

ASX Announcement: P2P

1 August 2018

P2P TRANSPORT ENTERS MOBILE DIGITAL OUT OF HOME MARKET

- P2P Transport today confirms the completion of a transformative strategic partnership and an acquisition that reposition the business as a digital leader in the fast growing digital out-of-home market.
- The initiative and acquisition are:
 - A strategic partnership with a major telco for both funding, telecommunications and implementation of 900 **Adflow Digital taxi top** units
 - **Acquisition of Fare Media**, a leading digital and static passenger transport advertising company as part of the expansion of the Adflow taxi advertising business.
- Combined, the initiatives and acquisitions will deliver \$2.84 million in additional EBITDA in FY2019, which on full year basis, equates to approximately \$5.44 million
- Marks the culmination of a significantly accelerated strategic roadmap for the business since listing.

OVERVIEW

P2P Transport Limited (ASX: P2P), one of Australia's largest vertically integrated passenger transport fleet managers, announces the completion of a strategic initiative that includes an acquisition and a new partnership.

Will deliver an incremental EBITDA of \$2.84 million in FY19, which on full year basis equates to approximately \$5.44 million. This is the culmination of a significant amount of investment and resources that has resulted in a strategic reset of the business that listed on the ASX 6 months ago.

The initiative completes the evolution of P2P which now adds an organic revenue stream in the highly profitable and rapidly growing digital out-of-home advertising market.

Adflow Digital and a major telco partnership

P2P Transport and one of Australia's leading telecommunication providers today announce a partnership to deliver one of the world's leading digital taxi top advertising solutions to the Australian market. This unique partnership will put mobile digital taxi top advertising in Australia at the forefront of the Out-Of-Home (OOH) advertising market, which is expected to be worth more than \$1 billion in 2018 with digital out-of-home (DOOH) accounting for 55 to 60 per cent of the market.

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Melbourne

Huntingdale (Head Office)

1313 to 1315 North Road

Huntingdale, VIC, 3166

(03) 9543 8700

Tullamarine

Australian Wide Chauffeur Cars

10b Flight Drive

Tullamarine, VIC, 3043

1300 731 742

Sydney

Tempe

667-669 Princes Highway,

Tempe, NSW, 2044

(02) 9558 2220

Brisbane

Albion

27 Nariel Street

Albion Qld 4010

(07) 3262 1377

ABC Bodyworks

9/17 Bimbil St,

Albion QLD 4010

(07) 3262 2557

Coopers Plains

45 - 49 Rosedale Street,

Coopers Plains Qld 4108

(07) 3255 5900

Gold Coast

14 Commercial Drive

Ashmore, QLD, 4214

(07) 5561 1500

Toowoomba

84 Drayton Road

Toowoomba Qld 4350

(07) 4635 7250

Interest in the mobile digital advertising platform has been strong with Fare Media, a Queensland based taxi advertising business, providing a direct sales and marketing channel for Adflow.

As identified during the IPO process a Request for Price (RFP) will be open to all DOOH operators over the coming weeks and will run in parallel with the direct marketing strategy to major brands and advertisers.

Adflow Digital is expected to be operational in Q2 FY19 with a forecast EBITDA of \$2.25 million, or an annualised EBITDA of \$4.5 million.

P2P Managing Director Tom Varga said: "This is a unique opportunity that can only be deployed due to the scale of the fleet that P2P Transport has built since IPO. It continues the organic growth strategy of the business and will deliver a unique advertising solution to the Australian digital out-of-home market. With each taxi travelling on average of 100,000 km per annum and having the ability to customise messaging based on location, time, temperature and almost any other parameters Adflow Digital delivers advertisers with unprecedented targeting and messaging control."

"The partnership with one of Australia's largest telco's will see the expected fleet of 900 units fully funded and will include all telecommunications, service and support for the fleet."

"The development of the Adflow Digital solution has been a 3 year journey that has explored a number of solutions and potential platforms. Using a custom sized LCD screen the Adflow Digital solution maintains brightness and clarity under all conditions. The size, external shroud and the functionality has been specifically developed for the passenger transport industry. Advertisers can be confident that their brand and messaging will be delivered on a quality platform reliably and cost effectively."

The Adflow Digital solution has been developed with the support of CV Media & Signage over the past 2 years. Australian based CV has engaged a wide range of experts that has seen the fibreglass custom designed shroud, electrical design and specification and all assembly all based here in Australia delivering an Australian made solution to the Australian advertising market.

Fare Media Acquisition

P2P Transport have acquired the business in a cash and scrip deal for an undisclosed sum in an unconditional deal that is expected to settle shortly. Fare Media is a Queensland based taxi advertising business that has been operating for the past 3 years and has built a solid base of both state based and national advertising contracts. Initially focused on the launch of an innovative platform of in-vehicle digital screens, that business has rapidly grown to include both static vehicle backs and vehicle wraps.

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With over 2,650 vehicles in the P2P fleet, acquiring the capabilities to market directly to brands and advertisers significantly increases both the access to vehicles as well as the capabilities of Fare Media in the market. Agencies and advertisers can now engage with a single company for all their needs across that taxi industry.

Managing Director of P2P Tom Varga said: "This is a great example where the scale and reach of P2P immediately delivers benefits to the industry. Fare Media's customers, existing and new, will now be able to access taxis in all markets, on any platform and will be able to pick between wraps, static backs, digital in vehicle screens and soon via Adflow Digital taxi top advertising. There is no other provider in the market that can deliver this level of service and experience."

Luke O'Connor, the managing director of fare media, commented " The acquisition of fare media's in-car digital display network and external advertising assets will provide Adflow with immediate access to our innovative platforms and customers. Our team is very excited to help guide the rollout of Digital Rooftop Signage nationally as well as expand our static taxi signage network."

Fare Media is forecast to deliver an EBITDA of between \$0.59 and \$0.94 million, or an annualised EBITDA of between \$0.64 and \$1.02 million.

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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. Operating sites in Brisbane, Toowoomba, Gold Coast, Sydney and Melbourne P2P delivers superior service to drivers through vertically integrated operations that provide vehicle maintenance, accident repairs, rostering, payments, insurance and driver support all from one convenient location. With 1,100 vehicles in the fleet with over 93% being environmentally friendly hybrid vehicles, P2P is leading the industry in service, vehicle quality and lowering the environmental impact of passenger transport.

The primary growth strategy for P2P continues to be focused on fleet growth through the acquisition of vehicles and businesses in the fragmented passenger fleet industry. Several organic growth opportunities exist that focus on capitalising on the scale of the fleet deployment. Current initiatives include Adflow Digital, a digital taxi top advertising platform that can be controlled over the air and advertising targeted using location, temperature, time, lighting conditions and many other variables.

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For further information please contact:

Tom Varga

Managing Director

P2P Transport Limited

Phone 02 9558 2220

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