth period as well as increased expenditure on acquisitions and initiatives

Progressing the strategic roadmap

- Black & White Cabs acquisition agreed making P2P Transport the largest vertically integrated network and fleet operator in Australia. Currently nearing the end of the due diligence process with expected settlement in Q1 FY19
- Commercial discussions with strategic partner on Adflow Digital taxi tops for funding, telecommunications and strategic relationship advancing ahead of expectations. Remain on track to launch initiative to the market in FY19.
- Continued strength of acquisition pipeline for vehicles indicates continued growth through acquisitions across all markets.
- Opportunities for future business acquisition remains strong and P2P is well placed to execute on these as appropriate.

Cash position and balance sheet

Q4 FY19 has seen continued strong acquisitions in vehicles but has also been supplemented with the acquisition of Black & White Cabs as well as significant reinvestment for Adflow Digital taxi tops. This has created the platform for FY19 and accelerated several initiatives. P2P has continued to maintain strong balance sheet position and cash position with total net asset of \$21.7 million and \$3.1 million in cash reserves as at 30 June 2018. At this stage the business has adequate cash and debt facilities to execute on the current strategic plan of the business.

Z E V R A



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The Q4 FY18 Quarterly Activities Report reflects a period of reinvestment as the business leveraged opportunities both with the acquisition of Black & White Cabs and the acceleration of Adflow Digital taxi tops. Vehicle growth at the same time remained strong with significant growth in both Sydney and Brisbane particularly towards the back of the quarter. P2P has achieved strategic scale in all markets it operates in which has placed the business in a strong position to leverage future growth and strategic initiatives.

P2P Transports Managing Director, Tom Varga said "Since listing 6 months ago the business has gained a lot of experience while also growing more rapidly than initially expected. Bringing together P2P and Black & White Cabs has required a significant amount of effort during the last 6 months coupled with the launch of Adflow Digital. The faster than expected growth in the Sydney and Brisbane markets has now seen the business reach a position faster than initially anticipated. But it has all been worthwhile and capturing the opportunities when they presented has positioned the business stronger than ever for FY19."

"It is a very exciting time for the business as we now turn our attention to integration of Black & White Cabs, the successful launch of Adflow and continuing to build on the improvements made in the EBITDA run rate of the fleet operations. This now sits at \$12,423 on a underlying pro forma basis and already July is delivering further improvements following a number of initiatives."

- END -

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ABOUT P2P:

P2P Transport Limited is an integrated fleet management business focussed on the provision of vehicles on a rental basis to independent professional drivers operating in the point-to-point passenger transport industry.

The key growth strategies for P2P continue to be focused on fleet growth through the acquisition of vehicles and businesses in the fragmented passenger fleet industry while also looking to capitalise on the early launch of the Adflow Digital taxi tops.

For further information please contact:

Tom Varga

Managing Director

P2P Transport Limited

Phone 02 9558 2220

IMPORTANT NOTICE

This announcement may contain forward-looking statements, which include all matters that are not historical facts. Without limitation, indications of, and guidance on, future earnings and financial position and performance are examples of forward-looking statements.

Forward-looking statements include projects or guidance on future earnings and estimates, are provided as a general guide only and should not be relied upon as an indicator or guarantee of future performance. No representation warranty or assurance (expressed or implied) is given or made in relation to any forward-looking statement by any person. In particular, no representation warranty or assurance (expressed or implied) is given that the occurrence of the event expressed or implied in any forward-looking statements in this announcement will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based.

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

P2P Transport Limited

ABN

77 617 760 899

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12- months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	\$12,139	\$34,316
1.2 Payments for		
(a) research and development	(\$420)	(\$760)
(b) product manufacturing and operating costs	(\$10,130)	(\$26,557)
(c) advertising and marketing	(\$126)	(\$364)
(d) leased assets	(\$509)	(\$534)
(e) staff costs	(\$1,749)	(\$4,841)
(f) administration and corporate costs	(\$436)	(\$3,179)
1.3 Dividends received (see note 3)		
1.4 Interest received	\$1	\$1
1.5 Interest and other costs of finance paid	(\$148)	(\$211)
1.6 Income taxes paid	(\$33)	(\$98)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(\$1,411)	\$(2,228)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(\$711)	(\$10,974)
(b) businesses (see item 10)		(\$9,638)
(c) investments	(\$727)	(\$830)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12- months) \$A'000
	(d) intellectual property		(\$16)
	(e) other non-current assets		(\$37)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		\$11
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(\$1,438)	(\$21,483)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		\$20,000
3.2	Proceeds from issue of convertible notes		\$9,175
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		(\$4,215)
3.5	Proceeds from borrowings	2,912	\$4,032
3.6	Repayment of borrowings	(\$981)	(\$2,195)
3.7	Transaction costs related to loans and borrowings	(\$1)	(\$6)
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	\$1,930	\$26,792

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	\$4,062	\$62
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(\$1,411)	(\$2,228)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(\$1,438)	(\$21,483)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	\$1,930	\$26,792

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12- months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of quarter	\$3,143	\$3,143

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	\$3,143	\$4,062
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	\$3,143	\$4,062

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
\$160

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7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
\$160

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(250)
9.2 Product manufacturing and operating costs	(\$11,853)
9.3 Advertising and marketing	(\$150)
9.4 Leased assets	(\$452)
9.5 Staff costs	(\$1,802)
9.6 Administration and corporate costs	(\$550)
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	(\$15,057)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: _____

(Director/Company secretary)

Date: _____

31/7/18

Print name: _____

THOMAS J VARCA

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.