

ASX Announcement: P2P

31 July 2020

QUARTERLY ACTIVITY REPORT & APPENDIX 4C CASHFLOW STATEMENT

P2P Transport Limited (ASX: P2P) (**P2P** or the **Company**), one of Australia's largest vertically integrated passenger transport fleet managers provides this Trading Update and Appendix 4C Cash Flow Statement for the quarter ended 30 June 2020.

Key points

- Receipts from customers of \$6.6m for the quarter to 30 June 2020
- The company generated \$462k in net cash from operating activities during the quarter and retains \$1.2m in cash or cash equivalents at 30 June 2020.
- COVID-19 crisis continues to negatively impact the Company
- Existing agreements with financiers and various creditors either have been satisfactorily negotiated or continue to be under negotiations
- Existing debtor finance facility plus JobKeeper payments continue to provide some cashflow support

Financial Update*Receipts*

Q4 FY20 receipts of \$6.6m was achieved during a very difficult trading period impacted by COVID-19. All revenue streams have declined through price reductions for services provided or reduced customer demand. In a geographic sense, operations in Victoria particularly and New South Wales have been hardest hit. Since late May, receipts have improved off a low base in both Queensland and Western Australia.

Costs

Cost savings and integration benefits have continued to deliver results with further cost savings achieved across the business through plate lease reductions, staff stand downs and improvements in general costs and controls. Increased levels of booking automation and associated efficiencies are a key goal for the Network division. The Company is continuing to pursue further cost savings by way of a reduction in rent costs through site rationalisation, continued supplier consolidation and headcounts.

Related Party Payments

There were \$93,000 related party payments made during the quarter ended 30 June 2020. These payments were associated with property rental and taxi plate leases payments, conducted on an arm's length basis. The rental expenditure and taxi licences payments are a continuation of those agreements disclosed in Note 13 of the appendix 4D/ Half Year Report announced to the ASX on 2 March 2020.

Operations Update*COVID-19*

There has been an adverse impact on the Company as a result of the Coronavirus travel restriction and social distancing measures introduced by the various levels of Government. This commenced late March 2020. Revenue declines are substantial. Management continues to assess the virus's impact on the business and respond

accordingly. There has been a large number of staff stood down and much of the business remains in hibernation mode. Operating costs are now extremely low and the Federal Government JobKeeper payments assist the Company through this difficult period.

Finance / Creditor Update

The Company is actively engaging with all its financiers and creditors, including its bank and the convertible note holders. To assist with forward outflows, the Company has a Debtor Finance Facility for \$2m with a recognised and long-standing financier to Australian businesses on favourable commercial terms.

Existing agreements with various creditors including Westpac, came to an end 30 April 2020 and negotiations attempting to restructure or extend those arrangements continue.

Executive Remuneration

The Company has reached an agreement to retain Mr Webb's services as Managing Director, on a reduced remuneration of \$240,000 (plus superannuation) for a period of up to 2 years where either party may terminate at any time by giving one months' notice.

Outlook for FY21

The company will continue operations largely in hibernation mode until travel and social distancing measures are relaxed. Post COVID-19, the company intends to resume its focus on Network roll-out, cost management, improved management processes and customer service levels.

As previously advised, the Company continues to actively pursue and engage with interested investors to strengthen the company's balance sheet.

-END -

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 operating across Australia as either directly controlled fleet vehicles or vehicles on the Black & White Cabs network.

P2P Transport's fleet includes a range of taxis, corporate and rental 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, fleet management & administration and outdoor advertising.

www.p2ptransport.com.au

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

P2P Transport Limited

ABN

77 617 760 819

Quarter ended ("current quarter")

30 June 2020

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	6,615	49,255
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(4,784)	(22,142)
(c) advertising and marketing	-	(553)
(d) leased assets		
(e) staff costs	(2,271)	(15,073)
(f) administration and corporate costs	(516)	(5,831)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(188)	(969)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	1,606	1,606
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	462	6,293
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	-	(1,522)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	125	265
	(d) investments	100	100
	(e) intellectual property		
	(f) 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	225	(1,157)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	-	(4,039)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(181)	(1,696)
3.10	Net cash from / (used in) financing activities	(181)	(5,735)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	701	1,806
4.2	Net cash from / (used in) operating activities (item 1.9 above)	462	6,293
4.3	Net cash from / (used in) investing activities (item 2.6 above)	225	(1,157)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(181)	(5,735)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,207	1,207

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	1,207	673
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)	1,207	673

**6. Payments to related parties of the entity and their
associates**

6.1 Aggregate amount of payments to related parties and their
associates included in item 1

6.2 Aggregate amount of payments to related parties and their
associates included in item 2

**Current quarter
\$A'000**

93

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of,
and an explanation for, such payments

6.1 includes property rent and Taxi Plate Leases

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	4,577	4,577
7.2 Credit standby arrangements	-	-
7.3 Other – Debtor financing	2,500	42
7.4 Total financing facilities	7,077	4,619

7.5 Unused financing facilities available at quarter end

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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

7.1 The Westpac Equipment Finance Facility as previously disclosed, is secured over the assets of the Group. The Deed of Forbearance has expired, and the Group is in continued negotiations with Westpac.

7.3 Debtor financing facility is with Scottish Pacific Business Finance Pty Ltd and is secured by a charge over specific receivables of Black & White Cabs Pty Ltd and Black & White Cabs (WA) Pty Ltd (**Invoice factoring**). The interest rate is variable and defined by the Bank Bill Swap Bid Rate (BBSY), plus 4% pa and plus 3% pa.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	462
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,207
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	1,207
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	N/A
	Please refer the attached commentary.

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: n/a

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: n/a

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

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.

Date: 31 July 2020

Authorised by: The Board of Directors of P2P Transport Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.