

ASX Announcement: P2P

2 March 2020

APPENDIX 4D and COMPANY UPDATE Half-year Financial Report, Half-year ended 31 December 2019

P2P Transport Limited (ASX: P2P) (**P2P** or the **Company**), one of Australia's largest vertically integrated passenger transport fleet managers provides this Company Update and Appendix 4D 1H20 ended 31 December 2019.

Highlights

- Positive cashflow 1H20 from Operating Activities \$3.510 million (same period 1H19 (\$1.186m)).
- Strong reduction in overall operating costs
- Continued rollout of Black & White Cabs network in New South Wales & Victoria
- Recapitalisation proposal under due diligence

Financial Update

Cashflow

The turnaround measures implemented have led to a positive cashflow from operating activities 1H20 of \$3.51m. This is a substantial improvement over 1H19 (\$1.186m). The successful integration of the Black & White Cabs network and subsequent expansion into New South Wales and Victoria is assisting cash inflows and providing synergies with the Fleet Services business.

Costs

Cost savings and integration benefits have continued to deliver results with further cost savings achieved across the business through plate lease reductions, optimisation of staffing and improvements in general costs & controls. Network Services completed a rollout of an Automated Voice Response System, with digital natural language processing, for inbound bookings in mid-December 2019. The system has enabled P2P to achieve immediate additional net cost savings of \$50,000 per month. The Company is continuing to pursue further cost savings by way of a reduction in rent costs through site rationalisation, continued supplier consolidation and further reduction in plate lease fees.

Operations Update

Management has continued on the turnaround plan, with particular focus on driving the growth of the Network Services business in Melbourne, Perth and now Sydney.

Fleet Services

The Company has continued to optimise the Fleet Services division with focus on right sizing of the fleet and underlying costs to drive profitability. This has seen consolidation of premises, reduction in licence leases, reduction in staffing and improved management processes. The benefits of which are expected in 2H20.

As at 31 December 2019, the fleet has 980 vehicles, a reduction of 80 vehicles compared to 31 December 2018. These 80 vehicles are in the process of being sold to taxi industry participants generating cash inflows for debt reduction.

Network Services

The Company is pleased with the underlying performance of the Network Services business, which has approximately 2,000 vehicles using the Black & White Cabs network up from circa 1,400 since August 2018. The expansion of the Black & White Cabs network beyond the Company owned fleet is indicative of performance of the Black & White Cabs brand.

Adflow

Advertising income from traditional taxi advertising primarily being static taxi backs remains a strong consistent revenue stream for the company. The Digital Taxi Tops remain suspended from operation whilst the company seeks a rectification solution and compensation. Negotiations continue with the supplier of the Digital Tops to fully recover or minimize our costs and damages.

Outlook for 2H20

Continued focus on cost management, improved management processes and customer service levels should see the company improve its operating EBITDA performance.

As previously advised, the Company continues to actively pursue and engage with interested parties with respect to recapitalising the Company and strengthening the company's balance sheet. There are two investment proposals currently under consideration, one of which has advanced to due diligence phase.

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This ASX release has been approved for release by Greg Webb on behalf the Board of P2P Transport Limited.

For further information, contact:

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About P2P Transport Limited

P2P Transport is an integrated network services, fleet management and advertising company in the passenger transport industry, with 2400 vehicles across Australia as either directly controlled fleet vehicles or vehicles on the Black and White network.

P2P Transport's fleet includes a range of taxis, corporate and ride-share vehicles servicing each segment of the point-to-point passenger transport industry.

Zevra, Black & White Cabs, Adflow, and Australia Wide Chauffeur Cars are amongst some of the brands managed by P2P Transport.

P2P Transport's business model is premised on the control of all key stages of the fleet management lifecycle, from vehicle acquisition, in-house customization and vehicle servicing, driver support, and fleet management and administration.

www.p2ptransport.com.au