

25 February 2021

The Manager

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

Electronic Lodgement

1H21 Results – Appendix 4D and Half Year Report

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 2020

Results for announcement to the market

	Dec 2020 \$'000	Dec 2019 \$'000	Change \$'000	Change %
Revenue	50,663	104,951	(54,288)	-52%
Statutory net (loss) / profit after tax for the period attributable to owners of the Company	(6,226)	3,514	(9,740)	-277%
Underlying net (loss) / profit after tax for the period attributable to owners of the Company*	(5,628)	4,575	(10,203)	-223%

*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.

	Amount per share (cents)	Franked amount per share (cents)	Total dividend \$'000	Payment date
2020 interim dividend	4.0	4.0	4,817	30 April 2020
2019 final dividend	4.0	4.0	4,817	31 October 2019

While external signals and company specific enhancements suggest a robust recovery towards pre-Covid trading and beyond, in light of current uncertainties related to COVID-19 and associated restrictions the Board has determined that no interim dividend be paid in conjunction with the 1H21 period.

	Dec 2020 \$	Dec 2019 \$
Net tangible assets per security	0.60	0.80

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 2020.

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 2020. 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 2021



Consolidated Half Year Financial Statements

31 December 2020

A2B Australia Limited is an ASX listed Company with a leading position in mobility and payment technologies and in personal transport. A2B's dispatch technology is deployed globally and our expertise in payments is embraced by retailers and the taxi industry throughout Australia. A2B is home to brands including EFT Solutions, Mobile Technologies International, Spotto, 13cabs, Cabcharge, Silver Service, and Champ. In support of Professional Drivers and their Passengers we provide class leading and cutting edge technology to 96% of Australia's 22,000 taxis as well as to personal transport fleets in 50 cities throughout Canada, USA, Europe and New Zealand. Our 13cabs taxi network is the largest in Australia directly supporting 10,000 vehicles and 40,000 Drivers. We believe in the importance of accessible, dependable and equitable transport in the community and are building the team, technology and brands to support its delivery.

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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 2020.

Directors

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

- Paul Oneile (Chairman)
- Andrew Skelton (Chief Executive Officer and Managing Director)
- David Grant
- Jennifer Horrigan (Appointed 11 September 2020)
- Louise McCann
- Richard Millen (Retired 19 November 2020)
- Clifford Rosenberg

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

Review of operations

	Dec 2020	Dec 2019	Change %
Revenue from operations (\$m)	50.7	105.0	-52%
Profit after tax attributable to owners of the Company (\$m)	(6.2)	3.5	-277%
Earnings per share attributable to owners of the Company (cents)	(5.2)	2.9	-277%

Overview

The pandemic continued to impact revenue as State Governments introduced restrictions limiting travel activity throughout the half. Most notably a 112-day lockdown in Melbourne and State border closures during the December 2020 holiday period interrupted the rate of recovery.

For the six months ended 31 December 2020 (1H21) A2B recorded revenue of \$50.7 million, down 51.7% (1H20 \$105 million) and recorded a statutory net loss of \$6.2 million (1H20 \$3.6 million profit).

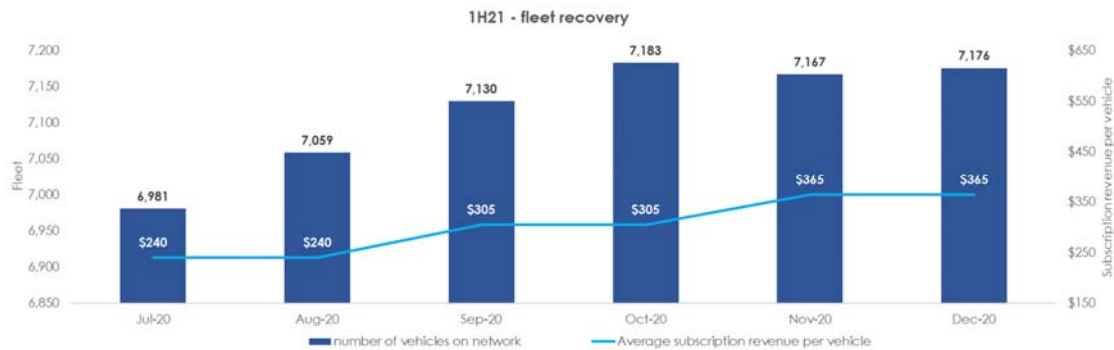
During 1H21 A2B maintained its financial resilience while continuing to invest in product, brand and service and supporting our Operators and Drivers. As at 31 December 2020 A2B's available net cash was \$19.2 million. A2B's \$25 million finance facility remains undrawn.

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

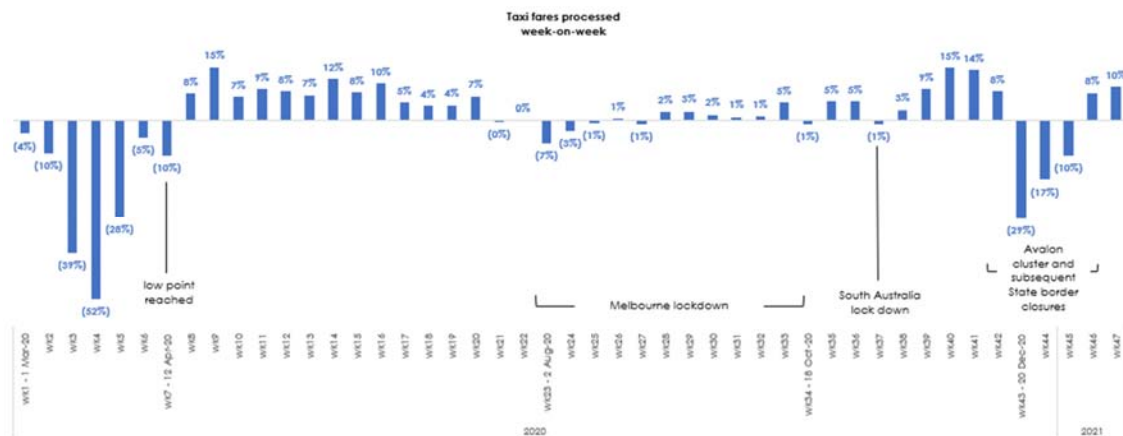
Operational activity

During the half year fleet levels began recovering in all States with the exception of Victoria. Growth of 2.5% or 172 vehicles vs 30 June 2020 was supported by moderate growth in affiliated and bureau fleets. 13cabs expanded its services to Yarram, Broken Hill, Gilgandra, Geraldton and Mandurah through bureau fleets.

Support to Operators and Drivers continued during the half year through reduced network fees. These fees have increased gradually in most States depending on local economic recovery.



In 1H21 taxi fares processed ended at \$228.5 million, down 54.7% vs prior year. Taxi fare volumes experienced a decline of up to 80% in the initial stages of the pandemic in March 2020. The rate of recovery has been fluid since restrictions were lifted initially on 19 April 2020. Initial recovery rates in April 2020 were encouraging until a stage 4 lockdown was imposed in Victoria on 2 August 2020. Throughout 1H21 A2B experienced fluctuations in the rate of recovery as restrictions were implemented and subsequently reversed on a State-by-State basis. However, the quick rate of recovery in Taxi fares processed once restrictions are lifted is encouraging.



Financial results

Revenue reduced by \$54.3 million or 51.7% to \$50.7 million compared to last year. Of this revenue reduction 95% is attributable to \$26 million lower network subscription revenue, \$13.9 million lower Taxi licence plate revenue and \$11.6 million lower Taxi service fee revenue. Revenue has continued to improve gradually month on month since its low point in April 2020.

The revenue reduction of \$54.3 million was partly offset by:

- \$24.3 million or 27.4% reduction in cash expenses, including \$16.2 million or 59.8% reduction in volume cash expenses and \$8.1 million or 13% reduction in non-volume cash expenses
- \$12.2 million in JobKeeper payments
- \$2.2 million of industry support by State Governments

The outlined revenue reduction coupled with cost mitigation measures and additional other income resulted in an EBITDA of \$0.8 million (1H20 \$16.3 million), down \$15.5 million on last year.

Depreciation and amortisation charges ended at \$8.2 million, down \$0.9 million or 9.4%. This reduction is primarily driven by a reduction in depreciation charges on eftpos equipment. Net finance costs ended in line with last year at \$0.7m.

Underlying net loss after tax was \$5.6 million (1H20 \$4.6 million profit) while statutory net loss ended at \$6.2 million (1H20 \$3.6 million profit). Pre-tax underlying adjustments relate to \$0.2 million in MTI employee retention costs and \$0.6 million in employee separation costs.

Cash flow and liquidity

A2B entered the coronavirus period in a strong financial position 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 without compromising its ability to continue to invest in product development and brand.

In 1H21 A2B generated cash flow from operations of \$0.3 million and incurred capital expenditure of \$3.5 million. As at 31 December 2020 A2B was in a net cash position of \$19.2 million and had access to an undrawn finance facility of \$25 million.

Events subsequent to balance date

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 2020.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 4 and forms part of the Directors' Report for the half year ended 31 December 2020.

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.



Paul Oneile
Chairman
25 February 2021



Andrew Skelton
Managing Director
25 February 2021



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 2020 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.

KPMG

Cameron Slapp

Partner

Sydney

25 February 2021

Consolidated statement of comprehensive income

For the half year ended 31 December 2020

		Dec 2020	Dec 2019
	Notes	\$'000	\$'000
Revenue	2	50,663	104,951
Other income	2	14,580	85
Processing fees to Taxi Networks		(2,358)	(3,837)
Brokered Taxi plate licence costs		(512)	(11,977)
Other Taxi related costs		(1,258)	(2,739)
Taxi operating expenses		(3,253)	(4,502)
Courier service expenses		(1,706)	(1,535)
Employee benefits expenses		(31,470)	(34,489)
Cost of cars and hardware sold		(1,828)	(3,051)
General and administrative expenses		(15,632)	(23,775)
Depreciation		(5,825)	(7,307)
Amortisation		(2,417)	(1,793)
Other expenses		(7,034)	(4,324)
Results from operating activities		(8,050)	5,707
Finance income		14	25
Finance costs		(677)	(638)
Net finance costs		(663)	(613)
(Loss) / Profit before income tax		(8,713)	5,094
Income tax benefit / (expense)	3	2,559	(1,540)
(Loss) / Profit for the period		(6,154)	3,554
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign exchange translation differences, net of tax		146	(30)
<i>Items that will not be reclassified to profit or loss:</i>			
Net change in fair value of financial assets		-	170
Other comprehensive income for the period, net of income tax		146	140
Total comprehensive income for the period		(6,008)	3,694
Attributable to:			
Owners of the Company		(6,226)	3,514
Non-controlling interest		72	40
Total profit for the period		(6,154)	3,554
Owners of the Company		(6,080)	3,654
Non-controlling interest		72	40
Total comprehensive income for the period		(6,008)	3,694
Earnings per share			
Total attributable to owners of the Company:			
Basic earnings per share		(5.2 cents)	2.9 cents
Diluted earnings per share		(5.2 cents)	2.9 cents

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

Consolidated statement of financial position

As at 31 December 2020

	Notes	Dec 2020 \$'000	Jun 2020 \$'000
Current assets			
Cash and cash equivalents		21,095	25,759
Trade and other receivables		39,290	34,217
Current tax assets		4,173	-
Inventories		3,425	3,009
Prepayments		2,832	3,987
Total current assets		70,815	66,972
Non-current assets			
Trade and other receivables		5,135	5,624
Financial assets		1,298	1,298
Property, plant and equipment		36,486	39,740
Right-of-use assets		19,218	17,820
Net deferred tax assets		4,500	6,122
Taxi plate licences	5	3,208	3,275
Goodwill	5	27,487	27,487
Intellectual property	5	22,418	22,328
Total non-current assets		119,750	123,694
Total assets		190,565	190,666
Current liabilities			
Contract liabilities, trade and other payables		33,305	29,509
Loans and borrowings		1,927	2,031
Lease liabilities		2,629	2,262
Current tax liabilities		-	4
Provisions		8,214	8,267
Total current liabilities		46,075	42,073
Non-current liabilities			
Lease liabilities		17,079	15,926
Provisions		1,777	1,345
Total non-current liabilities		18,856	17,271
Total liabilities		64,931	59,344
Net assets		125,634	131,322
Equity			
Share capital		138,325	138,325
Other reserves		929	433
Profits reserve		18,823	18,823
Retained earnings		(33,531)	(27,305)
Total equity attributable to owners of the Company		124,546	130,276
Non-controlling interest		1,088	1,046
Total equity		125,634	131,322

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 2020

	Notes	Dec 2020 \$'000	Dec 2019 \$'000
Cash flows from operating activities			
Receipts from customers and others		280,538	617,652
Payments to suppliers, licensees and employees		(279,944)	(605,976)
Dividends received		-	205
Interest received		14	25
Finance costs paid		(297)	(430)
Income tax received (paid)		25	(2,458)
Net cash provided by operating activities		336	9,018
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,455)	(8,343)
Payments for development of intellectual property		(2,440)	(3,227)
Acquisition of business assets, net of cash acquired		-	(2,527)
Proceeds from sale of property, plant and equipment		373	711
Net cash (used in) investing activities		(3,522)	(13,386)
Cash flows from financing activities			
Proceeds from borrowings		77	164
Repayment of borrowings		(180)	(382)
Payment of lease liabilities		(1,250)	(1,306)
Dividends paid to equity holders		-	(4,817)
Dividends paid to non-controlling interest in subsidiaries		(30)	(40)
Net cash (used in) financing activities		(1,383)	(6,381)
Net (decrease) in cash and cash equivalents		(4,569)	(10,749)
Cash and cash equivalents at 1 July		25,759	19,172
Effect of movements in exchange rate on cash held		(95)	10
Cash and cash equivalents at 31 December		21,095	8,433

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 2020

	Notes	Share capital \$'000	Other reserves \$'000	Profits reserves \$'000	Retained earnings \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2020		138,325	433	18,823	(27,305)	1,046	131,322
Total comprehensive income for the period							
Profit for the year		-	-	-	(6,226)	72	(6,154)
Other comprehensive income		-	146	-	-	-	146
Total comprehensive income 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	(33,531)	1,088	125,634
Balance at 1 July 2019		138,325	71	-	25,513	177	164,086
Total comprehensive income for the period							
Profit for the year		-	-	-	3,514	40	3,554
Other comprehensive income		-	140	-	-	-	140
Transfer of reserves		-	(211)	-	211	-	-
Total comprehensive income for the period		-	(71)	-	3,725	40	3,694
Transactions with owners in their capacity as owners:							
Dividends to equity holders	6	-	-	-	(4,817)	-	(4,817)
Dividends to non-controlling interest in subsidiaries		-	-	-	-	(40)	(40)
		-	-	-	(4,817)	(40)	(4,857)
Change in ownership interest:							
Acquisition of subsidiary with non-controlling interests		-	-	-	-	683	683
Balance at 31 December 2019		138,325	-	-	24,421	860	163,606

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 2020 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 2020.

These consolidated half yearly financial statements were authorised for issue by the board of directors on 25 February 2021.

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

During the half year reporting period, ending 31 December 2020, stringent measures were put in place by Government and subsequently reversed. Most notably a 112-day lockdown in Melbourne commencing on 2 August 2020 and State border closures commencing mid-December 2020. In January and February 2021, some State governments in Australia implemented new State based restrictions while others lifted recently introduced restrictions.

Given the fluid nature of the current situation, the Group continues to regularly review forward looking assumptions and economic scenarios. In preparing the financial report the Directors considered the current impact of the COVID-19 pandemic and general economic and business conditions.

During the half-year COVID-19 continued to negatively impact the Group's revenue with total revenue ending \$54 million or 52% below last year. These impacts have been partially mitigated through cost reductions (\$26 million), Government and industry assistance (\$14.4 million) and a range of other initiatives.

As at 31 December 2020 the Group retained its strong financial position with available net cash of \$19.2 million and access to an undrawn finance facility of \$25 million.

Taking into account the Group's strong liquidity position and the current known impacts of the COVID-19 pandemic, the Directors are satisfied that the company will continue as a going concern and realise assets and discharge liabilities in the normal course of business. Accordingly the Directors have prepared the financial statements on this basis.

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 2020.

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 2020.

2. Revenue and income

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

	Dec 2020 \$'000	Dec 2019 \$'000
Revenue from contracts with customers		
Taxi service fee income	9,973	21,590
Network subscription fee income	12,813	38,817
Brokered Taxi plate licence income	561	12,613
Owned Taxi plate licence income	64	1,956
Other Taxi related services income	1,516	2,747
Taxi operating income	5,552	6,841
Courier service income	2,497	2,284
Insurance commission revenue	528	636
Hardware sales	42	653
Car sales income	1,765	2,458
School bus route services income	3,045	2,956
Taxi Subsidy Scheme Revenue	894	960
Software consulting and licence income	2,716	4,189
Other	5,812	3,378
Total revenue from contracts with customers	47,778	102,079
Other revenue		
Interest on finance lease receivables and others	789	662
Taxi equipment and terminal rental income	2,096	2,210
Total other revenue	2,885	2,872
Total revenue	50,663	104,951
	Dec 2020 \$'000	Dec 2019 \$'000
Non-operating activities		
Government grants	14,426	-
Gain on disposal of property, plant and equipment	154	85
Total other income	14,580	85

Total turnover

Total turnover does not represent revenue in accordance with Australian Accounting Standards. Total turnover represents the value of Taxi hire charges (fares) paid through the Cabcharge Payment System plus the Cabcharge Payments Taxi service fee plus the Group's revenue from other sources. The Group's credit risk is based on turnover rather than revenue.

	Dec 2020 \$'000	Dec 2019 \$'000
Total turnover	279,186	609,550

3. 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 2020 \$'000	Dec 2019 \$'000
Numerical reconciliation between tax expense and pre-tax profit		
Profit before tax from continuing operations	(8,713)	5,094
Prima-facie income tax using the corporate tax rate of 30% (Dec 2019: 30%)	(2,614)	1,528
Effect of tax rates in foreign jurisdiction	(48)	(69)
Add tax effect of:		
Non-deductible depreciation	99	50
Other non-deductible items	47	191
Less tax effect of:		
Rebatable fully franked dividends	(14)	(47)
Utilisation of previously unbooked tax losses	(40)	(153)
Adjustment for prior years	11	40
Income tax (benefit) / expense	(2,559)	1,540

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 31 December 2020 presents as 29.4% (for the six-months ended 31 December 2019: 30.2%).

4. Business combination

Gold Coast Cabs

In FY20, on 2 July 2019 the Group acquired the business operations and various assets of Gold Coast Cabs ("GCC") for a purchase consideration of \$2.4 million. GCC is the Taxi network and operations business of Regent Taxis Ltd and has been trading for over 80 years on the Gold Coast providing transport services from Coolangatta to Ormeau. The assets of GCC include a 33.3% share in Tweed Heads Coolangatta Taxi Service Pty Ltd ("THCT").

The Group owned a 22.2% share in THCT prior to this acquisition. In accordance with AASB 10, the Group assessed that it had control of THCT on 2 July 2019. The results of the acquired business have been consolidated in the Group results from 2 July 2019.

The Group incurred acquisition related costs of \$145,000 included in general administrative expenses.

Goodwill of \$1,199,000 is attributable to the knowledge and expertise of the workforce, the location of the business acquired and the synergies expected to be achieved. None of the goodwill recognised is expected to be deductible for tax purposes.

The fair value of the identifiable net assets and liabilities acquired as at the date of acquisition were as follows:

	2 July 2019
	\$'000
Cash and cash equivalent	35
Trade and other receivables	646
Inventory	34
Other current assets	26
Investments	84
Net deferred tax assets	86
Property, plant and equipment	1,811
Right-of-use assets	231
Taxi plates	492
Trade and other payables	(441)
Bank borrowings	(90)
Lease liabilities	(231)
Current tax liabilities	(8)
Employee entitlements	(286)
Fair value of identifiable net assets acquired	2,389
Non-controlling interest*	(781)
Fair value of previously held equity interest	(391)
Consideration paid, satisfied in cash	(2,416)
Goodwill (refer to Note 5)	1,199

* based on their proportionate interest in the fair value of identifiable net assets acquired.

The remeasurement to fair value of the Group's existing 22.2% interest in THCT resulted in a gain of \$197,000. This amount has been included in "other comprehensive income".

5. Goodwill, taxi licence plates and intellectual property

Composition

	Dec 2020 \$'000	Jun 2020 \$'000
Goodwill	27,487	27,487
Accumulated Impairment loss	-	-
	27,487	27,487
Taxi licence plates		
- Indefinite life		
- Taxi licence plates - perpetual	2,879	2,879
- Finite life		
- Taxi licence plates - 50 year renewable	2,506	2,506
- Accumulated amortisation	(2,214)	(2,147)
- Taxi licence plates - 10 year renewable	3,356	3,356
- Accumulated amortisation	(3,319)	(3,319)
	3,208	3,275
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	(4,110)	(3,774)
- Software	2,700	2,700
- Accumulated Amortisation	(1,140)	(897)
- Capitalised development costs at cost	46,375	43,935
- Accumulated Amortisation	(28,035)	(26,264)
	22,418	22,328

6. Dividends paid

While external signals and company specific enhancements suggest a robust recovery towards pre-Covid trading and beyond, in light of current uncertainties related to COVID-19 and associated restrictions the Board has determined that no interim dividend be paid in conjunction with the 1H21 period.

The following dividends were paid, fully franked at the tax rate of 30%.

	Dec 2020 \$'000	Dec 2019 \$'000
2020 year final - no dividend	-	-
2019 year final - 4.0 cents	-	4,817
	-	4,817

7. Events subsequent to balance date

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 2020.

8. Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group operates predominantly in one business and geographic segment being the provision of Taxi related services in Australia.

Through its subsidiary, MTI the Group operates in other geographic segments including North America and Europe. MTI's overseas revenue of \$2,499,000 was included in the Group's Consolidated Statements of Comprehensive Income.

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 5 to 14 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 2020 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.



Paul Oneile
Chairman
25 February 2021



Andrew Skelton
Managing Director
25 February 2021

Independent Auditor's Review Report

To the shareholders of A2B Australia Limited

Report on the Half-year Financial Report

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 2020 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 2020
- 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 the Code. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of A2B Australia Limited, would be in the same terms if given to the Directors as at the time of this Auditor's Review Report.

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 2020 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 2021