

25 February 2021

The Manager

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

**Electronic Lodgement**

**1H21 Results – Investor Deck**

Attached is an announcement for release to the market.

Authorised for lodgement by:



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Company Secretary

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# **1H21 Results**

25 February 2021

Internal use only

# 1H21 Highlights

## Operating during COVID

**Taxi Fares Processed**  
**\$229m**

1H20 \$505m  
down 55%

**Fleet**  
**7,176 vehicles**

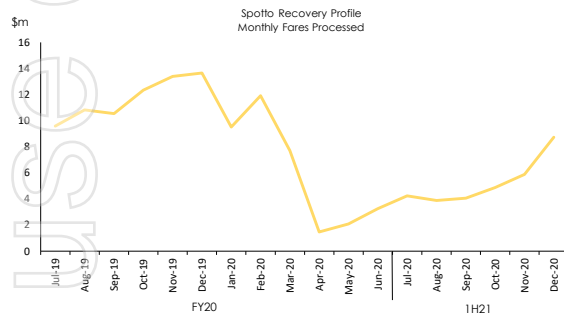
9 new locations in 1H21

**Industry Support**  
**\$15m**

in financial relief  
provided by A2B to  
clients and stakeholders

**Vehicle Sanitisation**

Contracts extended at 4  
sites



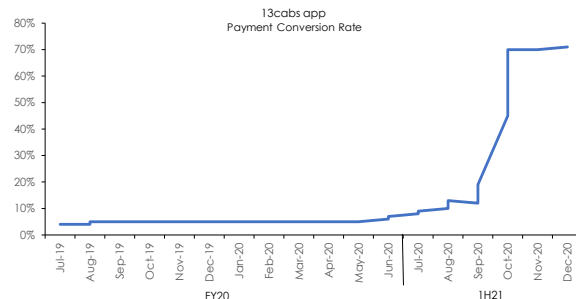
## Growth and innovation

App payments grow  
from 7% in June 2020  
to 71% in Dec 2020 to  
exceed Amex as a  
source of payments

Instant deliveries for  
131 Woolworths  
stores

**3,526 Payment  
terminals converted  
to rental model**

**MTI innovation**  
Supporting global client  
growth with cloud-based  
services, migration to Android  
Driver devices and  
incorporation of AI



## Financial performance

**Revenue**  
**\$50.7m**

1H20 \$105m  
down 52%

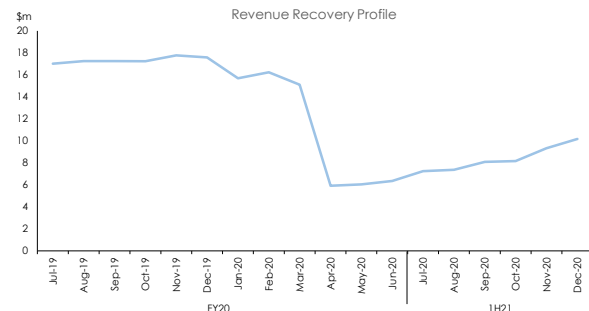
**Underlying EBITDA\***  
**\$0.8m**

1H20 \$16.3m

**Free Cash Flow**  
**-\$3.6m**

**Net Cash**  
**\$19.2m**

As at 31 December



\*See slide 21 for Statutory and Underlying Financial Summary

# Operating during COVID

## Payments turnover

Taxi Fares Processed  
week-on-week

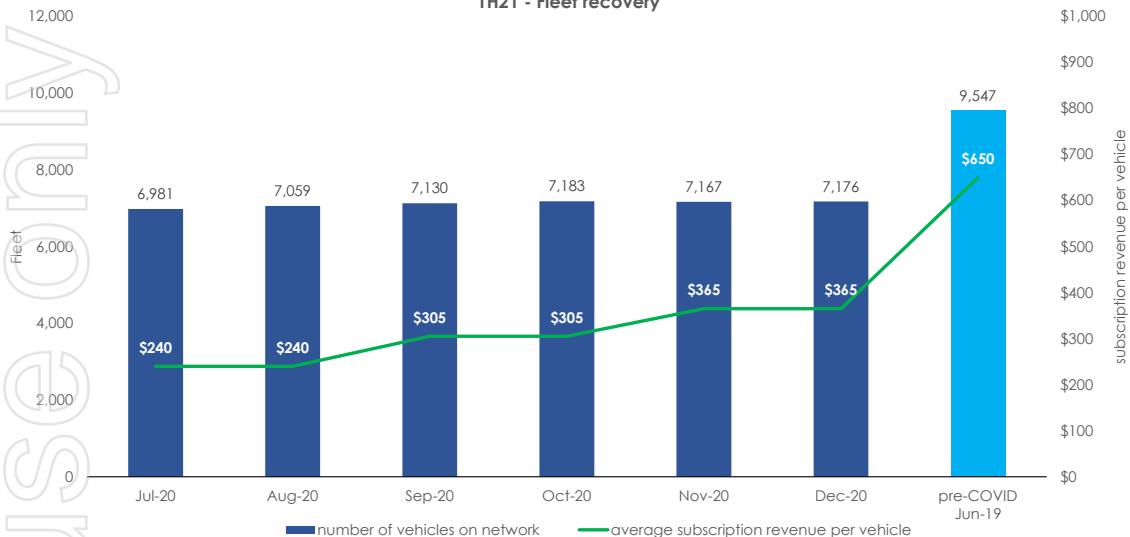


- **\$229m** in Taxi fares processed, down **55%** on pcp
- Taxi fare volumes experienced a decline of up to **80%** in the initial stages of the pandemic
- The rate of recovery has been fluid since restrictions were lifted initially on 19 April 2020
- Throughout 1H21 A2B experienced fluctuating recovery levels as restrictions were implemented and subsequently reversed
- We are encouraged by the quick rate of recovery in Taxi fares processed once restrictions are lifted

# Operating during COVID

## Network subscriptions

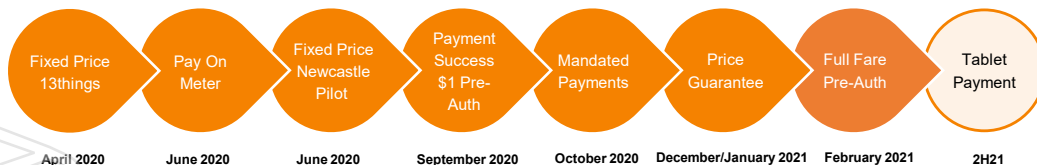
1H21 - Fleet recovery



- Fleet improved **172** vehicles or **2.5%** since 30 June
- States experienced a gradual and modest recovery except for Victoria
- Fleet decline primarily driven by NSW and Victoria
- Queensland fleet **3.7%** below pre-COVID levels at 31 December
- Bureau growth continued during 1H21, up **57%** to 644 vehicles
- A total of **\$15m** in network fee relief was provided to Drivers and Operators on our network in 1H21
- Standard subscription pricing is being gradually reinstated on a state-by-state basis

# In-App Payment Growth

## Closing the loop



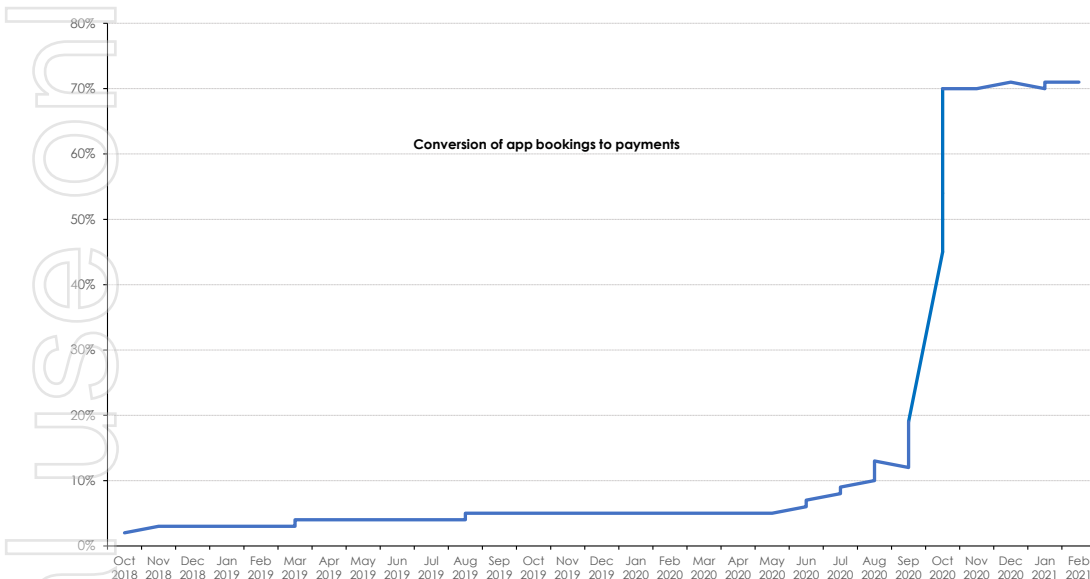
- Improvements to payment technology is delivering a better experience at the end of a trip
- Pre-authorising customers upfront is building Driver confidence by reducing the potential for failed transactions and fare evasion
- Trips booked through the 13cabs App create further certainty with a Price Guarantee

### Takeaway:

App payments are accelerating rapidly. App payments have overtaken Amex as a source of payments processed by the A2B group.

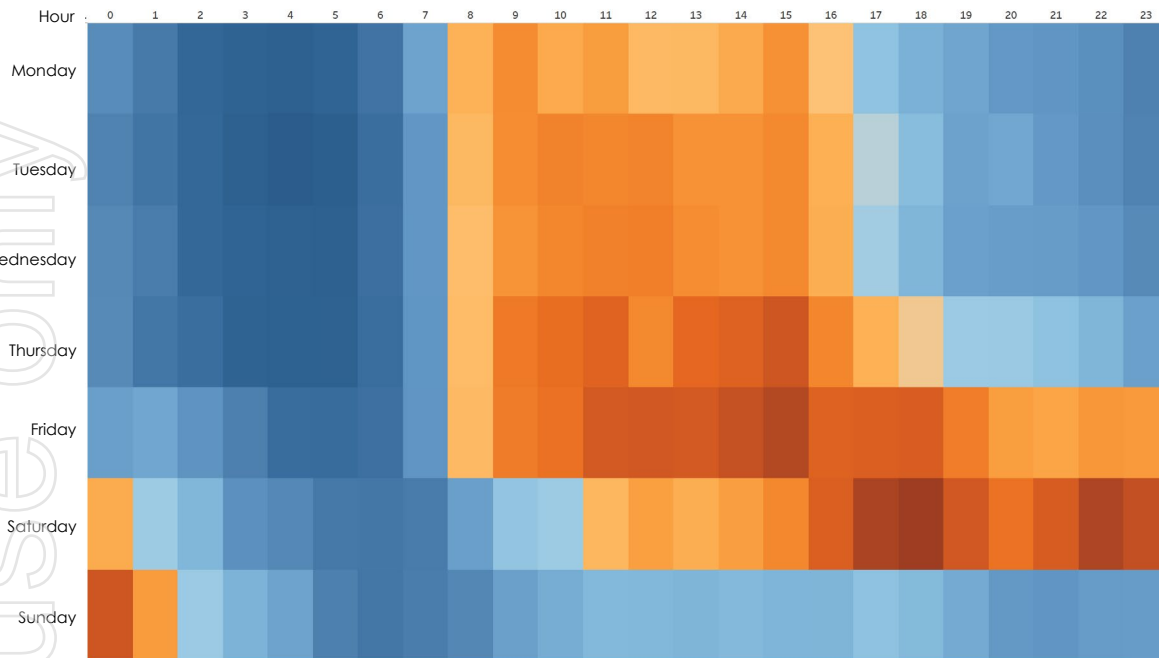
The technologies deployed to rapidly increase app payments can progressively be deployed to other channels

Further growth in app payments will follow extension of Price Guarantee to SA, WA and NT and to Silver Service nationally (target **95%** of all app trips)



# Weekend Party Set now the primary source of new customers

Heat chart of when new (first ride) customer acquisition is happening



This chart uses national data across all booking channels over the last 24 weeks to demonstrate when Passengers are using 13cabs for the first time

## New Customers all channels

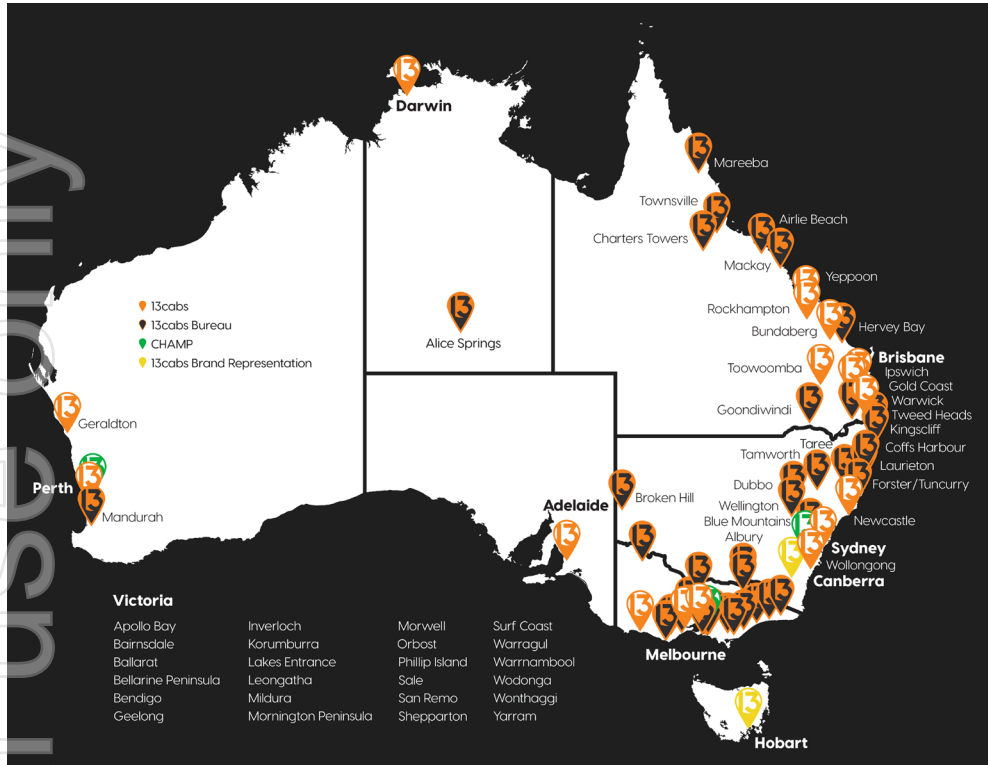
- The business is adjusting to the changing expectations of Travellers
- Weekend evenings and early mornings are the most popular booking time for first time riders
- The peak intensity on Saturday evenings suggests that cost conscious Millennial and Gen Z Travellers are choosing the consistent pricing of 13cabs in preference to the exploitation of peak demand by rideshare competitors

## New App Customers

- **35%** of new app users are new to 13cabs
- **51%** of first-time app users are returning to 13cabs having used another booking channel in the last 10-year period but not in the last 6 months
- **14%** of first-time app users are currently using alternative 13cabs channels

# Growth and Innovation

## Mobility Services – Australian Footprint



- 13cabs continued to expand its footprint during 1H21

### Bureaus

- Wellington NSW
- Broken Hill NSW
- Apollo Bay VIC
- Yarram VIC
- Orbost VIC
- Mareeba QLD
- Mandurah WA

### Networks

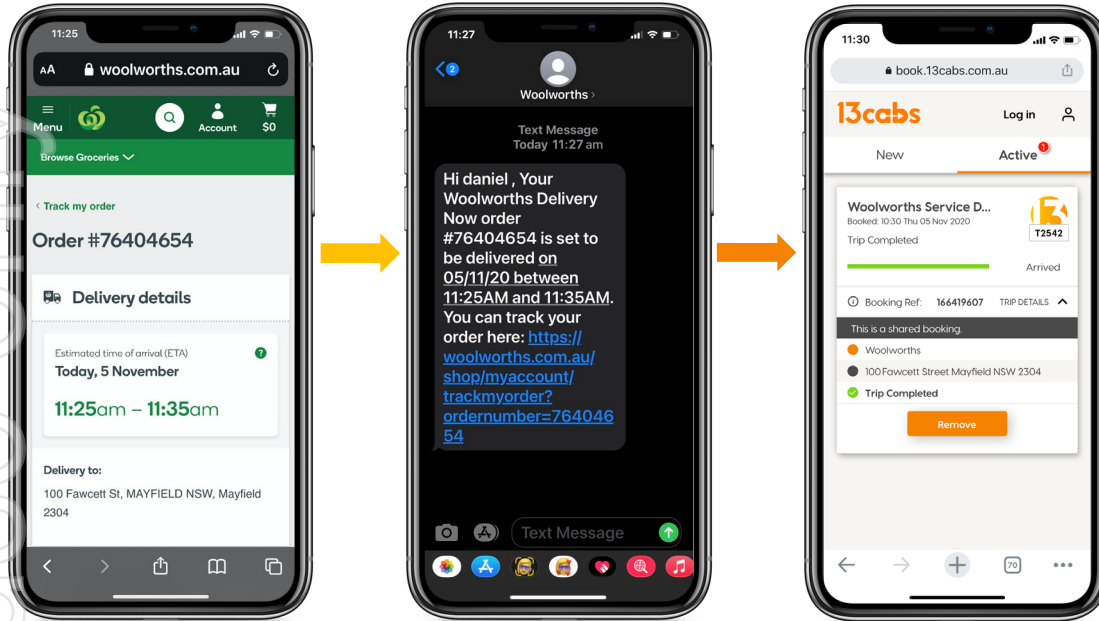
- Wollongong NSW
- Geraldton WA

- Brand awareness and technology capabilities are driving more enquiries to join the group
- Growth in instant parcel deliveries supported by national availability and coverage



# Growth and Innovation

## Mobility Services – Instant deliveries

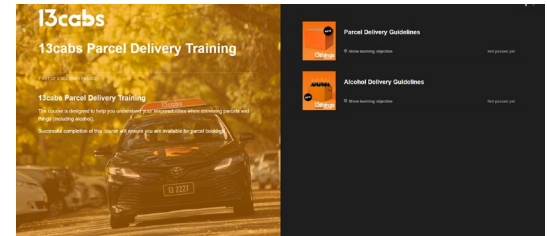
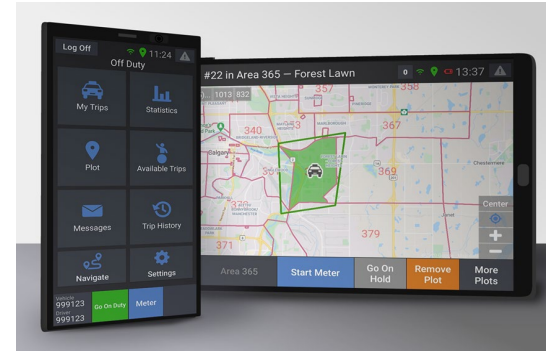


- Woolworths introduces “Delivery Now” premium service using 13cabs as a delivery partner available at **131** stores, leveraging our strengths with deliveries from store to door in **15** minutes
- New features and tools allow our team to better support Woolworths and its customers with returns and rescheduling
- Our on-time delivery percentage has been a continued focus, with the achievement of **95%** on time delivery
- Increased scalability of our enterprise grade APIs to cater for small and large clients (including Woolworths, Australia Post and Ferguson Plarre Bakehouses)

# Growth and Innovation

## Mobile Technologies International – growing global footprint

- Mobile Technologies International continued its European growth with the successful completion of the TAXA 4x35 project in Copenhagen
- Existing clients in Finland added several new cities to their MTI systems
- Further development of the Mobility Module supported automated trip merging through new AI capabilities. The first application of this new technology supports Taksi Helsinki's continued growth in the Finnish subsidised transportation space.
- Existing and new customers were successfully added to MTI's North American Cloud Hosted Solution
- A new ANZ MTI Cloud Hosted Solution was launched, with the first customer successfully migrated
- Customers continue to upgrade from legacy in-vehicle hardware platforms to MTI's Android Driver App technology
- MTI technology was deployed for 13cabs to deliver online Driver training courses to support the commencement of parcel and food delivery services, including meeting custom requirements for Woolworths and Australia Post
- MTI continued to support projects driving cost savings for 13cabs in relation to digitisation of paper-docket processes, customer feedback and Driver Onboarding



# Growth and Innovation

## Digital Payment Capabilities

### CABCHARGE

"Cabcharge's requisition API is providing our customers with a secure and responsible process which meets the standards expected for best practice financial compliance"

Mark Thompson, CEO, Torque Software

- Cabcharge clients are beginning to embrace our **digitally focused** approach to Taxi travel
- Digital FASTCARD transaction volumes increased **84%** on pcip
- Sign up to our Cabcharge digital portal is up **37%** on pcip
- Digital payment capabilities have evolved, giving clients the ability to add their brand to the Digital Pass and tailor the distribution messaging
- Integration with our digital offering continues to be a success, with clients and third-party partners leveraging our capabilities to deliver greater efficiencies, provide frictionless experiences and drive sustainable growth



Australian Government  
The Treasury

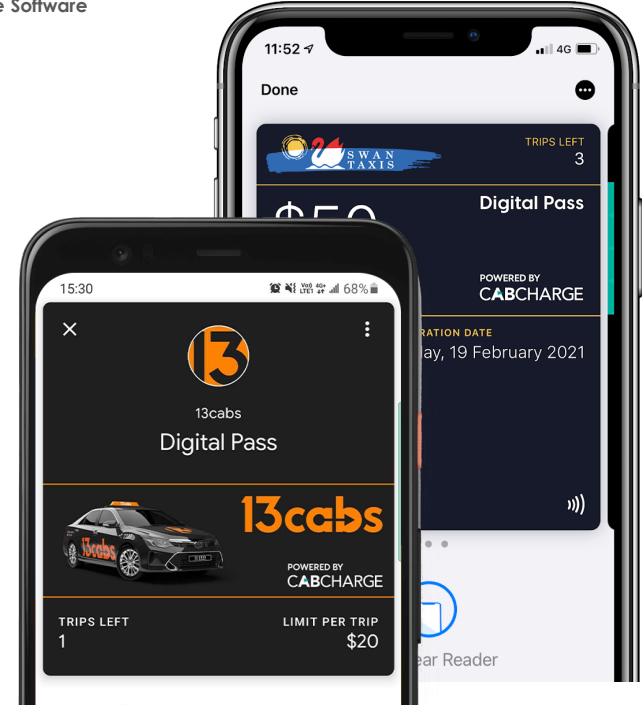
**VAGO**  
Victorian Auditor-General's Office

**RAIL PROJECTS**  
VICTORIA

**TORQUE**  
SOFTWARE

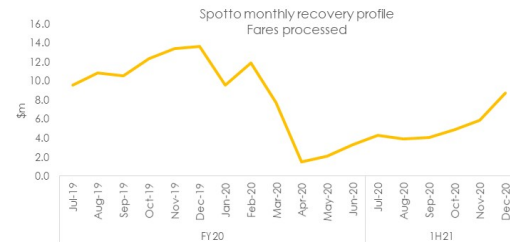
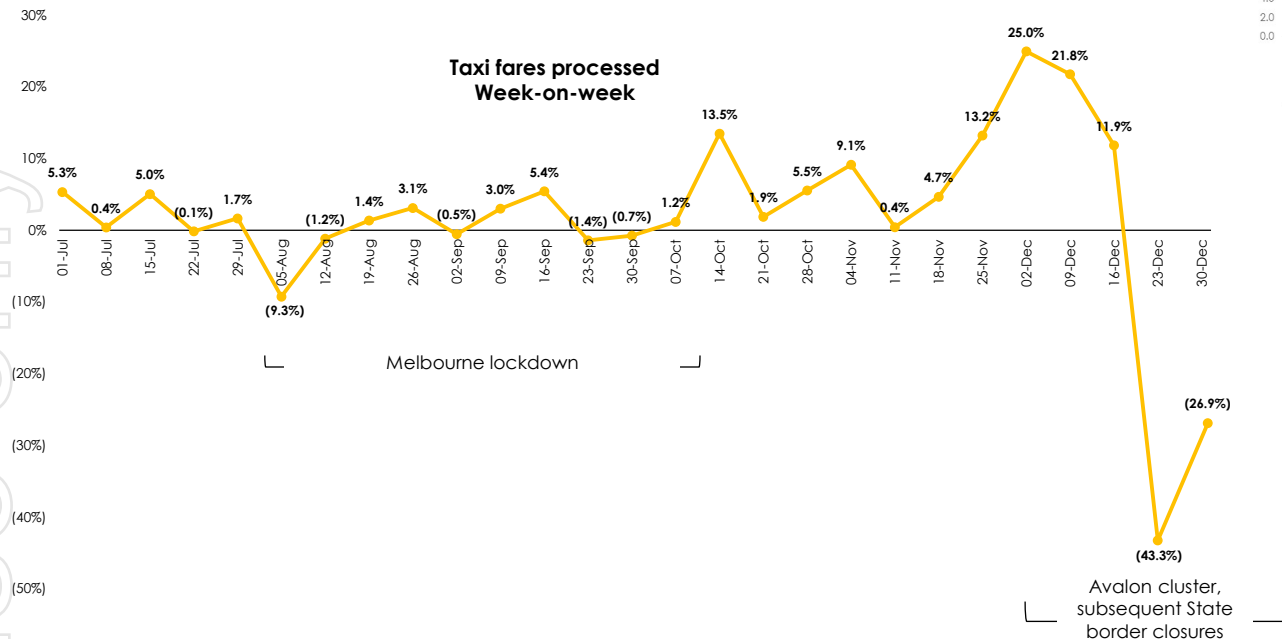
**MAXIM'S TRAVEL**

- Cabcharge Corporate portfolio of customers demonstrating slow and steady recovery
- Take up of **11,670** 13cabs co-branded digital passes within **90** days of launch



# Growth and Innovation

## Payments – Spotto growth profile



- Quick and accelerating return to growth when COVID related restrictions are lifted
- Spotto's new 365-day settlement leveraging the New Payments Platform is driving improvements in turnover during weekends
- Spotto remains resilient despite primary presence in cities undergoing lock-downs and COVID related restrictions

# Growth and Innovation

## Payments – product development

EFT Solutions has built a retail payment product ready to launch in Australia. This product is a complete Merchant facility for small and large businesses, with differentiating features focusing on helping merchants grow repeat business.

- Building on years of experience providing payment solutions for the Taxi industry
- Payment switch operational in Australia
- Trusted consultancy partner for large enterprises like Westpac, Woolworths and Australia Post
- Industry leading digital pass experience driven by innovation in the Cabcharge product suite

### Verifone VX690 Terminals

Flamingo Verifone payment and loyalty terminals are on track for roll-out in 4Q21.

### NextGen Android Payment Terminals (PAX A920)

Flamingo Android payment and loyalty terminals are on track to be commercially available for sale to retailers in 1H22.

Android payment terminals are gaining market share and relevance due to their ability to host apps in addition to payment. For example, an Android tablet can host a point-of-sale app alongside a payment application and a loyalty application. This multi-app capability has benefits in the mobility industry.

Partnering with PAX provides an opportunity to create a competitive advantage on Android devices by developing our own software and owning the innovation roadmap.

A loyalty app for Android has been created that enables digital loyalty cards (issued from our Digital Card Platform) to be scanned and processed on Flamingo Android devices.



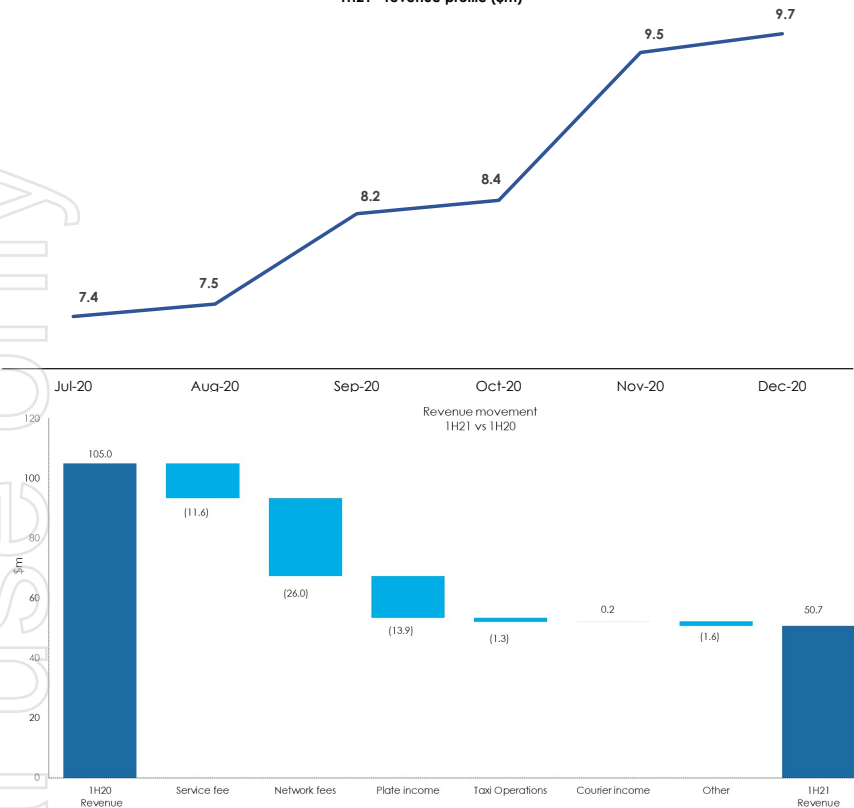
VX690

PAX A920

# Financial Performance

## Revenue

1H21 - revenue profile (\$m)



- Revenue of **\$50.7m**, down **\$54.3m** or **52%**
  - Service fee income down **\$11.6m**
  - Network subscription income down **\$26m**
  - Plate income down **\$13.9m**
- Revenue continued to recover gradually in 1H21
- Reduced network subscription pricing to support Operators during 1H21
- At 31 December the average subscription fee was **\$365** (vs \$650)
- Courier and school bus income ahead of last year
- Sanitisation income partly offsetting revenue decline

# Financial Performance

## Underlying results

Underlying basis excluding significant items\*

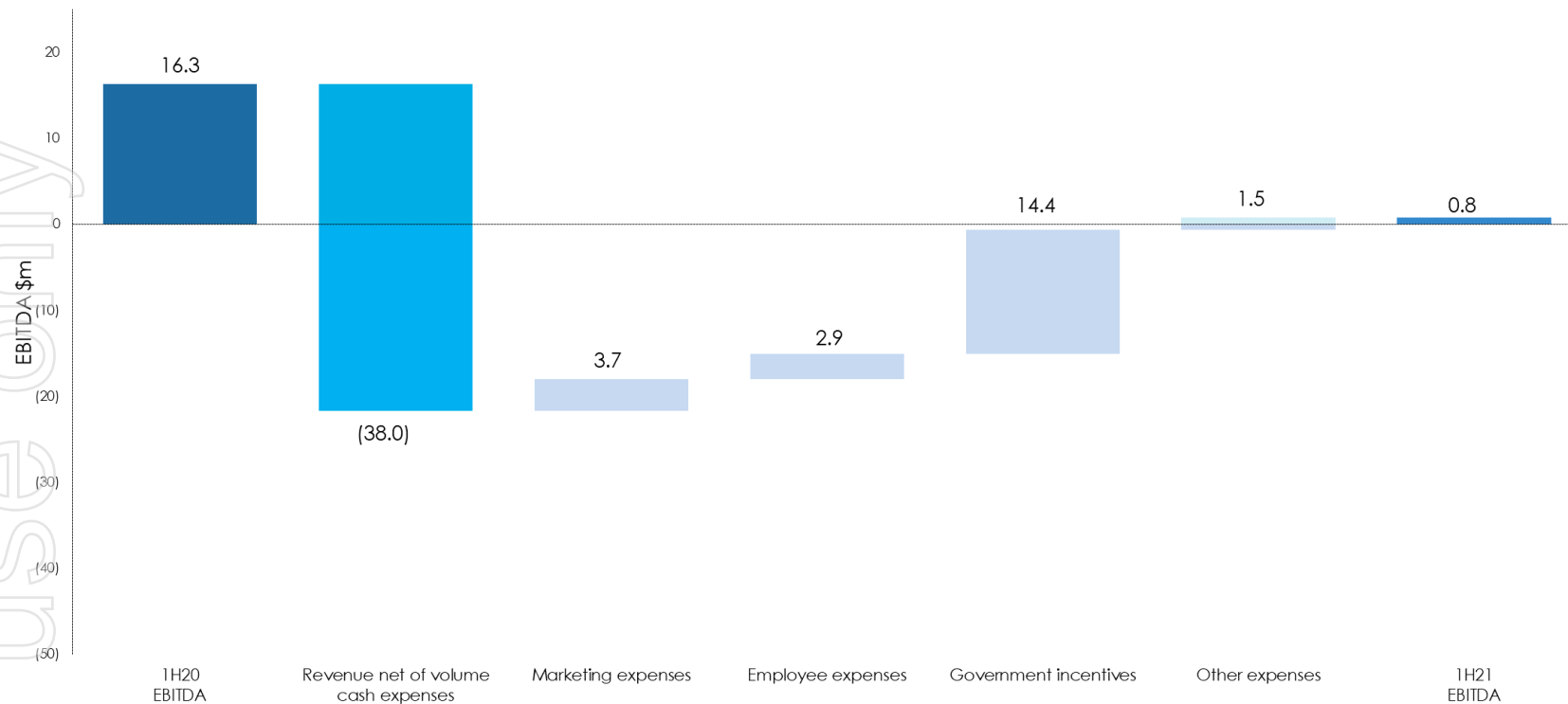
	1H21 \$m	1H20 \$m	Change over PCP
<b>Revenue</b>	<b>50.7</b>	<b>105.0</b>	<b>(51.7%)</b>
Other income	14.6	0.1	
Expenses	(64.4)	(88.7)	
<b>EBITDA</b>	<b>0.8</b>	<b>16.3</b>	<b>(94.9%)</b>
Depreciation & Amortisation	(8.2)	(9.1)	
<b>EBIT</b>	<b>(7.4)</b>	<b>7.2</b>	<b>(202.9%)</b>
Net interest	(0.5)	(0.6)	
<b>Profit before tax</b>	<b>(7.9)</b>	<b>6.6</b>	<b>(220.4%)</b>
Income tax	2.4	(2.0)	
<b>NPAT</b>	<b>(5.6)</b>	<b>4.6</b>	<b>(220.4%)</b>
EBITDA margin	1.6%	15.5%	
EBIT margin	(14.6%)	6.9%	
Earnings per share (AUD)	(4.6 cents)	3.8 cents	

\*Underlying results include the adoption of AASB 16 leases, A2B adopted AASB 16 leases in FY20. See slide 21 for underlying and statutory financial summary and items excluded from the above.

- EBITDA reduced **\$15.5m** to **\$0.8m** following a **\$54.3m** revenue drop
- Drop in revenue was partly offset by:
  - **\$24.3m** reduction in cash expenses
  - **\$12.2m** in wage subsidies
  - **\$2.2m** State Government industry support
- Depreciation and amortisation charges **\$0.9m** below pcpc primarily driven by lower depreciation charges on eftpos equipment
- Adoption of AASB 16 leases has a favourable impact on EBITDA of **\$1.6m** (1H20 \$1.6m) and an adverse impact on NPAT of **\$0.1m** (1H20 -0.3m)
- A2B maintained its financial resilience while:
  - Investment in brand, product and service continued
  - Support to Operators and Drivers was delivered through financial relief totaling **\$15m**

# Financial Performance

## EBITDA movement vs pcg





# Financial Performance

## Cash Flow

\$m	1H21	1H20
<b>Statutory EBITDA</b>	<b>0.0</b>	<b>14.8</b>
Change in Working Capital	0.5	(2.9)
Net Interest Paid on Borrowings	(0.3)	(0.4)
Income Tax Paid / Received	0.0	(2.5)
<b>Net Cash Flow from Operations</b>	<b>0.3</b>	<b>9.0</b>
Purchases of plant & equipment	(1.5)	(8.3)
Development of intellectual property	(2.4)	(3.2)
Acquisition of business assets	0.0	(2.5)
Proceeds from sale of plant & equipment	0.4	0.7
<b>Net Cash Flow from Investing</b>	<b>(3.5)</b>	<b>(13.4)</b>
Proceeds / (Repayments) of borrowings	(0.1)	(0.2)
Repayment of lease liabilities	(1.3)	(1.3)
Dividend Paid	(0.0)	(4.9)
<b>Net Cash Flow from Financing</b>	<b>(1.4)</b>	<b>(6.4)</b>
<b>Net Change in Cash Position</b>	<b>(4.6)</b>	<b>(10.7)</b>
Cash and cash equivalents at 1 July	25.8	19.2
Effect of exchange rates	(0.1)	0.0
<b>Cash at the end of Period</b>	<b>21.1</b>	<b>8.4</b>

- Cash balance reduced by **\$4.6m** during the half:
  - **\$0.3m** cash flow from operations
  - **\$3.5m** used to fund investment in product and capex
  - **\$1.4m** used in financing cash flow
- Cash flow from operations includes **\$1.1m** in retention payments to MTI employees and **\$0.6m** in staff redundancies
- Total capital expenditure of **\$3.9m** (1H20 \$11.6m) of which **\$2.4m** relates to internally developed software
- Repayment of lease liabilities have been disclosed separately in accordance with AASB 16 requirements
- No tax instalment payments were made during the half with tax losses incurred in 1H21 carried forward

# Financial Performance

## Balance Sheet

\$m	31 Dec-20 statutory	30 Jun-20 statutory
Cash and cash equivalents	21.1	25.8
Other current assets	49.7	41.2
<b>Total current assets</b>	<b>70.8</b>	<b>67.0</b>
Property, plant and equipment	36.5	39.7
Taxi plate licences	3.2	3.3
Other non-current assets	60.8	62.9
Right of use asset	19.2	17.8
<b>Total non-current assets</b>	<b>119.8</b>	<b>123.7</b>
<b>Total assets</b>	<b>190.6</b>	<b>190.7</b>
Payables	33.3	29.5
Loans and borrowings	1.9	2.0
Other	8.2	8.3
Lease liabilities	2.6	2.3
<b>Total current liabilities</b>	<b>46.1</b>	<b>42.1</b>
Lease liabilities	17.1	15.9
Other liabilities	1.8	1.3
<b>Total non-current liabilities</b>	<b>18.9</b>	<b>17.2</b>
<b>Total liabilities</b>	<b>64.9</b>	<b>59.3</b>
<b>Total net assets</b>	<b>125.6</b>	<b>131.3</b>
Net cash	19.2	23.7

### Strong balance sheet and liquidity position maintained

- A2B entered the coronavirus period in a strong financial position
- In 1H21 this strong financial position was maintained through a disciplined approach to cost and cash preservation
- Strong liquidity position as at 31 December with:
  - **\$19.2m** net cash
  - No drawn bank debt
  - Available facilities of **\$25m** in place until 1 July 2023

# Strategy and transformation



**Payments capabilities:** We invest in payment capabilities and innovations. We deploy class leading payment capabilities to improve mobility services and to increase access to mobility services. We play at the cutting edge of payments to ensure stakeholders can utilise their preferred payment methods. We amplify returns and gain knowledge by providing payment services beyond the mobility sector.

**Technology:** We design impactful and dependable products that solve real world problems. Our products are scalable and intuitive to use.

## Mobility Services

Be Australia's first choice for personal transport and instant local deliveries.



- Highly cash generative
- Australia's largest fleet of Taxis
- National footprint
- Class leading technology
- Winning value proposition
- Opportunities for domestic growth

## Mobility Platforms

Deliver products, technologies, and processes that enable mobility businesses and organisations to elevate customer experience, compete and win.



- Operations in Australia, USA, Canada, UK, Europe and New Zealand
- Class leading product offering in a single platform through amalgamation of A2B's suite of dispatch, payment and booking technologies
- Differentiated offering creating growth opportunities in overseas markets
- Extension of payment services to global customer base

## Payments

Deliver scalable products, technologies and processes that extend our payments capabilities into other sectors including retail.



- Our innovative software skills, payment infrastructure and implementation experience provide a platform for expansion into new categories in the Australian payments market
- Support **37k** terminals processing **~\$1bn** (pre-COVID) per annum including **~\$100m** in North America
- Transition from one-off consulting projects to a product-centric recurring revenue model
- Unique Digital Pass technology that allows us to further differentiate our payment offerings

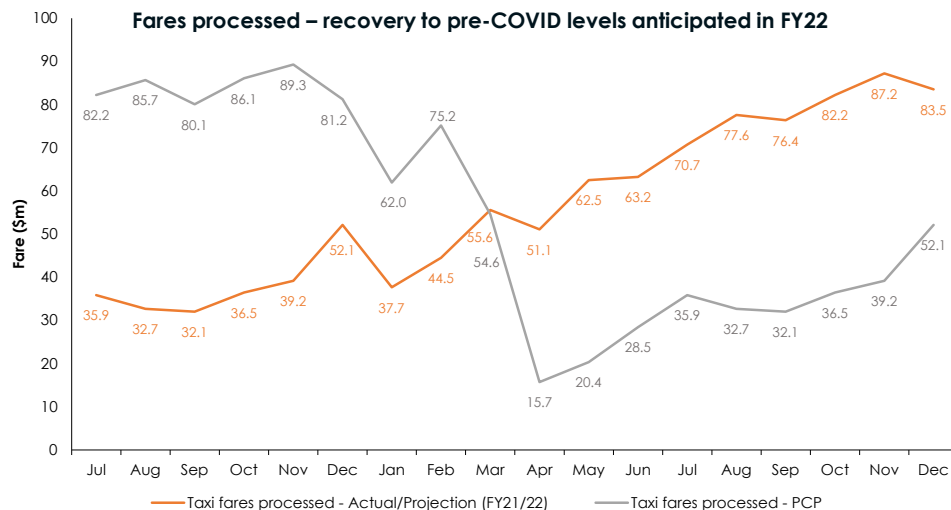
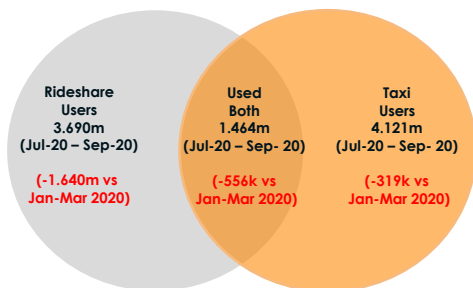
# Anticipated recovery from pandemic effects in FY22

## Recovery post COVID

A2B entered the pandemic period with a strong balance sheet and the operational leverage to adapt. In March 2020 A2B quickly redirected resources to focus on preserving cash while continuing to invest in product, service offering and brand.

Government restrictions and border closures throughout the half resulted in a slow and interrupted recovery in fleet and Taxi fares processed. Payment volumes typically show quick recovery once restrictions are lifted at a State or national level. However fleet recovery levels do not follow general activity levels at the same rate. As such projected recovery rates are delayed, with expected recovery to pre-COVID levels in FY22.

The competitive composition of recovery in the personal transport segment in 1H21 was initially encouraging. Market research data released by Roy Morgan indicated that Taxis had regained primacy over rideshare.



# Outlook

A2B has observed generally fast returns towards pre-Covid activity levels as restrictions are lifted. A welcome return of Drivers to fuel fleet growth is anticipated in the months following the removal of JobKeeper at the end of March, although the impact on labour costs within the business will be immediate. Staying committed to enhancing the business during the last 12 months has significantly changed the value proposition of our offerings. Throughout this period we have continued to make choices that reshape our business for the future growth. While reductions in migration and air travel are likely to impact our Australian operations for some time, digitisation of payments, new business models, expansion of the national footprint and the growing provision of instant deliveries are all providing avenues for sustained growth.

Collaboration between MTI and 13cabs is accelerating the digitisation of legacy activities, generating more efficient processes and the potential to commercialise additional Network functionality to MTI clients globally.

A major push to establish a competitive payment offering is progressing well and in line with a launch targeted in 2H21. Software upgrades to support a range of retail functionality are progressing through full certification and backend processes have been re-engineered to support extension of our payment capabilities into global markets. A new partnership with PAX, a leading manufacturer of Android payment terminals, enables us to develop and certify our own Android payment application. We believe Android payment terminals will continue to gain market share and relevance due to the ability of Android devices to readily extend beyond just payments.

While various economic 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. In the absence of unforeseen events, A2B anticipates a resumption of dividend payments once trading and growth resume at pre-Covid levels (anticipated to occur during FY22).

A2B remains well funded to consider acquisition opportunities. A2B will continue its disciplined approach to testing future opportunities for compelling value or a transformative impact, particularly in the payments industry.

Our focus remains on:

- Being Australia's first choice for personal transport and instant deliveries
- Delivering products, technologies and processes that enable local and international mobility businesses to elevate customer experience, compete and win
- Extending A2B's payment capabilities deeper into retail channels
- Implementing uniform processes that deliver consistency and efficiencies to build a simpler, increasingly digital, and more scalable business with stronger margins.

# Financial Summary

Profit & Loss (\$m)	1H20 Statutory	Significant Items	1H20 Underlying	1H21 Statutory	Significant Items	1H21 Underlying
<b>Revenue</b>	<b>105.0</b>	<b>0.0</b>	<b>105.0</b>	<b>50.7</b>	<b>0.0</b>	<b>50.7</b>
Other income	0.1	0.0	0.1	14.6	0.0	14.6
Expenses <sup>1</sup>	(90.2)	1.5	(88.7)	(65.2)	0.8	(64.4)
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>14.8</b>	<b>1.5</b>	<b>16.3</b>	<b>0.0</b>	<b>0.8</b>	<b>0.8</b>
Depreciation & Amortisation	(9.1)	0.0	(9.1)	(8.2)	0.0	(8.2)
<b>EBIT</b>	<b>5.7</b>	<b>1.5</b>	<b>7.2</b>	<b>(8.2)</b>	<b>0.8</b>	<b>(7.4)</b>
Net interest	(0.6)	0.0	(0.6)	(0.5)	0.0	(0.5)
<b>Profit before tax</b>	<b>5.1</b>	<b>1.5</b>	<b>6.6</b>	<b>(8.7)</b>	<b>0.8</b>	<b>(7.9)</b>
Income tax <sup>2</sup>	(1.5)	(0.4)	(2.0)	2.6	(0.2)	2.4
<b>NPAT</b>	<b>3.6</b>	<b>1.1</b>	<b>4.6</b>	<b>(6.2)</b>	<b>0.5</b>	<b>(5.6)</b>
EBITDA margin	14.1%		15.5%	0.1%		1.6%
EBIT margin	5.4%		6.9%	(16.2%)		(14.6%)
Earnings per share from operations	3.0 cents		3.8 cents	(5.1 cents)		(4.6 cents)

Underlying profit is a non-IFRS measure that has been included to enable users to understand the underlying performance of A2B. Underlying earnings have not been audited or reviewed and exclude the following items:

- 1) \$0.2m in MTI employee retention cost and \$0.6m in employee separation cost (1H20 \$1.5m)
- 2) \$0.2m in tax effect of significant items

# Cash Expenses

Underlying basis excluding significant items	1H21 \$m	1H20 \$m	Change over PCP	Change over PCP
Processing fees to taxi networks	2.4	3.8	1.5	38.5%
Brokered taxi plate licence costs	0.5	12.0	11.5	95.7%
Taxi operating expenses	3.3	4.1	0.8	20.2%
Courier service expenses	1.7	1.5	(0.2)	(11.1%)
Cost of cars and hardware sold	1.8	3.1	1.2	40.1%
Other taxi related costs	1.3	2.7	1.4	52.9%
<b>Total volume cash expenses</b>	<b>10.9</b>	<b>27.1</b>	<b>16.2</b>	<b>59.8%</b>
Marketing expenses	4.4	8.1	3.7	45.6%
Employee benefits expenses	30.7	33.6	2.9	8.7%
Infrastructure expenses	5.8	6.0	0.2	2.9%
Other non-volume cash expenses	12.6	13.9	1.3	9.3%
<b>Total non-volume cash expenses</b>	<b>53.5</b>	<b>61.6</b>	<b>8.1</b>	<b>13.1%</b>
<b>Total cash expenses</b>	<b>64.4</b>	<b>88.7</b>	<b>24.3</b>	<b>27.4%</b>