APPENDIX 4D
Half-year Financial Report
Half-year ended 31 December 2018

Name of Entity: P2P Transport Limited ACN 617 760 899

Current Period:	Half-year ended 31 December 2018
Previous Corresponding Period:	Half-year ended 31 December 2017

	31 Dec 2018	31 Dec 2017	Change +/(-)
	$'000	$'000	%
Revenues from ordinary activities	32,770	13,244	147.4
Loss from ordinary activities after tax	(2,600)	(25,934)	(89.9)
Net loss for the period attributable to members	(2,600)	(25,934)	(89.9)
Pro forma earnings before interest, tax, depreciation and amortisation (EBITDA) (1)	2,675	2,691	(0.6)
Dividends (2)	Nil	Nil	
	31 Dec 2018	**30 June 2018**	**Change**
Net tangible assets value per share	$0.09	$0.35	(74.3)

(1) Please refer to the Directors' Report for a reconciliation of statutory to pro forma results.

(2) There were no dividends paid, recommended or declared during the current half-year period.

Results for announcement to the market

This information should be read in conjunction with the Consolidated Financial Report of P2P Transport Limited for the half year ended 31 December 2018, and any public announcements made in the period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and ASX Listing Rules.

Details of subsidiaries, associates and joint venture entities required to be disclosed:

Name of subsidiary	Principal Activity	31-Dec-18	30-Jun-18
Taxi Management Solutions Pty Ltd	Taxi operations	100%	100%
TGT No 1 Pty Ltd	Taxi operations	100%	100%
Cabcare Pty Ltd	Taxi operations	100%	100%
A&S Sidhu Investments Pty Ltd	Taxi operations	100%	100%
Taxi-Link Pty Ltd	Taxi operations	100%	100%
Unicross Nominees Pty Ltd	Taxi operations	100%	100%
D.Lee's Taxi Management Pty Ltd	Taxi operations	100%	100%
Temptrans Pty Ltd	Taxi operations	100%	100%
My Taxi Manager Pty Ltd*	Software development	33%	33%
BWTM Pty Ltd	Taxi operations	100%	100%
Taxis QLD Pty Ltd	Taxi operations	100%	100%
ABC Bodyworks Pty Ltd	Taxi Servicing operations	100%	100%
Black & White Holdings Limited	Holding Entity	100%	-
Black & White Cabs Pty Ltd	Network and Radio operations	100%	-
Black & White Cabs (WA) Pty Ltd	Network and Radio operations	100%	-
Taxicomms Pty Ltd	Taxi Servicing operations	100%	-
Train & Educate Australia Pty Ltd	Drivers Training Centre	100%	-
TIAIB (Western Australia) Pty Ltd	Insurance Promoter	75%	-
13 LCAB Pty Ltd*	Taxi operations	50%	-
Taxi Industry (Australia) Insurance Brokers Pty Ltd*	Insurance Promoter	27%	-

* The share of the Group's results from these equity accounted investments were not material to the Group for the half-year ended 31 December 2018.

Other significant information and commentary on results

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 31 December 2018 Half-Year Financial Report.

For all other information required by Appendix 4D, including a results commentary, please refer to the following documents:

- Directors' Report
- Reviewed Half-Year Financial Report
- Results presentation

P2P Transport Limited

31 December 2018
Half-Year
Financial Report

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Directors' Report

The Directors of P2P Transport Limited ('the Company' or 'P2P') submit herewith the half-year financial report of the Company and its controlled entities ('the Group' or 'P2P Group') for the half-year ended 31 December 2018. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

The names of the directors of the Company during or since the end of the half-year are:

Name	Office
Mr Matthew Reynolds	Non-executive Director and Chairman
Mr Thomas Varga	Managing Director and Chief Executive Officer
Mr Harry Katsiabanis	Executive Director
Mr Chip Beng Yeoh	Non-executive Director
Mr Peter Cook	Non-executive Director
Mr. Greg Webb	Executive Director (appointed 3 August 2018)

REVIEW OF OPERATIONS

On 3 August 2018, P2P acquired 100% of the shares in Black & White Cabs. P2P paid $3.6 million in cash which is subject to customary adjustments, and issued 4.364 million shares as consideration with additional cash payable as contingent consideration (capped at $12 million), dependent on financial year 2019 and 2020 performance.

Management expects the acquisition to:

- Enhance its position in the taxi and limousine industry, creating Australia's largest fully vertically integrated passenger fleet operator with a network fleet of 2,500 vehicles;

- Utilise the booking system which was developed by BWC within the wider P2P group to create more effective and efficient dispatch for jobs across Australia, thus complementing the large vehicle fleet of P2P to be more appropriately utilised;

- Deliver cost savings for the BWC business in the medium term and support the revenue and growth aspirations of the group in FY19 and beyond;

- Allow BWC to achieve economies of scale and enjoy leading dispatch technology and innovative app solutions, which correlates to a faster and more reliable booking process; and

- Strengthen its position in the market to combat the ever-changing taxi industry brought upon the increased use of ride share applications.

On 1 December 2018, P2P acquired the Non-Stop Media business. Total consideration for the acquisition comprises cash of $0.6 million to be made on 11 monthly instalments starting from the acquisition date and additional cash payable as contingent consideration (capped at $0.6 million), dependent on 11 months financial performance following the acquisition date.

The acquisition of Non-Stop Media supports P2P in creating a national taxi back static advertising platform across its own and third-party fleet of taxis.

The above transactions together with continuing investment in plant and equipment have been funded by using available cash reserves and increased borrowings. The directors are confident that these investments will drive increased fleet revenue, network revenue and advertising revenue and in turn a significant increase in profitability.

Until the increase in revenue and profitability is secured the Group will carefully manage cash resources. This half-year report includes in Note 1 to the accounts a comment on Going Concern that sets out the Group's position on future profitability and managing cash and finance facilities.

There were no other significant changes in the state of affairs of the Group during the current half-year.

Directors' Report (cont'd)

Operational highlights and outlook for FY19:

During FY19 first half, management continued to focus on integrating the Network Services, Fleet Services and Adflow businesses.

Fleet Services
Utilisation in Fleet Services continued to improve during the quarter to 80.7% overall. Sydney, which represents the largest market, delivered 88.6% utilisation setting a record for the business.

Since mid-December, (an important trading period for the Fleet Services business), there has been heightened competition in some markets, which directly impacted utilisation and therefore revenues. While the shift in the competitive landscape had an impact on fleet utilisation and revenue at the end of the half-year, P2P has launched a number of strategic initiatives to restore utilisation including:

- Driver rewards program aimed at continued loyalty through incentives and rewards;
- Increased jobs through marketing delivering higher revenue per vehicles; and
- Continued reinvestment in fleet quality to maximise revenue per vehicle.

Network Services
Network Services via the Black & White Cabs brand has increased, now with approximately 1,900 vehicles in the fleet as primary or secondary dispatch, up from circa 1,400 since acquisition in August 2018. As a result of lower network fees, there have been savings achieved in Fleet Services as well as additional margin through Network Services.

Using the latest technology via tablet dispatch, Black & White Cabs launched a new booking App that enables bookings from most capital cities and delivers the foundation for future innovation. Additionally, all Fleet Service sites are converting to the TaxiCamHD, an exclusive camera safety system that meets the new regulatory framework for taxi camera requirements.

As a result of recent changes in the market and to leverage the new Black & White Cabs App, the business is focused on growing the Black & White fleet through:

- Accelerating conversion of existing Fleet Service vehicles to Black & White Cabs dispatch;
- Targeting corporate accounts and launching the new passenger booking App;
- Responding aggressively to the anti-competitive behavior in the market.

Adflow
The Adflow division is now one of Australia's leading mobile static and digital advertising providers and a leader in the taxi market, following the acquisition of Non-Stop Media in December 2018. All digital advertising units have now been delivered. A total of 100 units are now operational and it is expected that the remainder will be completed by March 2019.

The acquisition of Non-Stop Media has resulted in significant benefit to Adflow with increased access to vehicles and additional sales resources.

The Company's focus remains on expanding the number of assets (vehicles) to advertise on, via three key initiatives:

- Completing the installation of the Adflow Digital Taxi Tops;
- Expanding the number of assets for static advertising solutions;
- Securing regional assets to meet the growing demand for national brands.

Directors' Report (cont'd)

Group financial performance for the half-year ended 31 December 2018

	Statutory Actual Half-year 31 December 2018	Pro Forma Half-year 31 December 2018
Total Revenue ($'000)	32,770	36,340
EBITDA ($'000)	880	2,550
EBITDA Margin	2.6%	7.0%
Net Loss After Tax ($'000)	(2,600)	(1,000)

*Pro forma figures represent non-IFRS financial information that has not been subject to audit or review. Refer to the table below for a reconciliation of pro forma amounts to IFRS amounts.

The directors believe that the pro forma reconciliation below provides a useful measure to shareholders to understand the underlying performance of the Group.

Pro forma - Statutory profit and loss reconciliation

	Half-year 31 December 2018 $'000
Statutory NPAT– P2P Group – Loss	**(2,600)**
Finance cost	525
Depreciation & amortisation & impairment	2,955
Tax expense	-
Statutory EBITDA – P2P Group – Profit	**880**
Transaction costs	410
Revenue associated with acquired businesses	3,625
Costs associated with acquired businesses	(2,840)
Costs saving achieved	600
Pro forma EBITDA – P2P Group – Profit*	**2,675**
Finance cost	(525)
Depreciation & amortisation & impairment	(3,025)
Tax expense	-
Pro forma NPAT– P2P Group – Loss**	**(875)**

***Pro forma EBITDA – P2P Group – profit** represents statutory EBITDA adjusted for the acquisition of several entities annualized revenue and costs and impact of annualized cost savings achieved during the current period.

****Pro forma NPAT – P2P Group – loss** the pro forma financial information has been derived from the financial report to illustrate the net results of P2P Group adjusted for the acquisition of several entities annualized revenue and costs and impact of annualized cost savings achieved during the current period.

Directors' Report (cont'd)

Revenue

The Group revenue increased by 147.4% of $19.5 million from $13.2 million in FY 17 to $32.8 million in the current period. This increase is largely due to the following factors:

- Fleet revenue increased by $11.2 million as a result of an increase in fleet size of approximately 834 vehicles. This was driven by major acquisitions in Brisbane and Gold Coast made in October 2017;
- Network and radio revenue of $7.1 million as a result of major acquisition made during the current period in Brisbane and Perth (note 7); and
- Advertising income of $0.6 million as a result of acquisition of Non-Stop Media during the current period (note 7).

Total expenses

The Group total expenses (inclusive of cost of sales, employee benefits expense and other operating expenses) increased from $12.9 million in FY17 to $31.8 in the current period. This increase is largely due to increase in costs associated with the increase in fleet size as a result of major acquisitions in Brisbane and Gold Coast made in October 2017 and current period acquisitions of BWC and Non-Stop Media.

EBITDA

The Group recorded EBITDA of $0.9 million in FY18 compared to $10.8 million loss in FY17. EBITDA for the previous period had largely impacted by one off IPO expenses of $11.1 million.

Finance costs and bank borrowings

Net interest charges decreased from $14.1 million in FY17 to $0.5 million in FY18. This reduction is largely due to finance costs associated with one off capital raising at IPO of $14.1 million incurred in previous period. At 31 December 2018, the Group held total bank facilities of $10 million and had $7.7 million drawn as at 31 December 2018 with $1.5 million cash at banks.

Net assets

The net assets of the Group have increased by $1.2 million, from $18.3 million at 30 June 2018 to $19.5 million at 31 December 2018. This increase is largely due to the following factors:

- Shares issued as consideration for business combinations of $3.9 million (note 7); and
- Net loss for the period of $ 2.6 million.

DIVIDENDS

No dividend was paid or declared in respect of the half-year ended 31 December 2018 or financial year ended 30 June 2018.

Directors' Report (cont'd)

SUBSEQUENT EVENTS

On 22 February 2019, the Group announced that it had entered into a US Dollar denominated convertible loan note arrangement under which it will receive cash of AUD 3,000,000. The arrangement has a term of 15 months, during which the investor has the right to convert amounts into ordinary share capital of the Company based on a fixed conversion price. On maturity, any amounts not already redeemed will become payable in cash.

On 22 February 2019, the Group announced that it had agreed to acquire the business and assets of Combined Taxi Management of Perth (CTM) in the Perth market. Assets of CTM to be acquired, mainly include 62 vehicles, stock and work shop and panel shop facilities. The purchase price will be paid predominantly by the issue of approximately 1,300,000 P2P shares, subject to adjustments prior to completion.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2018 has been received and is reproduced immediately following the Directors' Report.

ROUNDING OF AMOUNTS

The Parent is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and consequently the amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the directors made pursuant to s.306(3) of the *Corporations Act 2001*.

Matthew Reynolds	Chip Beng Yeoh
Director	Director
Date 27 February 2019	Date 27 February 2019

Deloitte.

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27 February 2019

The Board of Directors
P2P Transport Limited
1313-1315 NORTH ROAD
HUNTINGDALE, VIC 3166

Dear Board Members

Auditor's Independence Declaration to P2P Transport Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of P2P Transport Limited.

As lead audit partner for the review of the half-year financial report of P2P Transport Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Gerard Belleville

Gerard Belleville
Partner
Chartered Accountants

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2018

	Note	Half-Year Ended 31 December 2018 $000's	Half-Year Ended 31 December 2017 $000's
Revenue	3	32,770	13,244
Cost of sales		(19,499)	(9,094)
Gross profit		13,271	4,150
Employee benefits expense		(7,730)	(2,296)
Other operating expenses		(4,661)	(1,598)
Initial public offer expenses		-	(11,090)
Finance costs		(525)	(14,083)
Depreciation and amortisation		(2,955)	(1,353)
Loss before income tax		(2,600)	(26,270)
Income tax benefit		-	336
Loss for the period attributable to members of the parent		(2,600)	(25,934)
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss:			
Other comprehensive income		-	-
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive loss for the period attributable to members of the parent		(2,600)	(25,934)
Loss per share	4		
Basic loss per share (cents per share)		(3.16)	(66.03)
Diluted loss per share (cents per share)		(3.16)	(66.03)

The accompanying notes form part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Financial Position

As at 31 December 2018

	Note	31 December 2018 $000's	30 June 2018 $000's
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,505	3,618
Trade and other receivables		6,740	3,764
Inventories		1,105	491
Other current assets		3,300	3,032
TOTAL CURRENT ASSETS		12,650	10,905
NON-CURRENT ASSETS			
Plant and equipment	**5**	20,635	14,581
Intangible assets and goodwill	**6**	12,330	4,486
Investments in associates		100	100
Deferred tax assets		1,605	1,207
TOTAL NON-CURRENT ASSETS		34,670	20,374
TOTAL ASSETS		47,320	31,279
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	**5**	11,230	4,248
Borrowings		5,050	3,078
Current tax liabilities		-	185
Provisions		1,671	973
TOTAL CURRENT LIABILITIES		17,951	8,484
NON-CURRENT LIABILITIES			
Borrowings		5,426	3,666
Trade and other payables	**5**	2,520	-
Provisions		260	145
Deferred tax liabilities		1,718	699
TOTAL NON-CURRENT LIABILITIES		9,924	4,510
TOTAL LIABILITIES		27,875	12,994
NET ASSETS		19,445	18,285
EQUITY			
Issued capital	**8**	58,060	54,086
Asset revaluation reserve		790	790
Other reserves		920	726
Accumulated losses		(40,325)	(37,317)
TOTAL EQUITY		19,445	18,285

The accompanying notes form part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2018

	Note	Issued Capital $000's	Asset Revaluation Reserve $000's	Other Reserves $000's	Accumulated Profits/ (Losses) $000's	Total $000's
Balance at 1 July 2017		**5,624**	**790**	**-**	**55**	**6,469**
Loss for the period		-	-	-	(25,934)	(25,934)
Other comprehensive income		-	-	-	-	-
Total comprehensive loss for the period		-	-	-	(25,934)	(25,934)
Shares issued: initial public offer		20,000	-	-	-	20,000
Shares issued on conversion of convertible notes		19,796	-	-	-	19,796
Shares issued in exchange for services received		10,160	-	-	-	10,160
Share options and rights granted		-	-	168	-	168
Shares issued as consideration for business combinations		750	-	-	-	750
Share issue transaction costs, net of tax		(1,996)	-	-	-	(1,996)
Balance at 31 December 2017		54,334	790	168	(25,879)	29,413
Balance at 1 July 2018		**54,086**	**790**	**726**	**(37,317)**	**18,285**
Adjustments, net of tax (note 1.1)		-	-	-	(408)	(408)
Balance at 1 July 2018		54,086	790	726	(37,725)	17,877
Loss for the period		-	-	-	(2,600)	(2,600)
Other comprehensive income		-	-	-	-	-
Total comprehensive loss for the period		-	-	-	(2,600)	(2,600)
Shares issued as consideration for business combinations	**7**	3,974	-	-	-	3,974
Share options and rights granted		-	-	94	-	94
Equity instruments to be issued as consideration for assets purchase		-	-	100	-	100
Balance at 31 December 2018		58,060	790	920	(40,325)	19,445

The accompanying notes form part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2018

	Note	Half-Year Ended 31 December 2018 $000's	 31 December 2017 $000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		35,181	14,320
Payment to suppliers and employees		(35,643)	(15,269)
Interest and costs of finance paid		(525)	(139)
Income tax payment		(199)	-
Net cash used in operating activities		(1,186)	(1,088)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net consideration paid in cash for business acquisitions	7	(3,163)	(4,742)
Payments for plant and equipment		(1,474)	(3,760)
Payment for intangible assets		(24)	-
Net cash used in investing activities		(4,661)	(8,502)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		5,585	2,353
Repayment of borrowings		(1,851)	(1,530)
Proceeds from issue of new shares		-	20,000
Transaction costs relating to issue of new shares		-	(1,966)
Proceeds from the issue of convertible notes		-	9,840
Repayment of convertible notes		-	(4,000)
Net cash flow from/(used in) financing activities		3,734	24,697
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,113)	15,107
Cash and cash equivalents at beginning of period		3,618	62
CASH AND CASH EQUIVALENTS AT END OF PERIOD		1,505	15,169

The accompanying notes form part of these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements For the half-year end 31 December 2018

1. Statement of Significant Accounting Policies

Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made by P2P Transport Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Basis of Preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Historical cost is based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise stated.

The Company is an entity of the kind referred to in ASIC Corporations Instrument 2016/191, dated 24 March 2016. In accordance with that Corporations Instrument, amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2018 annual financial report for the financial year ended 30 June 2018, except for those accounting policies affected by the adoption of AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments. These accounting policies are consistent with the Australian Accounting Standards and with International Financial Reporting Standards.

Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and realisation of assets and the discharge of liabilities in the ordinary course of business.

For the half-year ended 31 December 2018, the Group incurred a loss of $2,600,000 and experienced net cash outflows from operating activities of $1,186,000. At 31 December 2018, the Group has a cash balance of $1,505,000 and an excess of current liabilities over current assets of $5,301,000.

The Group’s finance facility requires compliance with a number of covenants as set out in its bank facility agreement which are dependent on the Group’s Earnings before Interest Tax Depreciation & Amortisation (EBITDA), levels of debt and associated repayments, total assets and total equity.

Budgets and cash flow forecasts prepared by the Group through to 30 June 2020 indicate that the business will be in compliance with its financial debt covenants at each compliance measurement date.

The Group forecasts a significant increase of EBITDA. The budgets and forecasts are based on the following significant assumptions:

- Revenue and EBITDA growth from expansion of advertising and network service offerings;
- Revenue and EBITDA growth from higher utilisation of the vehicle fleet; and
- EBITDA growth through cost reductions in fleet operations and head office administrative expenses.

The Directors are confident that the Group will be successful in achieving sufficient growth in EBITDA to remain in compliance with all finance facility financial covenants and will generate sufficient cash flow to meet all financial obligations as and when they fall due.

Notes to the Condensed Consolidated Financial Statements For the half-year end 31 December 2018

1. Statement of Significant Accounting Policies (continued)

Going Concern (continued)

Should the Group not generate sufficient EBITDA to meet the covenants within the finance facility agreement, the Group will need to secure one or more of the following;

- Continuation of existing finance facility arrangements,
- Alternate finance facilities,
- Raise additional share capital.

In the event that the Group is unable to achieve the forecast EBITDA growth or secure the above, such events would create a material uncertainty which may cast significant doubt on the ability of the Group to continue as a going concern and therefore it may be unable to realise its assets and extinguish its liabilities in the normal course of business.

The condensed consolidated financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

1.1 Application of new and revised accounting standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current half-year. The following accounting standards are the most relevant to the Group.

1.1.1 AASB 9 *Financial Instruments* and related amending Standards

The Group has applied AASB 9 *Financial Instruments* (as amended) and the related consequential amendments to other Accounting Standards from 1 July 2018.

AASB 9 introduced new requirements for:

- The classification and measurement of financial assets and financial liabilities, and
- Impairment of financial assets, and

Details of these new requirements as well as their impact on the Group's condensed consolidated financial statements are described below.

1.1.1(a) Impact of adoption
(i) Classification and measurement of financial assets and liabilities
The directors of the Company reviewed and assessed the Group's existing financial assets and liabilities as at 1 July 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of AASB 9 has had no impact on the Group's financial assets and liabilities as regards to their classification and measurement.

Notes to the Condensed Consolidated Financial Statements For the half-year end 31 December 2018

1. Statement of Significant Accounting Policies (continued)

1.1.1 AASB 9 *Financial Instruments* and related amending Standards (continued)

(ii) Impairment of financial assets
The Group has Trade and other receivables, and financial assets that are subject to AASB 9's new expected credit loss model.

The Group was required to revise its impairment methodology under AASB 9 for each of these classes of assets. The impact of the change in impairment methodology on the Group's accounting policies has been disclosed in the table below.

Trade receivables and insurance recoveries
Prior to the adoption of AASB 9, in accordance with AASB 139, the Group applied an incurred credit loss model. Upon adoption of AASB 9, the Group has elected to apply the simplified approach to measure expected credit losses, which uses the lifetime expected loss allowance for all trade receivables and insurance recoveries. To measure the expected credit losses, trade receivables and insurance recoveries have been grouped based on shared credit risk characteristics and the days past due.

The Company adopted the transitional relief as permitted by AASB 9 by not restating prior periods. Accordingly, the additional credit loss allowance of $0.580 million as at 1 July 2018 was recognised against retained earnings on that date, net of their related deferred tax impact of $0.172 million, resulting in a net decrease in previously reported retained earnings of $0.408 million as at 1 July 2018. The additional loss allowance was charged against trade and other receivables balance in the condensed consolidated statement of financial position.

The reconciliation between the ending provision for impairment in accordance with AASB 139 and the provision determined in accordance with AASB 9 for the trade receivables and insurance recoveries on 1 July 2018 is as follows:

	Under AASB 137 $000's	Under AASB 9 $000's
Carrying amount as at 1 July 2018	80	80
Effect of adoptions of AASB 9	-	580
Revised carrying amount as at 1 July 2018	80	660

1.1.2 AASB 15 *Revenue from Contracts with Customers* and related amending Standards

The Group has adopted AASB 15 Revenue from Contracts with Customers from 1 July 2018, which supersedes AASB 118 Revenue. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The Group adopted AASB 15 using the modified retrospective method of adoption. Apart from providing more extensive disclosures on the Group's revenue transactions, the application of AASB 15 has not had a material impact on the Group.

1.1.2(a) Impact of adoption
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 of a product or service to a customer. The Group recognises revenue from the following major sources:

(i) Fleet revenue
(ii) Service revenue (mechanical/panel)
(iii) Network and radio revenue
(iv) Advertising revenue

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2018

1. Statement of Significant Accounting Policies (continued)

1.1.2 AASB 15 *Revenue from Contracts with Customers* and related amending Standards (continued)

(i) Fleet revenue
Fleet revenue is generated by allowing driver to use the Group's fleet. In previous reporting periods, fleet revenue from short term rental of taxis and hire car vehicles recognised on a straight-line basis over the period the vehicles were provided to the drivers. In applying AASB 15, revenue associated with fleet revenue is recognised when the Company's performance obligation under the contract has been satisfied which is over the time the vehicle is available to the driver under the contract terms. Therefore, the adoption of AASB 15 has had no impact on fleet revenue recognition.

(ii) Service revenue (mechanical/panel)
The Group provides vehicle service work for customers which is carried out under instruction from the customer. Prior to the adoption of AASB 15, service revenue was recognised based on percentage of completion of the underlying work. In adopting AASB 15, revenue relating to the service of vehicles is recognised over time. In applying AASB 15, no adjustments have been made to the financial statements, as the nature of services provided by the Group typically results in the services being commenced and completed on the same day.

(iii) Network and radio revenue
Network and radio revenue is recognised on a straight line basis over the period the taxis are connected to the network. In applying AASB 15, revenue associated with network and radio is recognised when the Company's performance obligation under the contract has been satisfied and services have been provided to the operators, which is over period of time.

This revenue stream resulted from the acquisition of BWC Group in the current year and therefore the adoption of AASB 15 had had no impact on previously reported amounts.

(iv) Advertising revenue
Advertising revenue is recognised on a straight-line basis over time, when the related advertisement is displayed. In applying AASB 15, revenue associated with advertising activity is recognised when the Company's performance obligation under the contract has been satisfied and services have been provided to the customers, which is over period of time.

This revenue stream was initiated in the current year and therefore the adoption of AASB 15 had had no impact on previously reported amounts.

1.2 Impact of standards issued but not yet applied by the entity

AASB 16 *Leases*
AASB 16 *Leases* was issued in February 2016 and is applicable to annual reporting periods beginning on or after 1 January 2019.

The standard will primarily affect the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of $4.8 million. In addition to operating leases for the Group's premises, the Group is still assessing the potential impact of AASB 16 on its contracts with plate lease owners which are usually short term in nature with annual payments of $16.6 million.

Following implementation, the Group will recognise right of use assets and corresponding financial liabilities for the present value of the future lease payments as at the implementation date. Asset amortisation and interest expenses will be recognised in the income statement replacing operating lease expenses. Further, the principal component of lease payments will be reclassified from operating to financing activities in the statement of cash flows. Certain performance metrics and ratios will be impacted as a result of the above changes, including EBITDA.

Some of above commitments may be covered by the exception for short-term or low-value leases and some commitments may be related to arrangements that will not qualify as leases under AASB 16.

The Group is still preparing an inventory for all of its operating lease contracts and considering the available options for transition and has not yet forecasted the financial impacts of the new standard, but will do so leading up to application of the standard.

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2018

2. Segment Results

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance is specifically focussed on the operating businesses in each geographic location. The Group's primary reporting format is geographical segments as its risks and rates of return are predominantly affected by having operations in different states. Following the acquisition of BWC Group on 3 August 2018, a new reportable segment has been recognised for Western Australia. The Group has determined its reportable segments comprise Victoria, New South Wales, Queensland and Western Australia.

Unallocated costs represent predominantly corporate and other unallocated costs relevant to the group as a whole that do not relate to the operations of a specific segment.

The following is an analysis of the Group's revenue and results by reportable segments for the half-years under review:

Half-year ended 31 December 2018

	Victoria	NSW	QLD	WA	Total Segments	Corporate & Other	Adjusts. and Elims.	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue								
External customers	2,583	11,968	20,305	1,422	36,278	80	(3,588)	32,770
Results								
Operating loss before finance costs and depreciation and amortisation and income tax	95	1,534	1,426	64	3,119	(2,239)	-	880
Finance costs	(24)	(273)	(43)	-	(340)	(185)	-	(525)
Depreciation and amortisation	(372)	(1,248)	(1,166)	(123)	(2,909)	(46)		(2,955)
Income tax expense	-	-	-	-	-	-	-	-
Total segment results	(301)	13	217	(59)	(130)	(2,470)	-	(2,600)

Segment revenue reported above represents revenue generated from external customers. Inter-segment sales for the current half-year amounted to $3.588 million were eliminated (31 December 2017: nil).

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2018

2. Segment Results (continued)

Half-year ended 31 December 2017

	Victoria $'000	NSW $'000	QLD $'000	Total Segments $'000	Corporate & Other $'000	Adjusts. and Elims. $'000	Total $'000
Revenue							
External customers	3,547	6,919	2,778	13,244	-	-	13,244
Result							
Operating loss before finance costs and depreciation and amortisation and income tax	381	509	373	1,263	(12,097)	-	(10,834)
Finance costs	-	-	-	-	(14,083)	-	(14,083)
Depreciation and amortisation	(316)	(805)	(232)	(1,353)	-	-	(1,353)
Income tax benefit	-	-	-	-	336	-	336
Total segment results	65	(296)	141	(90)	(25,844)	-	(25,934)

The following is an analysis of the Group's assets and liabilities by reportable operating segment:

31 December 2018	Victoria	NSW	QLD	WA	Total Segments	Corporate & Other	Adjusts and Elims.	Total
	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's
Total Assets	6,264	20,276	36,238	3,484	66,262	15,335	(34,277)	47,320
Total Liabilities	6,186	19,341	18,835	5,823	50,185	11,967	(34,277)	27,875
Capital Expenditure	2,501	1,449	1,565	22	5,537	101	-	5,638

30 June 2018	Victoria	NSW	QLD	WA	Total Segments	Corporate & Other	Adjusts and Elims.	Total
	$000's	$000's	$000's	$000's	$000's	$000's	$000's	$000's
Total Assets	3,874	19,442	7,851	-	31,167	21,224	(21,112)	31,279
Total Liabilities	3,481	18,160	4,069	-	25,710	2,407	(15,123)	12,994
Capital Expenditure	403	6,399	1,049	-	7,851	275	-	8,126

For the half-year ended 31 December 2018

	Half-year ended	
	31 December 2018 $000's	31 December 2017 $000's
3. Revenue and other income		
(a) Revenue		
Recognised over time		
Fleet revenue	22,783	11,535
Service revenue (mechanical/panel)	1,565	1,027
Network and radio services	7,097	-
Advertising revenue	603	-
	32,048	12,562
(b) Other income		
Accident recovery income	642	682
Other income	80	-
	722	682
Total revenue and other income	32,770	13,244

4. Loss per share

The following reflects the loss per share data used in the calculation of basic and diluted loss per share (EPS) computations.

EPS is calculated based on:		
Loss for the period	(2,600)	(25,934)
Weighted average number of ordinary shares used in the calculation of basic and diluted EPS	82,397,000	39,274,000
Basic and diluted loss per share (cents)	(3.16)	(66.03)
Anti-dilutive potential ordinary shares excluded from the weighted average number of ordinary shares for diluted loss per share calculation	372,000	211,000

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2018

	31 December 2018 $000's	30 June 2018 2018 $000's
5. Plant and Equipment		
Details of plant and equipment are as follows:		
Motor vehicles at revalued amount	24,612	22,928
Less : accumulated depreciation	(11,835)	(9,095)
Total motor vehicles	12,777	13,833
Plant and equipment at cost*	14,819	1,557
Less : accumulated depreciation	(7,082)	(1,006)
Total plant and equipment at cost	7,737	551
Leasehold improvements at cost	281	251
Less : accumulated depreciation	(160)	(129)
Total leasehold improvements	121	122
Work in progress	-	75
Total plant and equipment	20,635	14,581

*Plant and equipment cost as at 31 December 2018 include cost of assets purchased during the current period in relation to BWC group acquisition for $3.4 million (note 7) and taxi digital top units for $4.6 million.

Taxi digital top units have been acquired with payment made for these units progressively over a 36 month period. Amounts payable at the reporting date are disclosed as current and non current trade and other payables.

6. Intangible Assets and Goodwill

	31 December 2018 $000's	30 June 2018 2018 $000's
Computer software and licenses at cost	382	42
Less: accumulated amortisation	(174)	(11)
	208	31
Goodwill on acquisition of subsidiaries (note 7)	8,332	4,455
Brand name on acquisition of subsidiaries (note 7)	2,030	-
Customer list on acquisition of subsidiaries (note 7)	1,760	-
	12,330	4,486

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2018

7. Business Combinations

On 3 August 2018, P2P acquired 100% of the shares in Black & White Cabs (BWC Group). The acquisition delivered in house network capabilities to the Group and expanded the Group's operation to Western Australia.

On 1 December 2018, P2P acquired the trade and assets of Non-Stop Media, a national taxi back advertising business.

The goodwill of $3,877,000 which arose from the acquisition of BWC Group consists largely of the synergies and economies of scale expected from combining the operations of the whole group.

None of the goodwill recognised is expected to be deductible for income tax purposes. The following table summarises the consideration paid for the group and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

Consideration transferred

	BWC Group $'000	**Non-stop Media $'000**	**Total $'000**
Cash consideration	3,619	572	4,191
Issue of shares as consideration	3,974	-	3,974
Contingent consideration	1,000	600	1,600
Total consideration transferred	8,593	1,172	9,765

The 4,564,000 shares issued for BWC group as consideration were measured at the published share price on the date of completion of the transaction of $0.87 per share.

The Group is required to pay the vendors of BWC Group contingent consideration in cash dependent on financial year 2019 and 2020 performance. The contingent consideration (earn-out) is payable based on multiple of EBITDA above a defined threshold in each of the 2019 and 2020 financial years (capped at $12 million). The directors have estimated that the fair value of the contingent consideration obligation is $1.0 million at the date of acquisition and at 31 December 2018.

The Group is required to pay the vendors of Non-Stop Media contingent consideration in cash dependent on 11 months financial performance following the acquisition date. The contingent consideration (earn-out) is payable on amount of gross revenue from static rear advertising (capped at $0.6 million). The directors have estimated that the fair value of the contingent consideration obligation is $0.6 million at the date of acquisition and at 31 December 2018.

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2018

7. Business Combinations (continued)

Provisional fair value of assets acquired and liabilities assumed at the date of acquisitions was as follows:

	BWC Group $'000	Non-stop Media $'000	Total $'000
Assets			
Cash and cash equivalents	456	-	456
Trade and other receivables	2,350	-	2,350
Inventories	316	92	408
Other current assets	187	-	187
Plant and equipment	3,095	272	3,367
Deferred tax assets	396	-	396
Identifiable intangible assets	2,803	1,195	3,998
Other non-current assets	41	-	41
Liabilities			
Trade and other payables	3,160	-	3,160
Deferred tax liabilities	828	359	1,187
Employee entitlements	940	28	968
	4,716	1,172	5,888

Goodwill arising on acquisition

	BWC Group $'000	Non-stop Media $'000	Total $'000
Consideration transferred	8,593	1,172	9,765
Less: fair value of identifiable net assets acquired	(4,716)	(1,172)	(5,888)
Goodwill arising on acquisition	3,877	-	3,877
Net cash outflow/(inflow) on acquisition of subsidiaries			
Total cash consideration	3,619	572	4,191
Less: cash and cash equivalent balances acquired	(456)	-	(456)
Less: cash consideration payable at year end	-	(572)	(572)
	3,163	-	3,163

The results of the BWC Group are reported as part of the QLD and WA segment results. Non-Stop Media's results are allocated to the Group's reportable segments based on geographical location of related business as disclosed in note 2.

The initial accounting for the above acquisitions has only been provisionally determined at the end of the reporting period. At the date of finalisation of these interim condensed consolidated financial statements, the necessary market valuations and other calculations had not been finalised and they have therefore only been provisionally determined based on the directors' best estimate of the likely fair values.

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2018

8. Issued Capital

	31 December 2018		30 June 2018	
	Number	**$'000**	**Number**	**$'000**
Issued and paid up capital Fully paid ordinary shares	83,220,062	58,060	78,656,062	54,086

9. Tax

The Group has not recognised deferred tax assets attributable to tax losses of $3,718,510 at 31 December 2018 (30 June 2018: $ 2,912,000).

10. Contingent Liabilities and Contingent Assets

There were no contingent assets or liabilities as at the date of this report.

11. Related Party Transactions

The Group's significant related parties remain as disclosed in note 25 of the 2018 Annual Report. There were no material differences in related parties or related party transactions in the period compared to the prior year.

12. Fair Value of Financial Instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

12.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial liabilities	**Fair value as at 31/12/18 $'000**	**Fair value as at 30/06/18 $'000**	**Fair value hierarchy**	**Valuation technique and key input**	**Significant unobservable input**
Contingent consideration in a business combination	1,600	180	Level 3	Discounted cash flow.	Probability-adjusted EBITDA.

Contingent consideration balance is included as part of trade and other payables in the condensed consolidated statement of financial position.

12.2 Fair value of financial assets and financial liabilities that are not measured at fair value
The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the condensed consolidated financial statements approximate their fair values.

Notes to the condensed consolidated financial statements
For the half-year ended 31 December 2018

13. Events After Balance Sheet Date

On 22 February 2019, the Group announced that it had entered into a US Dollar denominated convertible loan note arrangement under which it will receive cash of AUD 3,000,000. The arrangement has a term of 15 months, during which the investor has the right to convert amounts into ordinary share capital of the Company based on a fixed conversion price. On maturity, any amounts not already redeemed will become payable in cash.

On 22 February 2019, the Group announced that it had agreed to acquire the business and assets of Combined Taxi Management of Perth (CTM) in the Perth market. Assets of CTM to be acquired, mainly include 62 vehicles, stock and work shop and panel shop facilities. The purchase price will be paid predominantly by the issue of approximately 1,300,000 P2P shares, subject to adjustments prior to completion.

Directors' Declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached condensed consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the condensed consolidated financial position and performance of the Company.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

Matthew Reynolds
Director
Dated this 27 February 2019

Deloitte.

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Independent Auditor's Review Report to the Members of P2P Transport Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of P2P Transport Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of P2P Transport Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of P2P Transport Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of P2P Transport Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which states that the Group has an excess of current liabilities over current assets of $5,301,000 as at 31 December 2018, incurred a loss of $2,600,000 and experienced net cash outflows from operating activities of $1,186,000 for the half-year then ended. These conditions, along with the other matters set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

DELOITTE TOUCHE TOHMATSU

Gerard Belleville
Partner
Chartered Accountants
Melbourne, 27 February 2019