

25 February 2022

The Manager

Market Announcements Office
Australia Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Electronic Lodgement

Attached is an announcement for release to the market.

Authorised for lodgement by Adrian Lucchese, Company Secretary.

Investor Relations

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Appendix 4D

Half Year Report for the period ended 31 December 2021

Results for announcement to the market

	Dec 2021 \$'000	Dec 2020 \$'000	Change \$'000	Change %
Revenue	59,678	50,663	9,015	18%
Statutory net (loss) after tax for the period attributable to owners of the Company	(6,854)	(6,226)	(628)	10%
Underlying net (loss) profit after tax for the period attributable to owners of the Company*	(6,307)	(5,628)	(679)	12%

*Underlying net (loss) / profit after tax attributable to owners of the Company is a non-IFRS measure reported to provide a greater understanding of the underlying business performance of the Group. Non-IFRS measures have not been subject to audit or review.

While external signals slowly improve, following another period of significant interruption, the Board has determined that no interim dividend be paid in conjunction with the 1H22 period having regard for the remaining uncertainties relating to the pandemic.

	Dec 2021 \$	Dec 2020 \$
Net tangible assets per security	0.49	0.60

Commentary on the results

Please refer to the 'Review of operations' in the Directors' Report accompanying the attached half yearly Report for the six months ended 31 December 2021.

This information should be read in conjunction with the consolidated financial statements of A2B Australia Limited (the "Company" or "A2B") for the year ended 30 June 2021. This report should also be read in conjunction with any public announcements made by A2B Australia Limited in accordance with the continuous disclosure requirements arising under the Corporation Act 2001 and ASX Listing Rules.



Ton van Hoof
Chief Financial Officer
25 February 2022



Consolidated Half Year Financial Statements

31 December 2021

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Directors' Report

The Directors of A2B present their half year report on the Company and its controlled entities (together referred to as the "Group") for the half year ended 31 December 2021.

Directors

The directors of A2B in office at any time during or since the end of the half year are as follows:

- David Grant (Executive Chairman) – appointed 8 February 2022
- Jennifer Horrigan
- Louise McCann
- Clifford Rosenberg
- Paul Oneile (Chairman) – retired 7 February 2022
- Andrew Skelton (Chief Executive Officer and Managing Director) – stepped down 8 February 2022

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

Review of operations

	Dec 2021	Dec 2020	Change
(\$m)			
Revenue	59.7	50.7	9.0
Other income	2.5	14.6	(12.1)
EBITDA	(1.2)	0.2	(1.4)
EBITDA underlying	(0.5)	0.8	(1.3)
NPAT	(6.7)	(6.2)	(0.5)
NPAT underlying	(6.1)	(5.6)	(0.5)

Overview

The COVID pandemic continued to negatively impact the business with Government restrictions, consumer hesitancy and constrained vehicle/driver supply adversely impacting revenue and profitability. The encouraging signs of recovery experienced in 4Q21 were reversed in 1Q22 as the July – October period saw the toughest restrictions across the country since the start of the pandemic with lockdown periods of 107 days in Sydney and 82 days in Melbourne. Subsequent improvement in business conditions occurred in November 2021 as the impact of the delta variant eased, however the emergence of the Omicron variant in late December 2021 once again curtailed recovery.

Notwithstanding the material impacts of COVID, the net cash position fell by \$1.6 million for the half to \$8.4 million, assisted by a \$5.3 million tax refund claimed under the loss carry back provisions included in the government's suite of COVID relief measures. The company also negotiated a new \$40 million finance facility (formally executed early January 2022) expiring in 2025 which represented a \$15 million increase over the previous facility.

Financial results

Basis of preparation

Unless otherwise stated, half year results disclosed in this review of operations are underlying results excluding significant items. Underlying profit is a non-statutory measure for the purpose of assessing the performance of the Group.

During the period the group updated the classification of certain operating expenses in the consolidated statement of comprehensive income to better reflect the nature of these expenses, further detail is included in note 1(f). Additionally the Group has changed the way it reports its operating segments. During 1H22 A2B has been organised into three operating segments comprising of Mobility Services,

Mobility Platforms and Payments. Further detail can be found in note 8 to the consolidated half year financial statements.

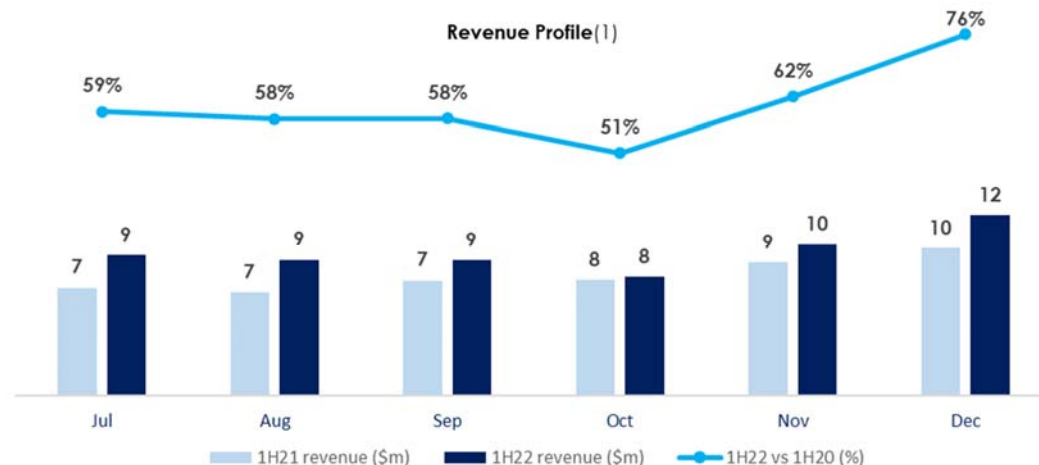
Revenue

The half on half increase in revenue reflects both the COVID impact on the prior corresponding period and the initiatives taken to mitigate revenue loss. Revenue improved \$9 million or 17.8% compared to last year with increases recorded in all three business units. Of the \$9 million revenue increase \$6.9 million is attributable to network subscription revenue and \$1.6 million to payments processing revenue. Taxi subsidy scheme revenue increased by \$1 million as a result of the NSW Taxi subsidy scheme contract won last year.

(\$m)	1H22	1H21	Change (\$)	Change (%)
Mobility Services	41.6	35.7	5.9	16.5%
Mobility Platforms	16.3	13.6	2.6	19.3%
Payments	1.9	1.6	0.3	14.5%
Total	59.7	50.7	9.0	17.8%

During 1H22 support to Operators and Drivers was reintroduced through fee relief in the months September and October 2021. Full fee subscription pricing returned in November 2021 after Government restrictions were starting to unwind and travel demand was improving.

Month-on-month revenue recovery was visible during the second quarter as full subscription pricing returned, Taxi fare volumes quickly recovered and vehicles returned to the MTI platform.



(1) Revenue excludes taxi plate related income and vehicle sanitisation income to make comparability easier and more relevant.

Recovery in November and December 2021 was strong with revenue, excluding Taxi plate revenue and vehicle sanitisation revenue, reaching 76% of FY19 levels. Late December 2021 the rise of the Omicron variant saw fare volume growth stall as people started to reduce their travel movements.

Other income

In 1H22 A2B recognised \$2.4 million in Government grants (1H21 \$14.4 million), a decrease of \$12 million with JobKeeper subsidies ceasing in April 2021. Government grants received in 1H22 primarily relates to JobSaver payments in NSW.

Operating expenses

On a statutory basis total operating expenses decreased \$1.7 million or 2.6% to \$63.4 million.

In 1H22 A2B incurred \$0.8 million in employee separation costs, these expenses (1H21 \$0.8 million) are excluded from underlying operating expenses. On an underlying basis total operating expenses also decreased \$1.8 million or 2.8%.

Depreciation and amortisation

Total depreciation and amortisation charges decreased 2.3% or \$0.2 million.

Net finance costs

Net finance costs decreased \$0.2 million to \$0.3 million (1H21 \$0.7 million) this decrease is driven by \$0.3m in unrealised exchange gains and \$0.1m in lower interest expenses.

Income tax expense

A2B recorded an income tax benefit of \$2.9 million (1H21 \$2.9 million tax benefit) resulting from a \$9.6 million statutory loss before income tax adjusted for non-deductible items.

Profit after tax

Underlying net loss after tax was -\$6.1 million (1H21 \$5.6 million). A statutory net loss after tax of -\$6.7 million was recorded in 1H22 (1H21 -\$6.2 million).

Cash flow and liquidity

A2B entered the pandemic period with a strong balance sheet, no debt and with the operational leverage to adapt to a changing environment. Through a disciplined approach to cost and cash preservation A2B maintained this strong financial position throughout 1H22.

In 1H22 A2B generated cash flow from operations of \$3.3 million inclusive of a \$5.3 million tax refund. Capital expenditure was kept to a minimum in order to preserve cash totalling to \$3.8 million, including \$2.2 million relating to the development of intellectual property.

\$m	1H22	1H21
Statutory EBITDA	(1.2)	0.2
Change in working capital	(0.5)	0.4
Net Interest Paid on Borrowings	(0.3)	(0.3)
Income Tax Paid / Received	5.3	-
Net Cash Flow from Operations	3.3	0.3
Purchase of PPE	(1.8)	(1.5)
Development of intellectual property	(2.2)	(2.5)
Proceeds from sale of plant & equipment	0.2	0.4
Net Cash Flow from Investing	(3.8)	(3.6)
Processed/Repayment of Borrowings	4.7	(0.1)
Payment of Lease Liabilities	(1.1)	(1.3)
Net Cash Flow from Financing	3.6	(1.4)
Net Change in Cash Position	3.1	(4.7)
Cash and Cash equivalents at 1 July	11.9	25.8
Gross Cash at the end of Period	15.0	21.1

Financial position

A2B retained its strong financial position during the half and is well equipped to weather the upcoming months as pandemic related impacts are expected to further unwind.

As at 31 December 2021 A2B had drawn down \$5 million on its finance facility to fund working capital requirements during the festive period and was in a net cash position of \$8.4 million. At 31 December total available liquidity was \$33.4 million.

	31-Dec-21	30-Jun-21
\$m		
Total current assets	74.9	69.0
Total non-current assets	107.3	109.0
Total assets	182.2	178.0
Total current liabilities	58.7	51.8
Total non-current liabilities	16.9	13.3
Total liabilities	75.7	65.0
Total net assets	106.6	113.0
Net cash	8.4	10.0

During 1H22 A2B negotiated a new finance facility agreement with CBA replacing the existing NAB facility and enhancing our liquidity position by \$15 million. The agreement was finalised and executed in January, expires in January 2025 and brings the total available cash facilities to \$40 million.

Events subsequent to balance date

Bank loan facilities

On 11 January 2022 the Group signed a Finance Facility Agreement with Commonwealth Bank of Australia to refinance the secured bank loan with National Australia Bank and to finance the Group's growth funding. The new agreement includes a \$25 million working capital facility and \$15 million cash advance facility both expiring in January 2025.

Leadership change and strategic review

On 7 February 2022 Paul Oneile retired as Chairman and non-executive Director of the Company and on 8 February 2022 Andrew Skelton stepped down from his role as the Company's Managing Director and Chief Executive Officer. David Grant has assumed the role as the Company's Executive Chairman whilst the company conducts a search for a new Chief Executive and undertakes a refresh of its board. The company also announced an intention to conduct a broad-based review of the business as well as wider review of the Company's asset portfolio with the assistance of external advisors.

Other than the above matters, there have been no events subsequent to the reporting date that would have a material impact on the Group's consolidated financial statements as at 31 December 2021.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' Report for the half year ended 31 December 2021.

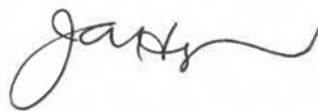
Rounding

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 (Rounding in Financial/Directors' Reports) and in accordance with that Instrument, amounts in the consolidated financial statements and the Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the board of directors.



David Grant
Executive Chairman
25 February 2022



Jennifer Horrigan
Non-Executive Director
25 February 2022



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of A2B Australia Limited

I declare that, to the best of my knowledge and belief, in relation to the review of A2B Australia Limited for the half-year ended 31 December 2021 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

The KPMG logo, consisting of the letters 'KPMG' in a blue, handwritten-style font.

KPMG

A blue ink signature, appearing to read 'C Slapp', written in a cursive style.

Cameron Slapp

Partner

Sydney

25 February 2022

Consolidated statement of comprehensive income

For the half year ended 31 December 2021

	Notes	Dec 2021 \$'000	Dec 2020* \$'000
			(Re-stated)
Revenue	2	59,678	50,663
Other income	2	2,461	14,580
		62,139	65,243
Direct mobility and payment related expenses	3	(10,397)	(10,915)
Employee benefits expenses		(32,402)	(31,470)
Advertising and marketing expenses		(3,842)	(4,337)
Technology and communications expenses		(5,097)	(5,291)
Depreciation and amortisation expenses		(8,056)	(8,242)
Other expenses		(11,647)	(13,038)
Results from operating activities		(9,302)	(8,050)
Finance income		1	14
Finance costs		(258)	(677)
Net finance costs		(257)	(663)
(Loss) before income tax		(9,559)	(8,713)
Income tax benefit	4	2,871	2,559
(Loss) for the period		(6,688)	(6,154)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign exchange translation differences, net of tax		(76)	146
Other comprehensive (loss) / income for the period, net of income tax		(76)	146
Total comprehensive (loss) for the period		(6,764)	(6,008)
Attributable to:			
Owners of the Company		(6,854)	(6,226)
Non-controlling interest		166	72
Total (loss) for the period		(6,688)	(6,154)
Owners of the Company		(6,930)	(6,080)
Non-controlling interest		166	72
Total comprehensive (loss) for the period		(6,764)	(6,008)
Earnings per share			
Total attributable to owners of the Company:			
Basic earnings per share		(5.7 cents)	(5.2 cents)
Diluted earnings per share		(5.7 cents)	(5.2 cents)

The accompanying notes form an integral part of these consolidated half yearly financial statements.

*The comparative information has been re-stated, certain operating expenses have been reclassified to better reflect the nature of the expenses. Refer to Note 1(f).

Consolidated statement of financial position

As at 31 December 2021

	Notes	Dec 2021 \$'000	Jun 2021 \$'000
Current assets			
Cash and cash equivalents		14,993	11,874
Trade and other receivables		52,574	44,620
Current tax assets		97	5,604
Inventories		4,338	3,271
Prepayments		2,903	3,629
Total current assets		74,905	68,998
Non-current assets			
Trade and other receivables		5,719	5,841
Financial assets		962	977
Property, plant and equipment		30,065	32,989
Right-of-use assets		11,293	12,716
Net deferred tax assets		11,308	8,218
Taxi plate licences	5	1,349	1,349
Goodwill	5	27,487	27,487
Intellectual property	5	19,129	19,414
Total non-current assets		107,312	108,991
Total assets		182,217	177,989
Current liabilities			
Contract liabilities, trade and other payables		46,978	39,654
Loans and borrowings		1,642	1,864
Lease liabilities		1,771	1,999
Deferred income		103	118
Provisions		8,241	8,117
Total current liabilities		58,735	51,752
Non-current liabilities			
Lease liabilities		10,041	11,318
Loans and borrowings		5,000	-
Deferred income		310	354
Provisions		1,581	1,581
Total non-current liabilities		16,932	13,253
Total liabilities		75,667	65,005
Net assets		106,550	112,984
Equity			
Share capital		138,325	138,325
Other reserves		1,258	959
Profits reserve		18,823	18,823
Retained earnings		(53,164)	(46,310)
Total equity attributable to owners of the Company		105,242	111,797
Non-controlling interest		1,308	1,187
Total equity		106,550	112,984

The accompanying notes form an integral part of these consolidated half yearly financial statements.

Consolidated statement of cash flows

For the half year ended 31 December 2021

	Notes	Dec 2021 \$'000	Dec 2020 \$'000
Cash flows from operating activities			
Receipts from customers and others		319,191	280,538
Payments to suppliers, licensees and employees		(320,846)	(279,944)
Interest received		1	14
Finance costs paid		(337)	(297)
Income tax received		5,281	25
Net cash provided by operating activities		3,290	336
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,824)	(1,455)
Payments for development of intellectual property		(2,186)	(2,440)
Proceeds from sale of property, plant and equipment		198	373
Net cash (used in) investing activities		(3,812)	(3,522)
Cash flows from financing activities			
Proceeds from borrowings		5,037	77
Repayment of borrowings		(259)	(180)
Payment of lease liabilities		(1,136)	(1,250)
Dividends paid to non-controlling interest in subsidiaries		(45)	(30)
Net cash provided by / (used in) financing activities		3,597	(1,383)
Net (decrease) in cash and cash equivalents		3,075	(4,569)
Cash and cash equivalents at 1 July		11,874	25,759
Effect of movements in exchange rate on cash held		44	(95)
Cash and cash equivalents at 31 December		14,993	21,095

The accompanying notes form an integral part of these consolidated half yearly financial statements.

Consolidated statement of changes in equity

For the half year ended 31 December 2021

	Notes	Share capital \$'000	Other reserves \$'000	Profits reserves \$'000	Retained losses \$'000	Non- controlling interest \$'000	Total equity \$'000
Balance at 1 July 2021		138,325	959	18,823	(46,310)	1,187	112,984
Total comprehensive (loss) for the period							
(Loss) for the year		-	-	-	(6,854)	166	(6,688)
Other comprehensive (loss)		-	(76)	-	-	-	(76)
Total comprehensive (loss) for the period		-	(76)	-	(6,854)	166	(6,764)
Transactions with owners in their capacity as owners:							
Share-based payments		-	375	-	-	-	375
Dividends to non-controlling interest in subsidiaries		-	-	-	-	(45)	(45)
		-	375	-	-	(45)	330
Balance at 31 December 2021		138,325	1,258	18,823	(53,164)	1,308	106,550
Balance at 1 July 2020 (Re-stated)*		138,325	433	18,823	(28,036)	1,046	130,591
Total comprehensive (loss) for the period							
(Loss) for the year		-	-	-	(6,226)	72	(6,154)
Other comprehensive (loss)		-	146	-	-	-	146
Total comprehensive (loss) for the period		-	146	-	(6,226)	72	(6,008)
Transactions with owners in their capacity as owners:							
Share-based payments		-	350	-	-	-	350
Dividends to non-controlling interest in subsidiaries		-	-	-	-	(30)	(30)
		-	350	-	-	(30)	320
Balance at 31 December 2020		138,325	929	18,823	(34,262)	1,088	124,903

*The comparative information is re-stated to reflect adjustments relating to the changes in accounting policy. Refer to Note 1(g)

The accompanying notes form an integral part of these consolidated half yearly financial statements.

Notes to the consolidated half yearly financial statements

1. Basis of preparation of the consolidated half yearly financial statements

a) Reporting entity

A2B Australia Limited (the "Company") is a for-profit company domiciled in Australia. The Consolidated Half Yearly Financial Statements of the Company as at and for the six months ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group").

b) Statement of compliance

The consolidated half yearly financial statements are general purpose financial statements which have been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The consolidated half yearly financial statements do not include all of the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2021.

These consolidated half yearly financial statements were authorised for issue by the board of directors on 25 February 2022.

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 (Rounding in Financial/Directors' Reports) and in accordance with that Instrument, amounts in the consolidated interim financial statements and the Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

c) Going concern

The consolidated half yearly financial statements have been prepared on a going concern basis. In determining the appropriateness of the basis of preparation the impact of COVID-19 on the Group's operations, in particular for the next 12 months, has been taken into consideration.

In FY21 and 1H22 A2B implemented a range of measures aimed at preserving liquidity in the near term. As a result indirect cost reduced \$8.1 million in FY21 and in 1H22 indirect cost reduced an additional \$1.3 million. Over the course of 1H22 A2B retained a net cash position and had available net cash of \$8.4 million as at 31 December. Total available liquidity ended at \$33.4 million.

During the half A2B negotiated a new finance facility agreement with CBA that replaces the existing NAB facility and enhances the company's liquidity position by \$15 million. The agreement was finalised and executed in January, expires in January 2025 and brings the total available cash facilities to \$40 million.

Management has prepared cash flow forecast scenarios that present plausible downside scenarios, mainly driven by prolonged lockdowns arising from the impact of COVID-19. The business is expected to retain a strong cash flow position through continued cost saving initiatives and closely monitoring credit balances. These forecasts demonstrate that the Group has sufficient cash and undrawn credit facilities to enable the Group to meet its obligations as they fall due.

As such the directors believe that it remains appropriate to prepare the financial statements on a going concern basis and have a reasonable expectation that the Group will comply with the requirements of its debt facilities during the next 12 months from the date of which the financial report is authorised for issue.

d) Significant accounting policies

The accounting policies applied by the Group in these consolidated half yearly financial statements are the same as those applied by the Group in its consolidated financial report as at and for year ended 30 June 2021.

e) Estimates

The preparation of consolidated half yearly financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated half yearly financial statements, the judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated annual financial report as at and for the year ended 30 June 2021.

f) Change in classification

During the period ended 31 December 2021, the Group updated the classification of certain operating expenses to better reflect the nature of the expense under the Group's new segment structure.

Comparative amounts in the consolidated statement of comprehensive income were re-stated as follows:

Previous financial statement captions	Dec 2020 \$'000	Re-stated financial statement captions	Dec 2020 \$'000
Processing fees to networks	(2,358)	Direct mobility and payment related expenses	(10,915)
Brokered taxi plate license costs	(512)		
Taxi operating expenses	(3,253)		
Courier service expenses	(1,706)		
Cost of cars and hardware sold	(1,828)		
Other taxi related costs	(1,258)		
Depreciation	(5,825)	Depreciation and amortisation expenses	(8,242)
Amortisation	(2,417)		
General and administrative expenses	(15,632)	Advertising and marketing expenses	(4,337)
Other expenses	(7,034)	Technology and communications expenses	(5,291)
		Other expenses	(13,038)
	(41,823)		(41,823)

* Other expenses includes legal & professional fees, premises costs, travel costs, bank charges and bad debt expenses

Please refer to note 3 for further detail on Direct mobility and payment related expenses.

g) Changes to significant accounting policy

Software-as-a-Service (SaaS) arrangements

The International Financial Reporting Standards Interpretations Committee ("IFRIC") has issued the final agenda decision in April 2021 in relation to configuration or customisation costs in a cloud computing arrangement. The Group's accounting policy has historically been to capitalise costs related to SaaS arrangements as intangible assets in the Statement of Financial Position.

The adoption of the agenda decision above has resulted in a change in the Group's accounting policy which is initially disclosed in the 30 June 2021 annual report. The Group has re-stated the comparative financial information in the 30 June 2021 annual report to reflect the recognition of these intangible assets as an expense in the prior periods presented.

This change in accounting policy has increased the opening balance of comparative retained losses at 1 July 2020 by \$731,000. There is no impact on the consolidated statement of comprehensive income for the comparative period ended 31 December 2020.

h) Interests in land and buildings

A2B's interests in land and buildings are accounted for under Property, Plant and Equipment and are measured at cost less accumulated depreciation and impairment losses. The book value of A2B's interest in land and buildings was \$10,967,000 as at 31 December 2021. In August 2021 an independent valuation was completed valuing A2B's interest in land and buildings at \$81,080,000. Please refer to note 10 of the 30 June 2021 annual report for further information. A2B's property portfolio will be assessed as part of the earlier announced strategic review.

2. Revenue and income

The disaggregation of the Group's revenue from contracts with customers are as follows:

	Dec 2021 \$'000	Dec 2020 \$'000
Revenue from contracts with customers		
Payments processing revenue	11,538	9,973
Network subscription revenue	19,684	12,813
Brokered Taxi plate licence income	1,192	561
Owned Taxi plate licence income	37	64
Other Taxi related services income	1,233	1,516
Taxi operating revenue	4,493	5,552
Courier service revenue	1,781	2,497
Insurance commission revenue	392	528
Car and hardware sales income	2,712	1,807
School bus route services income	2,898	3,045
Taxi Subsidy Scheme revenue	1,879	894
Software consulting and licence income	2,578	2,716
Other	5,686	5,812
Total revenue from contracts with customers	56,103	47,778
Other revenue		
Interest on finance lease receivables and others	952	789
Taxi equipment and terminal rental income	2,623	2,096
Total other revenue	3,575	2,885
Total revenue	59,678	50,663

Payment processing revenue

Payment processing revenue is derived from payments processed through the A2B Payment System and is disclosed net of Goods and Services Tax (GST) and third party credit card fees. Payments processed through the A2B payments system relates to total transaction value processed, both taxi and non-taxi volumes. As the Group acts in the capacity of an agent, the revenue represents only the fee received on the transaction, although the Group is exposed to credit risk on the full amount of the payments processed. Payment processing revenue is recognised at the point in time when the payment is processed. Payment processing revenue was disclosed as Taxi service fee income in prior year.

	Dec 2021 \$'000	Dec 2020 \$'000
Non-operating activities		
Government grants	2,437	14,426
Gain on disposal of property, plant and equipment	24	154
Total other income	2,461	14,580

Total turnover

Total turnover does not represent revenue in accordance with Australian Accounting Standards. Total turnover represents the transaction value processed through the A2B Payment System plus the Group's revenue from other sources. The Group's credit risk is based on turnover rather than revenue.

	Dec 2021 \$'000	Dec 2020 \$'000
Total turnover	317,794	279,186

3. Direct mobility and payment related expenses

	Dec 2021 \$'000	Dec 2020 \$'000
Direct mobility and payment related expenses		
Processing fees to networks	(1,574)	(2,358)
Brokered Taxi plate license costs	(979)	(512)
Taxi operating expenses	(3,084)	(3,253)
Courier service expenses	(1,251)	(1,706)
Cost of cars and hardware sold	(2,528)	(1,828)
Other Taxi related costs	(981)	(1,258)
	(10,397)	(10,915)

Processing fees to networks

Processing fees to networks are fees paid to Taxi Networks and Drivers relating to payments processed through the A2B Payment System.

Brokered taxi license plate costs

Brokered taxi license plate costs consists of taxi licence plate fees paid to Taxi licence owners and Government.

Taxi operating expenses

Taxi operating expenses are all running expenses related to operating A2B's fleet of taxis. This fleet makes up a small proportion of all vehicles affiliated with A2B's network.

Courier service expenses

Courier service expenses are all expenses incurred by the Group related to the provision of courier dispatch services.

Cost of cars and hardware sold

The cost of cars and hardware sold represents cost of goods sold, the cost of acquiring cars and hardware that the Group sells.

Other Taxi related costs

Other Taxi related costs include all costs related to fitting out of vehicles as Taxis.

4. Tax expense

Tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim reporting period.

	Dec 2021 \$'000	Dec 2020 \$'000
Numerical reconciliation between tax expense and pre-tax profit		
Loss before tax from continuing operations	(9,559)	(8,713)
Prima-facie income tax using the corporate tax rate of 30% (Dec 2019: 30%)	(2,868)	(2,614)
Effect of tax rates in foreign jurisdiction	(63)	(48)
Add tax effect of:		
Non-deductible depreciation	149	99
Other non-deductible items	33	47
Less tax effect of:		
Rebatable fully franked dividends	(21)	(14)
Utilisation of previously unbooked tax losses	(132)	(40)
Adjustment for prior years	31	11
Income tax (benefit)	(2,871)	(2,559)

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 31 December 2021 presents as 30% (for the six-months ended 31 December 2020: 29.4%).

5. Goodwill, Tax licence plates and intellectual property

Composition

	Dec 2021	Jun 2021
	\$'000	\$'000
Goodwill	27,487	27,487
Accumulated Impairment loss	-	-
	27,487	27,487
Taxi licence plates		
- Indefinite life		
- Taxi licence plates - perpetual	1,311	1,311
- Finite life		
- Taxi licence plates - 50 year renewable	2,195	2,195
- Accumulated amortisation	(2,194)	(2,194)
- Taxi licence plates - 10 year renewable	3,356	3,356
- Accumulated amortisation	(3,319)	(3,319)
	1,349	1,349
Intellectual Property		
- Indefinite life		
- Trademark	944	944
- Finite life		
- Brands at cost	759	759
- Accumulated Amortisation	(759)	(759)
- Customer contracts at cost	5,684	5,684
- Accumulated Amortisation	(4,553)	(4,334)
- Software	2,700	2,700
- Accumulated Amortisation	(1,695)	(1,415)
- Capitalised development costs - internally developed at cost	44,943	44,503
- Accumulated Amortisation	(33,191)	(31,219)
- Capitalised development costs - under development at cost	4,297	2,551
- Accumulated Amortisation	-	-
	19,129	19,414

6. Dividends paid

While external signals slowly improve, following another period of significant interruption, the Board has determined that no interim dividend be paid in conjunction with the 1H22 period having regard for the remaining uncertainties relating to the pandemic.

7. Events subsequent to balance date

Bank loan facilities

On 11 January 2022 the Group signed a Finance Facility Agreement with Commonwealth Bank of Australia to refinance the secured bank loan with National Australia Bank and to finance the Group's growth funding. The new agreement includes a \$25 million working capital facility and \$15 million cash advance facility both expiring in January 2025.

Leadership change and strategic review

On 7 February 2022 Paul Oneile retired as Chairman and non-executive Director of the Company and on 8 February 2022 Andrew Skelton stepped down from his role as the Company's Managing Director and Chief Executive Officer. David Grant has assumed the role as the Company's Executive Chairman whilst the company conducts a search for a new Chief Executive and undertakes a refresh of its board. The company also announced an intention to conduct a broad-based review of the business as well as wider review of the Company's asset portfolio with the assistance of external advisors.

Other than the above matters, there have been no events subsequent to the reporting date that would have a material impact on the Group's consolidated financial statements as at 31 December 2021.

8. Segment information

Identification of reportable segments

The Group's operating segments are organised and managed separately according to the nature of the products and services provided.

The Group previously operated under one business segment being the provision of taxi related services. During the period ended 31 December 2021, the Group was organised into three operating segments comprising of Mobility Services, Mobility Platforms and Payments. Each segment represents a strategic business unit that offers different products and operates in different industries or markets.

Underlying EBITDA is the primary reporting measure used by A2B's Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue and expenses are eliminated on consolidation.

Segment description

Reportable segments under AASB 8 Operating Segments are as follows:

Reportable segment	Principal activities
Mobility Services	Provides Taxi network services to Taxi Operators and Drivers nationally in Australia. These services include Taxi booking services, vehicle financing and insurance, full Taxi fit-outs and repairs, as well as Driver training and education. Mobility Services are provided under brands including 13cabs, Silver Service, Maxi Taxi and Yellow Couriers. The majority of revenue comes from Network subscriptions that are charged monthly while revenue from related and ancillary services are generated as and when the services are provided (eg car sales income, interest on finance lease receivables and others, insurance commission revenue or Taxi equipment and terminal rental income not included in subscriptions).
Mobility Platforms	Provides integrated booking, payment and dispatch technologies to mobility providers under the brands Mobile Technologies International (MTI) and Cabcharge. MTI provides a SaaS booking, dispatch, payment, contact centre and vehicle monitoring platform. MTI earns SaaS style subscription revenue from vehicles accessing its technologies, income from bespoke software development, and fees from project management, which are recorded under software consulting and licence income. MTI operates throughout Australia, New Zealand, North America, Europe and the United Kingdom. Cabcharge provides corporate clients with a range of payment solutions to charge trips on a designated account accompanied by detailed trip information to enable efficient management of travel expenditure. Cabcharge operates throughout Australia and receives service fee income on non-cash payments based on the value of the fare processed.
Payments	Provides merchant acquiring, consulting, licensing and other payment services under the brands FlamingoPay, Spotto, Giraffe and EFT Solutions in Australia. FlamingoPay represents our generic retail payment offering. The pricing model includes a blended merchant fee and/or terminal rental fee and/or transaction service fee. There is potential for uplift in margin earned per terminal via integration of value add services. The merchant fee and transaction service fee form part of payment processing revenue. Spotto and Giraffe represent our handheld offering for taxi and hire car drivers. The current pricing model attracts a service fee based on the value of transactions processed and/or a terminal rental fee.

Analysis by segment

	Mobility Services \$'000	Mobility Platforms \$'000	Payments \$'000	Unallocated /Eliminations ¹ \$'000	Consolidated \$'000
Dec 21					
External segment revenue and other income	41,559	16,433	1,874	2,273	62,139
Inter-segment revenue and other income	69	1,351	-	(1,420)	-
Total segment revenue and other income	41,628	17,784	1,874	853	62,139
Underlying EBITDA	(5,123)	6,800	(956)	(1,185)	(464)

	Mobility Services \$'000	Mobility Platforms \$'000	Payments \$'000	Unallocated /Eliminations ¹ \$'000	Consolidated \$'000
Dec 20					
External segment revenue and other income	35,908	13,689	1,638	14,008	65,243
Inter-segment revenue and other income	76	1,031	-	(1,107)	-
Total segment revenue and other income	35,984	14,720	1,638	12,901	65,243
Underlying EBITDA	(11,981)	2,941	(1,273)	11,153	840

¹ Unallocated/Eliminations represents unallocated corporate costs, other businesses (including Mantax, a small taxi business operating in the U.K.), Government subsidies (including JobKeeper) and consolidation elimination entries.

Reconciliation of Underlying EBITDA to Statutory Results from operating activities

	Dec 2021 \$'000	Dec 2020 \$'000
Underlying EBITDA	(464)	840
Items not included in Underlying PBT		
Foreign exchange reclassification adjustment	-	142
Employee separation cost	(782)	(790)
Total items not included in underlying EBITDA	(782)	(648)
Depreciation and amortisation expenses	(8,056)	(8,242)
Results from operating activities	(9,302)	(8,050)

Segment assets and liabilities have not been disclosed as these are not reported to the CODM and not used by the CODM to assess performance and to make resource allocation decisions.

Geographical information

The Group operates predominantly in one geographic segment with >95% of revenue generated in Australia during the half.

Through its subsidiary, MTI the Group operates in other geographic segments including North America and Europe. MTI's overseas revenue of \$1,855,000 and non-current assets of \$831,000 were included in the Group's Consolidated Statements.

Directors' declaration

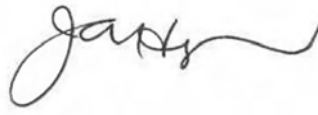
In accordance with a resolution of the directors of A2B Australia Limited (the "Company"), we state that in the opinion of the directors:

1. the consolidated half yearly financial statements and notes set out on pages 6 to 17 are in accordance with the Corporation Act 2001, including:
 - a. giving a true and fair view of the financial position of the Group as at 31 December 2021 and of its performance for the half year ended on that date; and
 - b. complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the board of directors.



David Grant
Executive Chairman
25 February 2022



Jennifer Horrigan
Non-Executive Director
25 February 2022



Independent Auditor's Review Report

To the shareholders of A2B Australia Limited

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of A2B Australia Limited.

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 A2B does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2021 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2021
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date
- Notes 1 to 8 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises of A2B Australia Limited (the Company) and the entities it controlled at the Half-year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



Responsibilities of the Directors 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*
- 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 Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.

KPMG

Cameron Slapp

Partner

Sydney

25 February 2022