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25 October 2021

The Manager

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

Electronic Lodgement
2021 Annual Report

Attached is an announcement for release to the market.

Authorised for lodgement by:



Adrian Lucchese

Company Secretary

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Annual Report 2021



A2B Australia Limited
ABN 99 001 958 390

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Scaling Mobility Services in Australia

Deploying Mobility Platforms Internationally

Leveraging Payment Capabilities in New Verticals



Enabling people to access the power of mobility and digital payments

Green Fleet

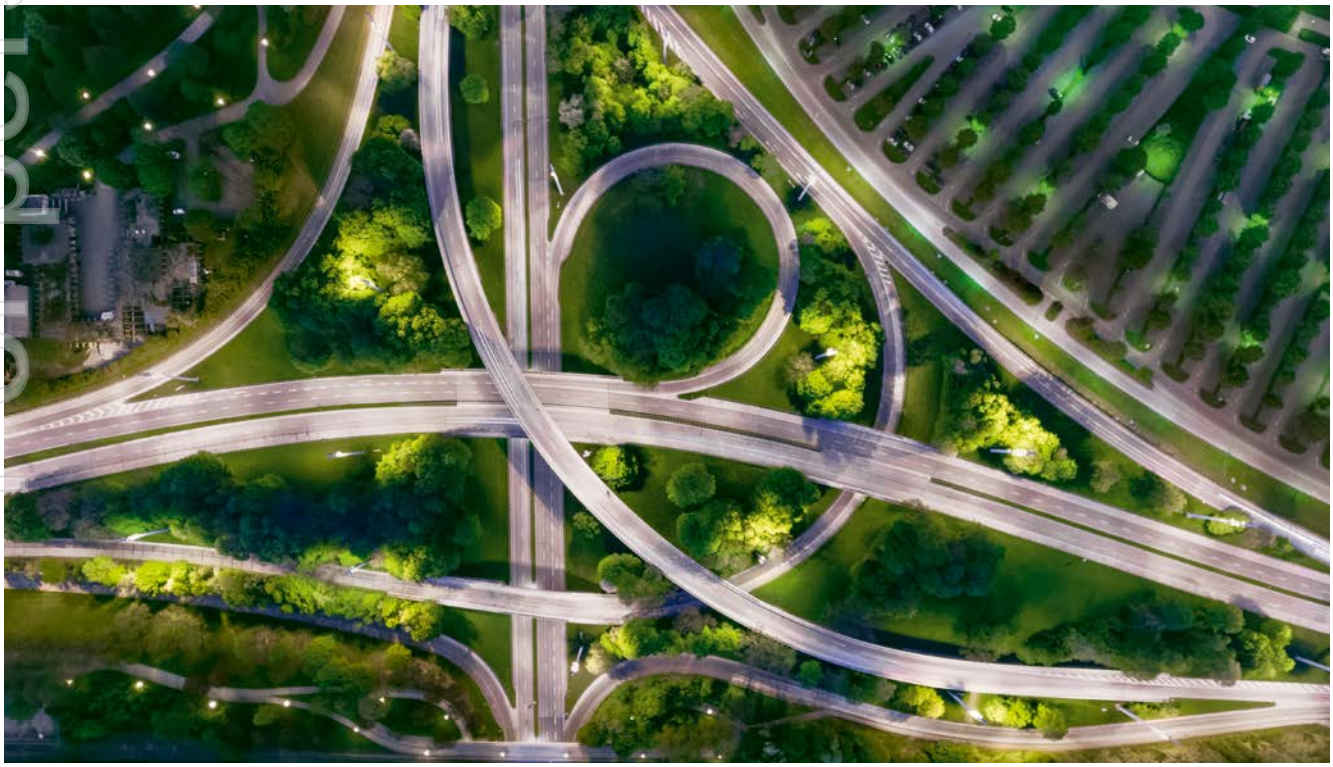
A2B's Taxi brand 13cabs is a market leader when it comes to the adoption of new low emission technologies in the transport sector. 75% of the 13cabs fleet in major cities is powered by low emission technology.

A driving force behind the mobility services we provide has been a desire to ensure the service itself is provided in up-to-date modern vehicles that reflect contemporary safety and environmental standards. 13cabs works actively to encourage Operators and Drivers to make the best choice when it comes to vehicles.

In major cities

75%

of our fleet are alternative fuel vehicles



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Travelling Safely

Passengers now have the option of choosing a fully vaccinated Driver when booking with 13cabs.



13cabs continues to provide sanitisation services across Australia.



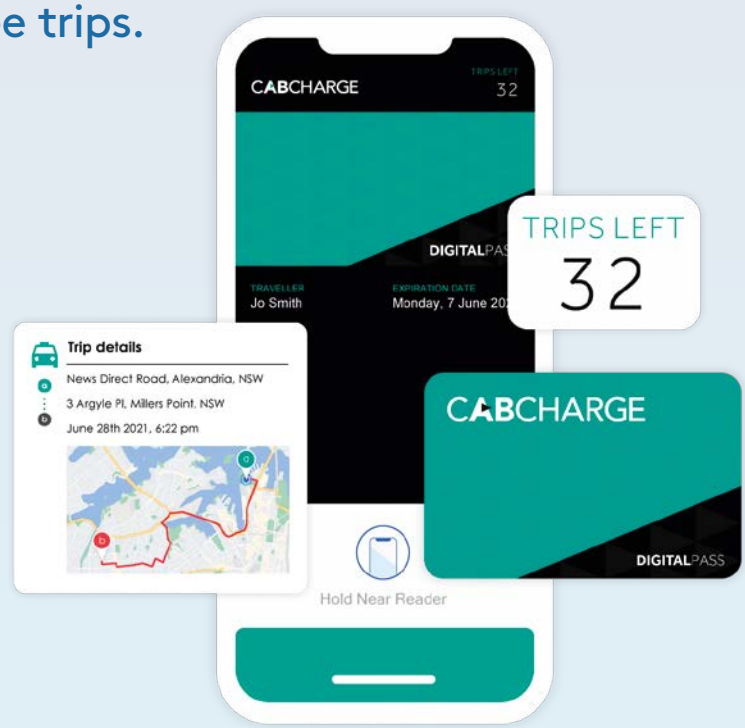
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Vaccination Support

Cabcharge is proud to support those most in need to get to and from their vaccination appointments by giving away $200,000 of free trips.

In September, Cabcharge offered $200,000 worth of free taxi fares in NSW in support of the State's plan to reach its target vaccination rate of 70% by October.

Recipients were offered access to safe and secure taxi travel to and from their vaccination appointment. Cabcharge offered each individual Digital Passes which were sent electronically to their smartphone and could quickly be added to their Apple or Android Wallet. This enabled the recipient to use the Digital Pass in seconds.



4,000
Digital Passes were issued in the first four days

58%
of recipients identified as unemployed

75%
of recipients were between the ages of 25–44

16%
of recipients were based in regional NSW

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Temporary vaccination hubs for staff, drivers and their families were set up at A2B's operating sites in Adelaide, Melbourne, Sydney and Brisbane.



"I'm just writing to congratulate you on your fantastic initiative offering free cab rides to vaccination appointments. Absolute genius!"



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Strategic Priorities

We enable people to access the power of mobility and digital payments.

Central to our strategy is expertise in mobility and payments supported by our technical capabilities.



Leverage capabilities

Extend payments capabilities beyond Mobility by leveraging A2B's existing infrastructure and processes.



Grow our core

Grow market share and maximise A2B's position in the Australian Mobility sector.



Grow internationally

Build a scalable international Mobility Platform leveraging A2B technologies.



Strengthen margins

Strengthen margins through increased scale and automation.



Invest

Continue investment in brand, customer experience, technical and digital capabilities.

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A2B's brands supporting mobility, global technology and payments

Mobility Services

13cabs lime maxi taxi Silver Service

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

Mobility Platforms

mti CABCHARGE

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

Payments

GIRAFFE PAYMENTS spotto EFTSolutions

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

4 key enablers

Position in Australian market

A mature and growing business in Australia funding product and growth initiatives.

Innovation

Proven ability to deliver innovative payment and dispatch solutions for the mobility sector and beyond.

Position in platform synergies

Our large Australian fleet is a valuable and innovative test bed to validate new technologies before being deployed globally.

Scale

Scalable best in class mobility platform through consolidation of products and services developed in A2B's businesses.

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A letter from the Chairman

"

Throughout the pandemic A2B has continued to reshape and modernise the business.



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Pandemic-related restrictions have resulted in challenging market conditions. A2B has been resilient throughout and responded by accelerating the introduction of new products, services and growth opportunities while remaining focused on implementing important cost-saving initiatives.

While conditions improved through the second half of FY21, we experienced an underlying EBITDA loss of $3.7 million. This was primarily driven by government restrictions impacting our Mobility Services business. Despite the restrictions on personal freedoms and movement necessary to contain the spread of COVID-19 before the uptake of vaccinations, we maintained our net cash position and continued to invest in our technology, mobility platforms and payments business to drive future growth.

Throughout the pandemic A2B has continued to reshape and modernise the business. With reductions in migration and air travel likely to impact the personal transport sector in Australia for some time, the increased digitisation of payments, introduction of new business models, growing strength of our instant delivery offering and the expansion of our global footprint provide additional avenues for both financial resilience and positioning the business for future growth.

Reflecting the challenges related to the pandemic and the prioritisation of investment in future growth strategies no dividend was declared at the full year.

On 28 September 2021 management shared insights into aspects of our new strategy that are focused on transforming A2B into an integrated, digitally driven, global mobility and payments company.

Central to the new strategy are the following five pillars:

- International growth through our best-in-class mobility platform offering;
- Strengthening margins by increasing scale and digitisation of services;
- Continued investment in our technology capabilities and brands;
- Increasing the scope and size of our mobility services business; and
- Leveraging our payment capabilities beyond the mobility services sector.

These pillars focus on the global growth potential of MTI, advancements in A2B's holistic payments capabilities, and the significant opportunity to fulfil first and last mile instant deliveries throughout Australia. We are well positioned to consider further acquisitions opportunities that enhance the capabilities of the organisation as well as accelerate achievement of the key strategic goals and will continue our disciplined approach to testing future opportunities for compelling value for a transformative impact, particularly in the payments sector.

The Board reviewed the equity arrangements for the executives with the purpose of tightly aligning the remuneration mix with key components and deliverables of the new strategy that will drive the desired organisational transformation. The outcome of our review was to include a deferred equity component to the current STI program while holding the overall at risk remuneration of executives steady.

During the year, in keeping with the Board's commitment to maintaining the high standard of its corporate governance framework and processes, the Board and Committee Charters were reviewed and updated to reflect the latest recommendations from the ASX Corporate Governance Council. The Board also approved the Company's first Modern Slavery Statement and introduced a new anti-bribery and corruption policy.

We are encouraged by the pace of vaccination, particularly in NSW and Victoria and are ready to regain our pre-pandemic momentum when economic recovery gains traction as personal freedoms are returned with the achievement of the various vaccination milestones.

Finally, on behalf of the Board I also want to thank all the A2B team and recognise their incredible efforts and contributions – especially those at the frontline of our operations – as they continue to help us provide our essential services to the community.



Paul Oneile
Chairman



A letter from the CEO

A2B is a payments and mobility systems and services company with substantial organic growth prospects. As an organisation we are proud of what A2B was and what A2B is today. But more importantly we are passionate about bringing to life our vision of what A2B is becoming – a bigger, more scaled technology stack with a globally integrated offering across mobility technologies and payments.

An immediate focus of the group is recapturing the positive revenue and earnings momentum that was evident before COVID restrictions. Our previous strategic reset in FY17 resulted in the Company achieving a record revenue result in FY19, with underlying revenues compounding at 10% per year, a trend that continued through to the beginning of the pandemic. A2B's activity and turnover is highly correlated to changes in mobility restrictions as pandemic-related lockdowns come and go. Our business has demonstrated the ability to bounce back quickly following the easing of restrictions. We have strong conviction that activity will accelerate as vaccination rates reach their targets.

Our Mobility Services business (encompassing 13cabs and Silver Service) continued its expansion with 12 new locations added during FY21, including Wollongong and Broken Hill in NSW, Mandurah and Geraldton in WA, and Apollo Bay and Bright in Victoria. The 13things instant delivery service is establishing itself as a leading alternative for both large and local retailers.

Our Mobility Platforms business (encompassing Mobile Technologies International and Cabcharge) added 2,349 net new vehicles to the platform across North America and the Nordic countries. We are currently bundling up our MTI and Cabcharge technologies to establish a single, scalable global mobility platform with an unmatched depth and breadth of capabilities.

Our Payments business (encompassing EFT Solutions, Spotto and FlamingoPay) continues to win share in the mobility sector, particularly through ongoing improvements in the Spotto handheld terminal offering. Going forward, our FlamingoPay solutions are revolutionising how we leverage our existing capabilities to grow our payments business beyond the mobility sector, with a near term focus on underserviced segments in the SME market.

A2B has a strong balance sheet and the financial flexibility to enable our strategy. Our ability to manage cash flows and invest responsibly is evident by the fact that we have not raised any capital since listing in 1999. We did not raise capital when regulation disrupted our business model, or when global competition challenged us, or when COVID related restrictions confronted our business. Despite these challenges, we have continued to invest in our business and prepare it for transformation and growth whilst avoiding any dilution impacts to our shareholders. We have retained a net cash position throughout the pandemic.

A2B continues to prove its resilience and is poised for an almost immediate recovery when the Australian economy reopens. The pandemic has brought challenges, and it has brought opportunity. Despite our progress in recent years, A2B again needs to change and is changing.

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When our new strategy is delivered, A2B will look like a different company. We will be a bigger and wider reaching organisation.

The pandemic period has been characterised by our resilience and our determination to invest in initiatives to drive future growth. We have established a clear plan to instruct and monitor our investments in growth, with a new strategy constructed, refined, and implemented over the last 12 months.

Our new strategy is one of necessity, one of possibility, and one of growth. Our new strategy builds on the foundations that we have created in recent years, is embraced across our organisation, and guides our decisions, daily. Our new strategy is designed specifically to accelerate growth from our core and upscale our new businesses. Our strategy promotes a whole of company approach – being each of our operating units, our physical assets, and our people.

We are ready to monetise our new initiatives and to respond to permanent shifts in how people work, live, move around and pay.

We are not taking our financial flexibility, robust balance sheet and asset strength for granted. We realised $33 million of cost savings in FY21, $8.1 million of which will be permanent. In addition, more than $4 million in annualised savings have been identified for activation in the current year. Our earnings will increasingly be driven by Mobility Platforms and Payments where leveraging technology capabilities generates access to larger addressable markets and better economies of scale.

When our new strategy is delivered, A2B will look like a different company. We will have diversified our revenue streams, expanded our addressable markets and built a business that is digitised and at the forefront of mobility and payments innovation. This will not just be in Australia and not just in taxi related services. We will be a bigger and wider reaching organisation.

Our entire leadership team acknowledges and is grateful for the focus, commitment, support and fortitude of A2B's stakeholders as we navigate the pandemic and prepare the company for a new era of growth.



Andrew Skelton
Chief Executive Officer
and Managing Director

Our Strategy is driven by digital transformation

What A2B is

Technologies and payment solutions enabling the operation of personal transport, digital payments and instant deliveries.



What A2B was

A payment system that enabled Passengers to discharge their obligations to pay the driver without using cash.

What A2B will be

A global platform for digitally driven mobility and payments services.

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Supporting Our Community

Drivers are on the frontline and we strive to support the essential service they provide in a reliable, safe and professional manner.

Maintaining services during the pandemic

The COVID-19 pandemic continued to significantly affect the personal transport industry. During the year A2B continued to operate four sanitisation stations offering free sanitisation services to all Taxis, rideshare vehicles and Government vehicles in Sydney, Newcastle, Albury and Prestons. Sanitisation services are also provided at A2B's TAXITECH sites in Oakleigh, North Melbourne, Adelaide, Perth, Woolloongabba, Logan, Gold Coast and Ipswich.

Helping our Communities

A2B is committed to its communities by partnering with and contributing to community organisations and outreach programs. 13cabs was proud to once again be the Official Travel Partner of the Murray Rose Malabar Magic Ocean Swim. 13cabs supported the Rainbow Club by providing children with disabilities and their families free rides to and from the event. The Rainbow Club is a network of swimming clubs across NSW which provide a fun, individualised and safe community for children with a disability to learn to swim, interact and play.

For the 5th year in a row 13cabs is proud to partner with the City of Melbourne to help support and celebrate Melbourne Day and the Junior Lord Mayor competition. We are also proud to support organisations like the Royal Children's Hospital, Royal Brisbane Womens' Hospital Foundation and Guide Dogs Australia.

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Now more than ever we are supporting our communities to keep people connected and safe.

Board of Directors



Paul Oneile

Independent Chairman

Paul was appointed as Chairman in February 2017. He is a member of the Remuneration and Nominations Committee and a member of the Audit and Risk Committee. Paul is currently a Non-executive Director of Thorn Group Limited. He was formerly the independent Chairman of Intecq Limited from September 2012 to December 2016. Paul has over 30 years of executive experience across many industries including leisure and entertainment, retail, manufacturing, property, software and technology. His previous roles included CEO and Managing Director of Aristocrat Leisure Limited (2003–2008), Chairman and CEO of United International Pictures (1996–2003), Non-executive Director of Village Roadshow Limited (1990–1996), and Managing Director of The Greater Union Organisation Pty Ltd (1990–1996).

Paul holds a Bachelor of Economics degree from the University of Sydney.



David Grant

Independent Non-executive Director

David was appointed as a Director in June 2020. He is the Chairman of the Audit and Risk Committee and a member of the Remuneration and Nominations Committee. David is an experienced Non-executive Director and currently on the Boards of Event Hospitality and Entertainment Limited, Retail Food Group Limited and The Reject Shop Limited. With broad financial and commercial experience David has held various senior executive roles including Group M&A Director at Goodman Fielder Limited and Chief Financial Officer of Iluka Resources Limited.

David has a Bachelor of Commerce from the University of NSW, is a graduate of the Australian Institute of Company Directors and a member of Chartered Accountants Australia & New Zealand.

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Jennifer Horrigan

Independent Non-executive Director

Jennifer was appointed as a Director in September 2020. She is a member of the Remuneration and Nominations Committee and a member of the Audit and Risk Committee. Jennifer brings 25 years' experience across investment banking, financial communications and investor relations. Formerly the Chief Operating Officer in Australia of the independent investment bank Greenhill & Co, Jennifer has extensive experience in enterprise management, including the supervision and management of compliance, HR and financial management.

Jennifer is also a Non-executive Director of APN Funds Management Limited, QV Equities, Yarra Funds Management Limited, Nikko Asset Management Australia Limited and Redkite (national cancer charity supporting children with cancer and their families).

Jennifer's qualifications include Bachelor of Business (QUT), Graduate Diploma in Applied Finance (FINSIA) and Graduate Diploma in Management (AGSM).



Louise McCann

Independent Non-executive Director

Louise was appointed as a Director in August 2017. She is the Chairman of the Remuneration and Nominations Committee and a member of the Audit and Risk Committee. Louise is currently the Chairman of Grant Thornton Australia Limited and a Non-executive Director of Great Southern Bank and the University of Notre Dame Australia. Louise was previously a Non-executive Director of Macquarie Media Limited (2015–2019) and iiNet Limited (2011–2015). Louise has over 25 years of experience in media, publishing and market research in Australia and internationally. Her previous executive roles include CEO for Asia and Managing Partner for Australia for Hall & Partners (2009–2012), CEO and Chairman of Research International (ANZ) (2004–2009), and CEO of OzTAM Pty Ltd (2001–2004).

Louise holds a Master of Management from Macquarie Graduate School of Management and is a fellow of the Australian Institute of Company Directors, the Institute of Managers and Leaders, and the Royal Society for Arts, Manufacturers and Commerce.



Clifford Rosenberg

Independent Non-executive Director

Clifford was appointed as a Director in August 2017. He is a member of the Audit and Risk Committee and the Remuneration and Nominations Committee. Clifford is currently a Non-executive Director of Bid Corporation Limited, Nearmap Limited and Technology One Limited. Clifford was previously a Non-executive Director of Afterpay Limited (2017–2020) and has over 20 years of experience in the digital space as an entrepreneur and as an executive, with specific experience in disrupting businesses. His previous executive roles include Managing Director, South-East Asia, Australia & New Zealand for LinkedIn (2009–2017), Managing Director of Yahoo! Australia & New Zealand (2003–2006) and Founder and Managing Director of iTouch Australia and New Zealand, one of the largest mobile content and application providers in Australia.

Clifford holds a Master of Science in Management from the Ben Gurion University of the Negev, and a Bachelor of Business Science (Honours) in Economics and Marketing from the University of Cape Town.



Andrew Skelton

Chief Executive Officer and Managing Director

Andrew was appointed CEO in June 2014 and Managing Director in December 2014. Andrew was the Group Corporate Counsel and Company Secretary from December 2011 until his appointment as CEO. Andrew has over 20 years of experience in the personal transport industry. He has held senior management and executive roles in Taxi Networks, payments and operations, including as Chief Operating Officer of Black Cabs Combined from 2005 to 2011. Prior to this Andrew was a solicitor at K&L Gates in Melbourne specialising in mergers and acquisitions.

Andrew holds an MBA, Bachelor of Laws, Bachelor of Commerce and a Graduate Diploma of Applied Corporate Governance.

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Operating and Financial Review

A2B Australia Limited is a provider of Technology and Payment services supporting the mobility industry globally. A2B operates Taxi Networks in Australia servicing on-demand transport needs. A2B's payments capabilities extend beyond mobility.

Background and Overview

A2B commenced implementation of a new strategy to accelerate A2B's transformation into an integrated, digitally driven, global mobility and payments company to maximise value creation opportunities for shareholders. The new strategy is focused on the global growth potential of Mobile Technologies International ("**MTI**"), advancements in A2B's payments capabilities, and the significant opportunity to fulfil first and last mile instant deliveries throughout Australia. A2B operates in the markets for Mobility Services, Mobility Platforms and Payments.

Mobility Services

A2B provides Taxi network services to Taxi Operators and Drivers nationally in Australia. Network services include Taxi booking services, full Taxi fit-outs and repairs, vehicle financing and insurance, 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 which are charged monthly while revenue from related and ancillary services is generated as the services are provided (eg sales of uniform, vehicles or equipment not included in subscriptions).

In FY21 Subscriber fleet numbers remained stable and pricing recovered to pre-pandemic levels even while activity was affected by government restrictions. Reduced trips were partially offset by growth in on-demand deliveries, which utilised the existing Taxi fleet and provided a new natural hedge against travel restrictions.

Geographic expansion continued during FY21 with 12 new locations. 13cabs launched a new Taxi Network in Wollongong and Geraldton. Existing industry participants subscribed to 13cabs via Bureau Arrangements in Apollo Bay, Wellington, Mandurah, Broken Hill, Yarram, Orbost, Moranbah, Echuca, Moama and Bright.

A2B aspires to be Australia's first choice for personal transport and instant local deliveries. Features of A2B's Mobility Services offerings include:

- 9.7 million unique passengers have booked and travelled with 13cabs during the last 10 years
- Integrated 'one-stop-shop' taxi network services – vehicle sales, finance and insurance, training, safety equipment and monitoring, software and communications
- Earns monthly subscription fees from affiliated cars across the network with the leading geographic coverage of all ride providers in Australia
- Tailored product offerings for different market segments (eg corporates, elderly, insurance and health) with access to class leading booking, dispatch and payment solutions
- Proving ground for innovations which can be white-labelled and sold as part of A2B's Mobility Platform.

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Mobility Platforms

A2B provides integrated booking, payment and safety technologies to Taxi and private hire businesses under brands including Cabcharge and Mobile Technologies International. 29,284 vehicles were using A2B technology on 30 June 2021, up 16.1% yoy.

Cabcharge offers Taxi Passengers a convenient, fast and secure method for cashless fare payments via electronic terminals for which Cabcharge earns a service fee. Cabcharge provides payment terminals that enable Drivers to process non-cash trip payments. 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 and rental income for the provision of payment terminals to Drivers and Taxi Networks.

Mobile Technologies International provides a SaaS booking, dispatch, payment, contact centre and vehicle monitoring platform. During FY21 MTI continued its growth in North America and the Nordic countries, adding 2,349 vehicles to the MTI platform outside Australia. MTI earns subscription revenue from vehicles accessing its technologies, income from bespoke software development, and fees from project management (eg for the installation of a new dispatch system).

A2B captured a rapid acceleration in digital payment momentum in FY21, with 84% conversion of app bookings to payments in the 13cabs fleet. A strengthening capability to link bookings with payments is beginning to differentiate A2B's Mobility Platform offerings from its traditional competitors.

A2B provides electronic subsidy programs for Taxi travel in Queensland, Victoria, the ACT, Tasmania and the Northern Territory. In FY21, A2B's demonstrated mobility payment technologies enabled A2B to win the tender to provide Smartcards to 40,000+ citizens living with disability on behalf of Transport for NSW.

A2B aspires to deliver products, technologies, and processes that enable mobility businesses and organisations to elevate customer experience, compete and win. Features of A2B's Mobility Platforms offerings include:

- A comprehensive Mobility platform solving global on-demand transport problems, delivered as a SaaS offering
- World class omni channel digital experiences for Passengers, Clients and Drivers, (App, Web, Contact centre), unique product offerings like Preferred Driver, Price Guarantee, Hail to digital trip experience
- Specialist in business transport solutions: API integration, Closed Loop payments (Cabcharge Digital Pass, Transport Subsidy Programs, NDIS), AI route optimization for international customers to deliver Subsidized transport solutions
- Business Process Optimization capabilities like paperless Operator onboarding, Digital Account 'dockets', seven-day payment settlement
- The Passenger App team supports over 150 individual apps for 69 transport networks across the globe
- Sophisticated Card Not Present payment processing capabilities.

Payments

A2B provides payment consulting, software, processing and terminals under brands including EFT Solutions, Spotto, Giraffe and now Flamingo.

During FY21 A2B launched 365-day settlements leveraging the New Payments Platform and certified its first Android payment terminal with AusPayNet. In a significant milestone for A2B, our expanded payment capabilities have been used to launch our own new retail payment terminal offering named Flamingo.

Spotto payments, a handheld payment terminal for Drivers from which A2B derives service fee income based on the value of fares processed, recovered rapidly as COVID-19 related restrictions began lifting at various stages of FY21, even exceeding pre-pandemic levels in April.

A2B aspires to deliver scalable products, technologies and processes that extend our payments capabilities beyond mobility and into retail. Features of A2B's payments offerings include:

- Leader in Personal Transport payment processing with scaled end to end payment infrastructure (terminal distribution, maintenance, software development, and transaction switching)
- Innovative payment software solutions across personal transport, retail, and banking sectors with clients such as Australia Post, Woolworths and Westpac
- Accept a complete range of payment types with direct acquiring relationships with multiple schemes
- New market entrant to Australian Payment Aggregation market with differentiated offering for Small to Medium Businesses
- Integration between issuing and acquiring capabilities transforming payment acceptance into an integrated marketing and customer engagement solution.

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Financial Results

In FY21 the global pandemic continued to impact travel movements and Driver supply. The effects on activity were felt mostly in Sydney and in Melbourne. A2B has been proactive in managing these challenges, while at the same time investing for future growth as A2B transforms into a digitally driven mobility and payments company. A2B implemented a range of measures aimed at preserving liquidity in the near term that resulted in $11 million in cost savings.

Revenue in FY21 decreased $57.5 million or 33.7% to $113.4 million (FY20 $170.9 million) while statutory loss after tax for the year ended at -$18.1 million (FY20 -$23.8 million).

As of 30 June 2021, A2B had access to $35 million in liquidity, with $10 million in net cash and $25 million of undrawn bank facilities. The Group's existing finance facility has a limit of $25 million and expires on 1 July 2023.

Underlying EBITDA ended at -$3.7 million compared to $12.1 million in FY20.

Specific items influencing the company's results include the impacts of COVID-19, asset impairments of $1.9 million and $0.9 million in employee separation costs.

Unless otherwise stated, full year results disclosed in this Operating and Financial Review 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.

Underlying financial results	FY21 $m	Re-stated FY20 $m	Change over PCP
Revenue	**113.4**	**170.9**	**(33.7%)**
Other income	18.0	9.0	
Expenses	(135.1)	(167.8)	
EBITDA	**(3.7)**	**12.1**	**(130.7%)**
Depreciation & Amortisation	(17.9)	(17.4)	
EBIT	**(21.6)**	**(5.3)**	**310.3%**
Net interest	(1.0)	(1.2)	
Profit before tax	**(22.6)**	**(6.5)**	**249.4%**
Income tax	6.8	1.9	
NPAT	**(15.8)**	**(4.5)**	**249.4%**
EBITDA margin	(3.3%)	7.1%	
EBIT margin	(19.1%)	(3.1%)	
Underlying earnings per share (AUD)	(13.2 cents)	(3.8 cents)	

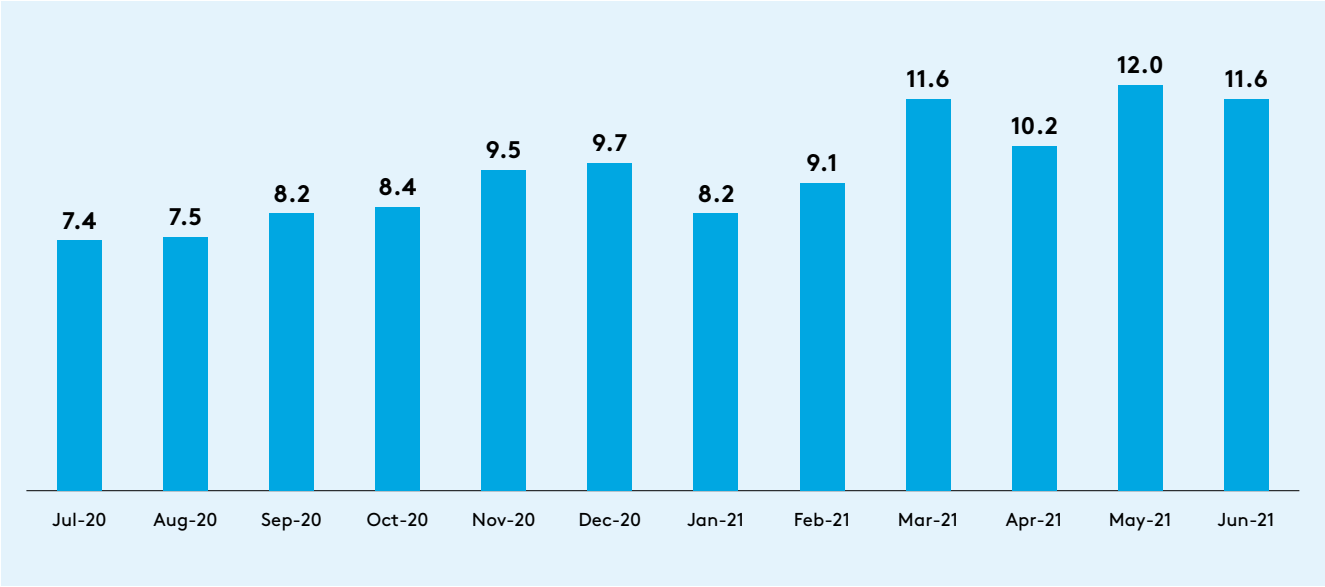
Reconciliation of underlying profit to statutory profit	FY21 $m	Re-stated FY20 $m	Change over PCP
Underlying profit before tax	**(22.6)**	**(6.5)**	**249.4%**
Acquisition and integration related costs (incl MTI retention costs)	(0.2)	(1.1)	
Asset write-offs and accelerated depreciation	0.0	(1.7)	
Once-off advisory costs	0.0	(0.5)	
Rebranding cost	0.0	(0.1)	
Taxi license plate impairment charges	0.0	(14.5)	
Other Impairment charges	(1.9)	(0.4)	
Employee separation cost	(0.9)	(0.7)	
Other Write offs	0.0	(0.4)	
Total items excluded from underlying profit before tax	**(3.0)**	**(19.5)**	**84.7%**
Statutory profit before tax	**(25.6)**	**(26.0)**	**(1.4%)**
Income tax	7.5	2.2	
Statutory NPAT	**(18.1)**	**(23.8)**	**24.0%**
Statutory earnings per share (AUD)	(15.0 cents)	(19.8cents)	24.0%

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Revenue

A2B recorded total revenue of $113.4 million (FY20 $170.9 million), a decrease of $57.5 million or 33.7% compared to prior year.

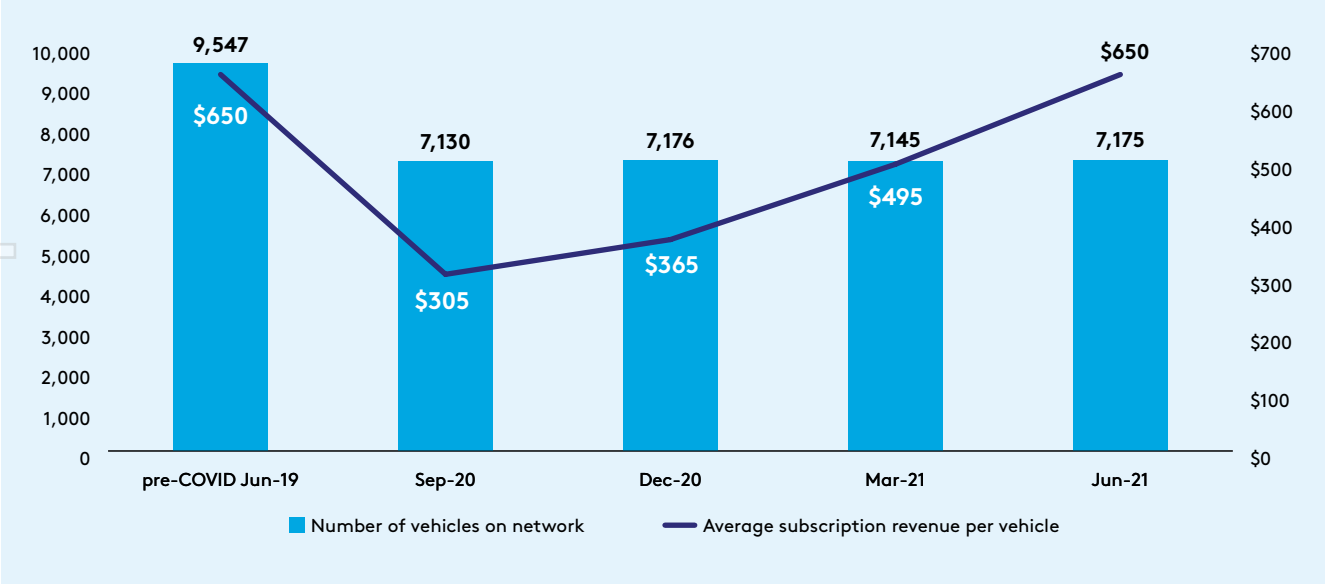
FY21 – revenue profile ($m)



Revenue continued to improve over the course of FY21 as Taxi fares processed and network subscription pricing recovered. In the final two months of the year average revenue was $12 million after network subscription pricing returned to pre-COVID-19 levels. On an annualised basis revenue in May/June was at ~80% of pre-COVID-19 levels.

Fleet

FY21 fleet and pricing recovery



On a national basis fleet levels remained stable while subscription pricing recovered in all states over the course of the year. Fleet levels in Melbourne declined following the extended lockdown in early FY21 while all other states experienced different levels of recovery. Our Queensland fleet recovered to pre-COVID-19 levels supported by geographic growth through new Bureau contracts.

Network subscription fee income decreased by $29.6 million or 49% to $31.1 million (FY20 $60.7 million). This decline was driven by the full year impact of reduced fleet levels and subscription pricing levels.

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Brokered Taxi license plate income declined $16.8 million to $1.5 million (FY20 $18.3 million). This decline is primarily driven by continued COVID-19 relief measures A2B put in place by reducing monthly Taxi license plate fees.

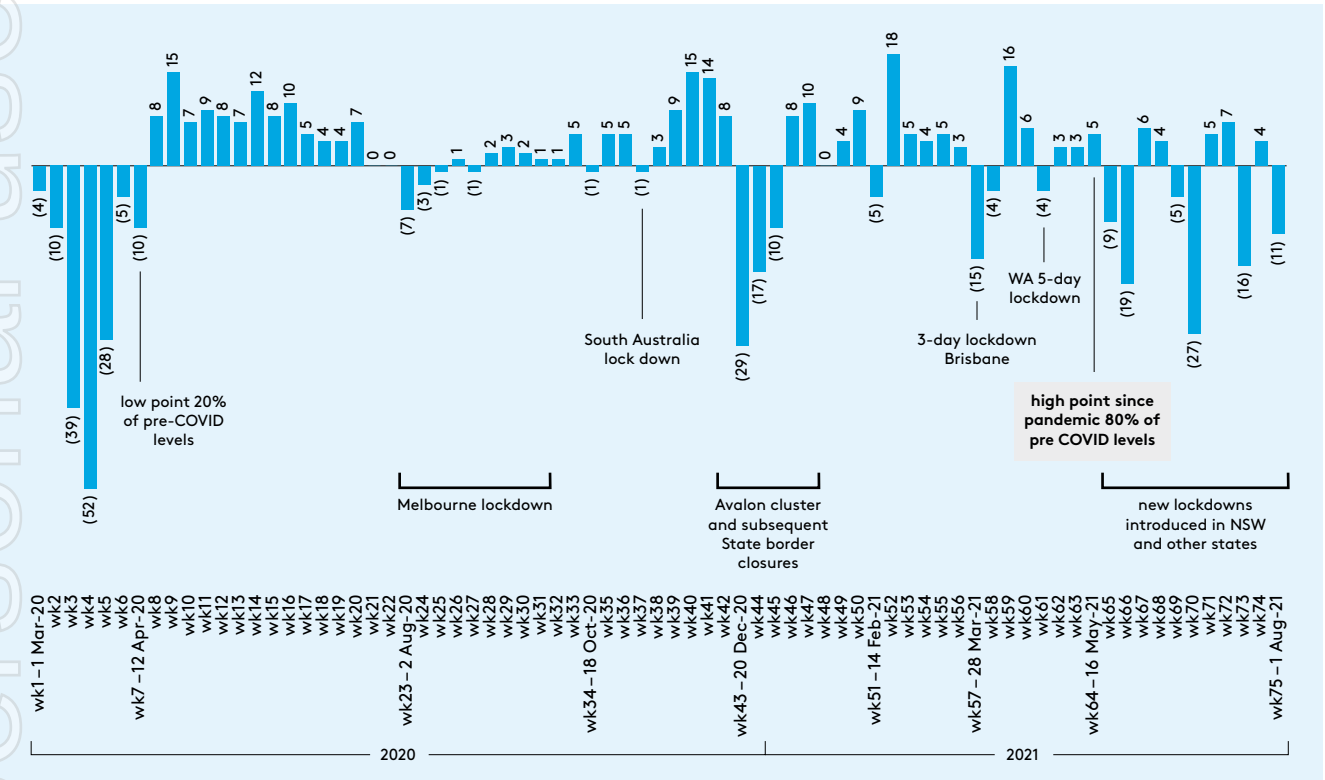
Taxi operating income decreased $1 million or 7.8% to $11.4 million (FY20 $12.3 million). A2B's active operated fleet reduced by 79 vehicles.

During the pandemic courier services income improved by $0.4 million or 9.2% to $5 million (FY20 $4.6 million). This income primarily relates to A2B's courier business in Queensland.

Vehicle sales income increased $0.3 million to $5.5 million (FY20 $5.2 million) with 165 cars sold in FY21. Improvement in vehicles sales and vehicle financing were encouraging in both Queensland and NSW.

Taxi fares processed

Taxi fares processed week-on-week (%)



Taxi service fee income decreased by $10.1 million or 31% to $22.7 million (FY20 $32.8 million). Total Taxi fares processed ended at $525 million, a decline of $236 million or 31% compared to last year (FY20 $761 million).

Since the start of the pandemic recovery rates post lockdowns have been encouraging. As illustrated above, demand recovers quickly and consistently. In May total transaction values were at 80% of pre-COVID-19 levels. The reintroduction of restrictions in June resulted in reduced travel activity.

While the Spotto handheld payment recovered faster than FAREWAYplus, experiencing a decline of 24% compared to last year. In-app payments gained real traction in FY21 through the introduction of Price Guarantee by 13cabs. In FY21 a total of $23.9 million in-app payments were processed (FY20 $4.3 million) representing ~15% (FY20 ~2%) of total transaction volumes in 13cabs.

A2B's payment terminal rental offering continued to expand in FY21 despite reduced transaction volumes. Total terminal rental income was up 25% on last year ending at $1.5 million. The terminal rental offering was expanded beyond our existing Giraffe (Hire Car) in FY20. As at 30 June 2021 the number of total FAREWAYplus terminals on a rental plan increased to 3,868 (FY20 2,801).

Cabcharge corporate account volumes ended at $128 million (FY20 $240 million), a decrease of 46.7%. The decline in corporate account volumes was driven by reduced demand for business travel. Bank Issued volumes were down 23.4% while 3rd Party volumes showed were down 66.8% compared to FY20.

Revenue from contracts with Government for the provision of school bus services and payment services for Taxi subsidy schemes improved $1.1 million to $8.7 million (FY20 $7.6 million).

Other revenue improved by $4.3 million to $11.3 million (FY20 $7 million) primarily driven by the extension of our sanitisation contracts.

Other income

In FY21 A2B recognised $15.2 million in JobKeeper payments (FY20 $6.9 million) and $2.4 million in industry incentives (FY20 $1.7 million), driving a $9 million increase in other income compared to last year.

Operating expenses

On a statutory basis total operating expenses decreased $48.6 million or 23.8% to $155.9 million.

In FY21 A2B incurred $1.9 million in asset impairment charges, $0.9 million in employee separation costs, and $0.2 million in other one-off costs. These expenses totalling $3 million (FY20 $19.5 million) are excluded from underlying operating expenses.

On an underlying basis total operating expenses decreased $34 million or 18.4% to $151 million. This includes $1.1 million relating to doubtful debt provisions.

Volume driven operating expenses

Volume driven operating expenses ended $24.6 million or 50.9% below last year at $23.8 million (FY20 $48.4 million). This decrease is primarily attributable to $17.3 million lower brokered Taxi license plate costs and $2.3 million lower processing fees paid to Taxi networks and Drivers and $1.6 million lower Taxi operating expenses.

Non-volume driven operating expenses

Non-volume driven operating expenses decreased 6.8% or $8.1 million to $111.3 million (FY20 $119.4 million). The decrease in non-volume operating expenses primarily relates to reduced employee expenses ($2.3 million), marketing expenses ($0.6 million), technology and communication expenses ($1.5 million) and travel expenses ($1.2 million).

Depreciation and amortisation

Total depreciation and amortisation charges increased 1.3% or $0.2 million. A reduction in depreciation charges of $2.3 million was offset by an increase in amortisation charges of $2.5 million.

Net finance costs

Net finance costs decreased $0.3 million to $1 million (FY20 $1.3 million) this decrease is primarily driven by lower interest charges during the year.

Income tax expense

A2B recorded an income tax benefit of $7 million (FY20 $2.2 million tax benefit) resulting from a $25.6 million loss before income tax adjusted for non-deductible items.

Profit after tax

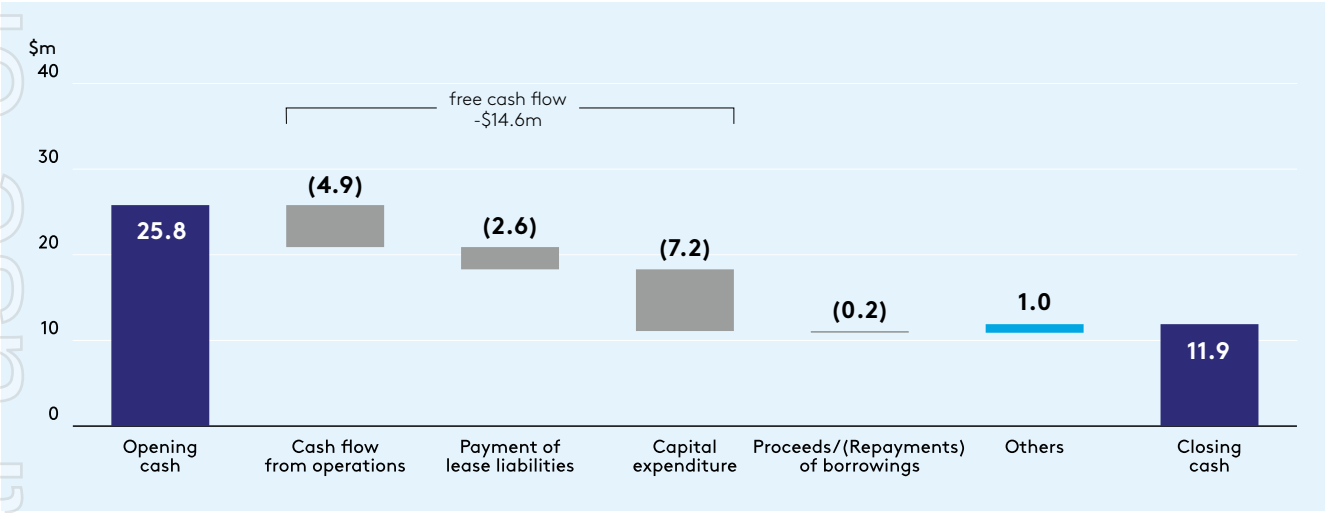
Underlying net loss after tax was -$15.8 million (FY20 $4.5 million). A statutory net loss after tax of $18.1 million was recorded in FY21 (FY20 $23.8 million).

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Cash flow

A2B commenced FY21 in a strong financial position and the proven operational leverage to adapt to this new uncertain environment.

In FY21 A2B had a negative operational cash flow of -$7.4 million, inclusive of payment of lease liabilities, (FY20 $38 million) and reduced capital expenditure to $7.2 million resulting a negative free cash flow of -$14.6 million (FY20 $20.7 million). No dividends were paid in FY21 and cash ended at $11.9 million.



Capex spend was reduced as part of continued cash preservation initiatives. Total capital expenditure for FY21 was $7.2 million (FY20 $17.2 million). The decrease of $10 million compared to prior year was primarily driven by a reduction in in-vehicle hardware investments ($6.9 million) and reduction in vehicle purchases. Capitalised labour reduced $1.1 million to $4.3 million.

FY21 Dividends

Given uncertainty around the current economic environment and focus on cash preservation the Board decided not to declare a dividend in relation to FY21.

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Financial position

Balance sheet

$m	30 Jun-21 statutory	30 Jun-20 statutory (re-stated)
Cash and cash equivalents	11.9	25.8
Other current assets	57.1	41.5
Total current assets	**69.0**	**67.3**
Property, plant and equipment	33.0	39.7
Taxi plate licences	1.3	3.3
Other non-current assets	61.9	61.8
Right of use asset	12.7	17.8
Total non-current assets	**109.0**	**122.7**
Total assets	**178.0**	**189.9**
Payables	39.7	29.5
Loans and borrowings	1.9	2.0
Other	8.2	8.3
Lease liabilities	2.0	2.3
Total current liabilities	**51.8**	**42.1**
Lease liabilities	11.3	15.9
Other liabilities	1.9	1.3
Total non-current liabilities	**13.2**	**17.3**
Total liabilities	**65.0**	**59.3**
Total net assets	**113.0**	**130.6**
Net cash	10.0	23.7

The company's net assets as at 30 June 2021 decreased to $113 million from $130.6 million at 30 June 2020. This reduction is primarily due to the net loss of $18.6 million.

A2B maintained a strong financial position and retained a net cash position, $10 million 30 June 2021. A2B currently has a finance facility of $25 million in place expiring on 1 July 2023 bringing total available liquidity to $35 million as at 30 June 2021.

Outlook

A2B observed fast returns towards pre-pandemic activity levels as restrictions were lifted in FY21. By June 2021, A2B had recovered 84% of its pre-pandemic revenue despite ongoing and intermittent restrictions. While we are now dealing with the Delta strain, A2B is encouraged by the pace of vaccination, particularly in NSW. The support of the National Cabinet for the adoption of the Doherty institute benchmarks for the reopening of the economy also gives us cause for optimism.

Throughout the pandemic A2B has continued to make choices that reshape our business for 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, the growing provision of instant deliveries and expansion of the national and global footprints are all providing A2B avenues for resilience and future growth.

A2B is well positioned to invest in executing its strategy and to consider acquisition opportunities. A2B is continuing its disciplined approach to testing future opportunities for compelling value or a transformative impact, particularly in the payments industry.

Material business risks

In FY21 the COVID-19 pandemic continued to test the financial strength of many companies and highlighted the required focus on liquidity and credit risks.

In FY21 the company maintained its financial strength and continued to closely monitor credit balances while having the benefit of first access to cash from affiliated Operators through A2B's payments system. Receivables balances identified as representing a specific risk as at 30 June 2021 have been fully provided for.

As at 30 June 2021 A2B had available net cash of $10 million and access to an undrawn finance facility of $25 million.

The Board reviews material business risks on a regular basis. Risks that have the potential to impact the Company's future financial prospects and strategic imperatives are set out in the table below, together with mitigating actions to minimise those risks.

The risks are in no particular order and do not include common risks that affect all companies, such as key person risk. Nor do they include general economic risks such as significant changes in economic growth, inflation, interest rates, consumer sentiment and business confidence that could have a material impact on the future performance of the Company.

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Strategic Risk	Nature of Risk	Actions/Plans to Mitigate
Regulatory changes	A2B's operations are subject to State and Territory regulation and control. New State Passenger levies were introduced. All states and territories have implemented a 5% limit on payment service fees, including Tasmania in FY21. More recently the NSW government announced it will introduce a package of reforms for the point-to-point transport industry. These reforms include freeing up the supply of taxis by removing the limit on the number of Taxi licences that are available. Once these changes take effect, Taxi licences will no longer be able to be bought and sold. It is possible that Taxi Regulators may impose lower limits on the level of service fees able to be charged to Cabcharge Customers thereby potentially impacting revenue and earnings. It is possible that Taxi Regulators may change rules around required standards and quality control aspects of Taxi Networks. Taxi Regulators may affect the value of Taxi plate licences through setting supply of new Taxi plate licences and setting rates for Government leased Taxi plate licences. In addition, changes in Taxi regulation, including establishing a regulatory environment for non-Taxi transport can indirectly affect the value of Taxi plate licences. Taxi Regulators may also restrict the supply of Taxi plate licences which limits growth opportunities for the Taxi Industry.	Continue to work with Taxi Regulators on issues affecting the Taxi Industry. Building administration tools that assist with levy collections and ensure Drivers and Operators have the information they require in order to comply with levy requirements. Advocate for and deliver standards and controls that result in maintaining or improving the standards of Customer service and safety that are essential to transport user confidence. Maximise opportunities for A2B presented by regulatory frameworks.
Changes to competitive landscape/ changes to IT environment	Continued emergence of competitors in personal transport who offer alternative service and payment methods, both within and outside the regulatory framework, or subject to less stringent regulation. Potential loss of business if the Company fails to keep pace with technological change with respect to Network Operations, bookings and payments.	Be at the forefront of technology development serving the personal transport industry. Development and integrate bookings and payments. Strategic acquisition-led growth to bolster existing technology and resources and leverage scale. Standardising, scaling and raising service standards in the mobility business to be leveraged in Australia and the overseas markets we operate in.

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Corporate Governance

A2B believes that robust corporate governance practices, internal control systems and an effective risk management framework contribute to the responsible and sustainable creation of long-term value for the Company's shareholders.

The Company continued to focus on corporate governance during FY21, reflecting the Board's commitment to fostering a strong governance culture. Key focus areas included:

Modern Slavery compliance

Since the enactment of the *Modern Slavery Act 2018* (Cth), the Company has continued to review and improve its procurement and supplier management practices with regard to mitigating potential risk areas for modern slavery practices in its operations and supply chain. This has resulted in enhancements to certain A2B contracts and supplier on-boarding processes, following the implementation of A2B's Supplier Code of Conduct in FY19. In April 2021, the Company published its first modern slavery statement.

Anti-bribery and Corruption Policy

During the financial year ended 30 June 2021, the Company adopted a new Anti-bribery and Corruption Policy. The Policy formalises and expands on the Company's previous policies for preventing bribery and corruption as set out in its Code of Conduct. The Policy sets out the Company's commitment to the highest level of integrity and ethical standards in its business practices and its zero tolerance for bribery and corruption. It provides guidance on what constitutes bribery and corruption, the types of conduct that are prohibited, stakeholder's obligations, and who they can speak to if they have any concerns.

Board and Committee Charters

Updates to the Board and Committee Charters.

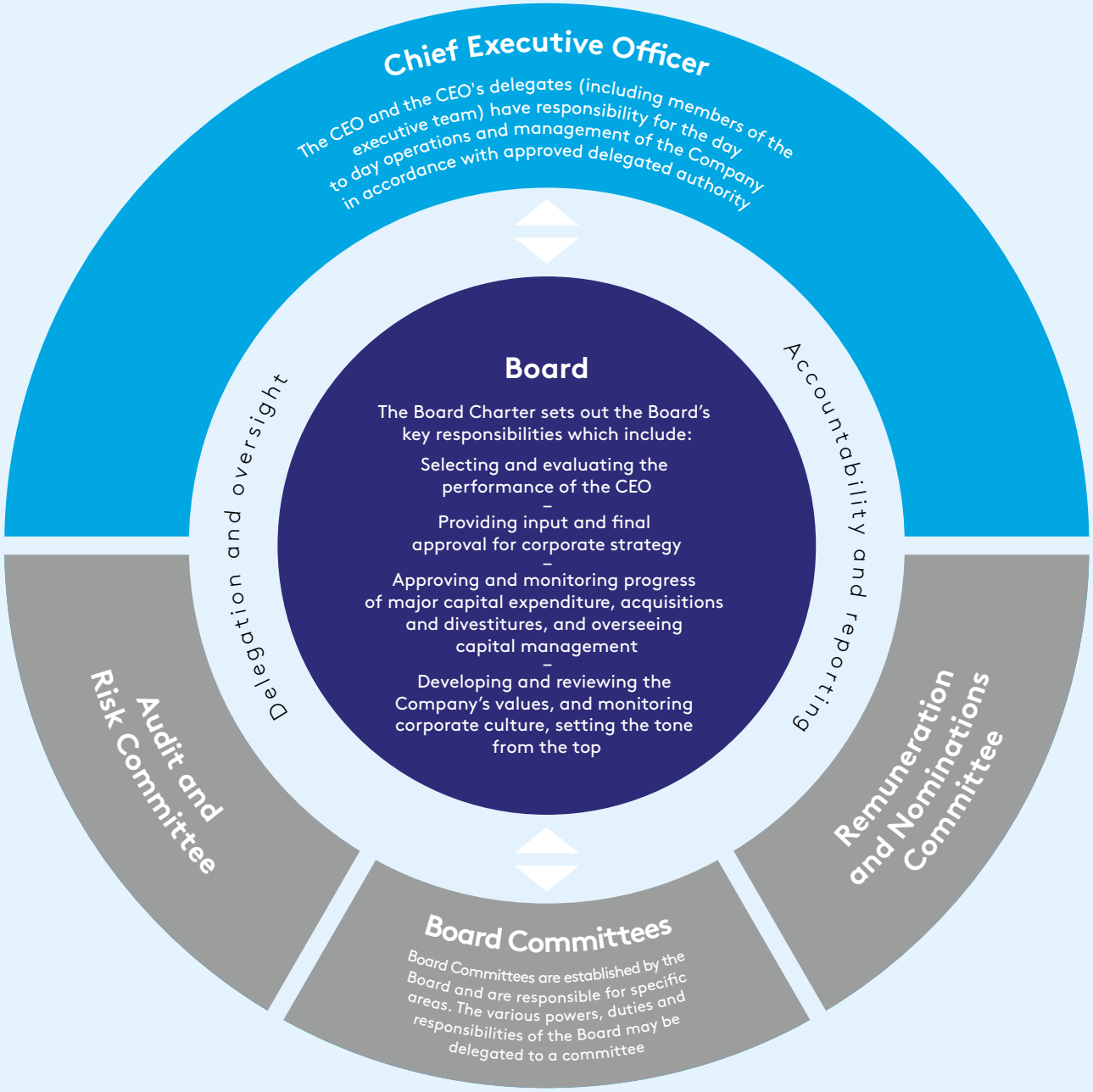
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Role of the Board

The Board is responsible for the corporate governance of the Group. The Board continually reviews the Company's governance policies and practices to ensure that they remain appropriate in light of changes in corporate governance expectations and developments.

The Board is committed to instilling a culture where its people are expected to behave in a lawful, ethical and socially responsible manner. Details on the standards of ethics and conduct that the Company's representatives are expected to maintain can be found in A2B's Code of Conduct, available on the A2B website.

The Board reviews and approves the strategic direction of the Company and oversees Management's implementation of the Company's business model and achievement of the Company's strategy. The Board has delegated responsibility for overseeing the day-to-day operation of the Company to Management.



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Board Committees

The Board also delegates a number of responsibilities to its Committees, as set out in their respective Charters.

The Audit and Risk Committee is responsible for overseeing the Company's financial reporting process, external and internal audit, processes for monitoring compliance with laws, regulations and the Code of Conduct, and processes for identifying and managing risk.

The Remuneration and Nomination Committee is responsible for assisting the Board with Director nominations and Board succession planning, and the Company's remuneration framework.

Board composition and performance

The Board currently comprises five Non-executive Directors and the Managing Director. All of its Non-executive Directors, including the Chairman, are independent. The Board believes that its current composition represents a depth and breadth of skills and experience that will allow it to continue operating effectively. For details about the Directors and their experience, qualifications and Committee memberships, refer to pages 14 to 15.

The Board as a whole discusses and analyses its own performance during the year, including suggestions for change or improvement. For more details about the process for the performance evaluation of the Board, as well as its Committees, individual Directors and executive KMPs, refer to pages 8 to 10 of the 2021 Corporate Governance Statement and the Company's Performance Evaluation Policy.

A2B's Values and Culture

Integrity
For a fair go

- Customers can depend on us
- Our staff follow through on agreements and promises to their colleagues
- Suppliers and partners can depend on us when we are doing business together

Progression
Always look ahead

- We continuously strive to improve the customer experience and performance of our business
- Our workplace provides opportunities for personal and professional growth for our employees

Wellbeing
Every moment matters

- We care about and fulfil our role within the transport ecosystem and the wider community
- All our staff act with respect and consideration towards our customers, Drivers, colleagues and other stakeholders
- Through our actions we seek to create mutual benefit for our stakeholders

Engagement
Build trust

- We believe we can build a better A2B when we work as a team
- Our staff are active and proud members of our business
- We are open to different views and new ideas to solve our greatest challenges
- We continuously strive to get better at what we do

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Governance policies

The Board has put in place a suite of policies, all of which are available on the A2B website. They set out the Company's governance arrangements in relation to matters such as speaking up, securities trading, shareholder communication, market disclosures, anti-bribery and corruption, and diversity. An overview of some of the key policies of the Company can be found on pages 11 to 16 of the 2021 Corporate Governance Statement.

A2B values diversity and inclusiveness in the workforce and recognises that diversity drives the Company's ability to attract, retain, motivate and develop the best talent and deliver the highest quality services to its customers. Details about the Company's measurable objectives and its progress in achieving them in FY21 can be found on pages 11 to 12 of the 2021 Corporate Governance Statement.

Approach to risk management

The Board, in consultation with the Audit and Risk Committee, is responsible for reviewing, ratifying and monitoring the Company's systems of risk management. The Audit and Risk Committee advises the Board on high-level risk related matters, and oversees processes to ensure that there is an adequate system of internal control and management of business risk, and a regular review of those controls and relevant policies and procedures is undertaken.

The CEO and Managing Director and Management are responsible for developing and promoting the appropriate management of risk and the ongoing maintenance of the control environment. Refer to pages 16 to 17 of the 2021 Corporate Governance Statement for additional information about the Company's risk framework. An overview of the material risks affecting the company can be found on pages 24 to 25.

Additional details about the Company's corporate governance are available in the 2021 Corporate Governance Statement, available on the Company's website at www.a2baustralia.com/investor-center/asx/.

Directors' Report

The Directors present their report (including the Remuneration Report), together with the financial statements of the consolidated entity being A2B Australia Limited ("**A2B**" or the "**Company**") and the entities it controls (the "**Group**") for the financial year ended 30 June 2021.

Directors

The Directors of the Company at any time during or since the end of the financial year up to the date of this report are:

- Paul Oneile (Chairman)
- David Grant
- Jennifer Horrigan (appointed on 11 September 2020)
- Louise McCann
- Richard Millen (retired on 19 November 2020)
- Clifford Rosenberg
- Andrew Skelton (CEO and Managing Director)

The qualifications, experience and special responsibilities of current Directors of the Company are set out in the Board of Directors section.

1. Directorships of other listed companies

The directorships in other listed companies a Director has held at any time in the last three years immediately before the end of the financial year are set out in the table below.

Director	Name of listed company	Appointment date	Cessation date
Paul Oneile	Thorn Group Limited	14 October 2019	–
David Grant	Event Hospitality & Entertainment Ltd	25 July 2013	–
	Retail Food Group Limited	25 September 2018	–
	The Reject Shop Ltd	1 May 2020	–
	Murray Goulburn Co-Op Ltd	27 October 2017	26 June 2020
	MG Responsible Entity Ltd	27 October 2017	26 June 2020
Jennifer Horrigan	APN Industria REIT	30 April 2012	–
	APN Convenience Retail REIT	30 April 2012	–
	QV Equities Limited	26 April 2016	–
Louise McCann	Macquarie Media Ltd	10 June 2015	30 October 2019
Richard Millen	–	–	–
Clifford Rosenberg	Technology One Limited	27 February 2019	–
	IXUP Limited	29 September 2017	2 July 2019
	Afterpay Limited	30 March 2017	24 May 2020
	Pureprofile Limited	12 June 2015	28 February 2019
	Nearmap Limited	3 July 2012	–
Andrew Skelton	–	–	–

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2. Company Secretary

Adrian Lucchese

Group General Counsel and Company Secretary

Adrian Lucchese was appointed as Group General Counsel and Company Secretary in October 2014. Adrian began his career with Blake Dawson Waldron (now Ashurst) in 1988 and has held a number of senior management and executive roles including Group General Counsel and Company Secretary of George Weston Foods Limited where, amongst other things, he was responsible for many of the improvements to its competition compliance program. From August 2011 to October 2014, Adrian was Company Secretary of AMP Capital Holdings Limited where he contributed to governance, structural and business improvement initiatives.

Adrian holds Bachelor degrees in both Science and Laws from the University of Sydney and a Master of Laws from the University of Sydney.

3. Dividends

No dividends were paid or declared since the end of the previous financial year.

4. Principal activities

The principal activities of the Group are included in the Operating and Financial Review ("**OFR**") set out on pages 16 to 25. Other than those mentioned in the OFR there were no other significant changes to the nature of the activities of the Group during the year.

5. Review of operations

A review of the Group's operations during the year and the results of those operations, together with its financial position, are included in the OFR set out on pages 16 to 25. The Group's business strategies and prospects for future financial years are also included in the OFR.

6. Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group during the financial year, other than those changes mentioned in the OFR.

7. Events subsequent to reporting date

No other matter or circumstance has arisen since the reporting date that significantly affects or may significantly affect the Group's operations in future years, the results of those operations in future years, or the Group's state of affairs in future years.

Likely developments

Information about likely developments in the Group's operations is included in the "Outlook" section of the OFR on page 24.

Environmental regulation

The Group's operations are not subject to any particular and significant environmental regulations under a law of the Commonwealth or of a State or Territory.

Directors' interests and benefits

The relevant interests and benefits of each Director as at the date of this report are set out in the table below.

Director	Interest in shares
Paul Oneile	106,968
David Grant	27,000
Jennifer Horrigan	0
Louise McCann	48,800
Richard Millen	60,000
Clifford Rosenberg	111,307
Andrew Skelton	66,799 [1]

1 45,938 fully paid ordinary shares are held by Julie Skelton.

Mr Skelton has been granted performance rights under the Company's Long Term Incentive ("**LTI**") Plan

Grant period	Performance Rights
FY18 grant (for period ending 30 June 2021)	222,222
FY19 grant (for period ending 30 June 2021)	179,372
FY20 grant (for period ending 30 June 2022)	275,862
FY21 grant (for period ending 30 June 2023)	370,370
Total	**1,047,826**

Remuneration Report

The Remuneration Report is set out on pages 34 to 51 and forms part of this Directors' Report, has been audited as required by section 308(3C) of the Corporations Act.

Directors' meetings

The number of Directors' meetings and attendance by each Director at those meetings during the financial year are set out in the table below.

Director [1]	Board		Audit and Risk [2]		Remuneration and Nominations [2]	
	Held [3]	Attended	Held [3]	Attended	Held [3]	Attended
Paul Oneile	9	9	4	4	4	4
David Grant	9	9	4	4	4	4
Jennifer Horrigan [4]	7	7	3	3	3	3
Louise McCann	9	9	4	4	4	4
Richard Millen [5]	5	5	1	1	1	1
Clifford Rosenberg	9	9	4	4	4	4
Andrew Skelton	9	9	–	–	–	–

1 "Director" in the table means a Director who was a director of the Company at any time during the financial year.
2 All Directors are invited to and generally attend, Board Committee meetings. The "Attended" columns in the table reflect attendance at meetings by Committee members.
3 The "Held" columns in the table reflect the number of meetings held during the period in which the Director held office.
4 Jennifer Horrigan was appointed on 11 September 2020.
5 Rick Millen retired on 19 November 2020.

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Share options and performance rights

There were no options over unissued shares of the Company granted to the Directors or any executives during or since the end of the financial year.

As at the date of this report there are 3,177,608 performance rights over unissued shares which have been granted to the CEO and Managing Director, current and former senior executives under the Company's LTI Plan. Further information on the LTI Plan and performance rights held by key management personnel are included in the Remuneration Report on pages 34 to 51.

Indemnification and insurance of officers and auditors

The Company's Constitution requires it to indemnify current and former Directors (including alternate directors), officers, and auditors (if determined by the directors) of the Company against liabilities incurred by the person as an officer (or auditor if determined by the Directors).

The Company has agreed to provide indemnities to and procure insurance for past and present Directors and officers of the Company and its controlled entities. The indemnities provide broad indemnification against liabilities to another person (other than the Company or related body corporate) and for legal costs that may arise from their position as Directors and officers of the Company and its controlled entities. The indemnities are subject to certain exceptions such as where the liability arises out of conduct involving a lack of good faith.

The Company has also paid insurance premiums for insurance policies providing the type of cover commonly provided to Directors, officers and senior employees of listed companies such as the Company. As is commonly the case, the insurance policies prohibit further disclosure of the nature of the insurance cover and the amount of the premiums.

There has been no indemnification of the current auditors, nor have any insurance premiums been paid in respect of the current auditors since the end of the previous year.

Non-audit services by auditors

Details of the non-audit services provided by the Group's auditor, KPMG, during the financial year including fees paid or payable for each service, are set out in note 25 to the Consolidated Financial Statements.

The Board has considered the non-audit services provided during the year by KPMG and in accordance with written advice provided by resolution of the Audit and Risk Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act for the following reasons:

- all non-audit services were subject to the corporate governance policies and procedures adopted by the Company and have been reviewed by the Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Lead auditor's independence declaration

The lead auditor's independence declaration required under section 307C of the Corporations Act is set out on page 52.

Rounding off

A2B is a company of the kind referred to in ASIC Corporation 2016/191 (Rounding in Financial/Directors' Reports) Instrument. 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.

This Directors' Report has been signed in accordance with a resolution of the Directors.



Paul Oneile
Chairman

26 August 2021



Andrew Skelton
CEO and Managing Director

26 August 2021

Remuneration Report

Letter from the Chairman of the Remuneration and Nominations Committee

Dear Shareholders

Your Board is pleased to present the Remuneration Report for the year ended 30 June 2021.

The Report provides an overview of our remuneration structures, policies and practices and is intended to demonstrate how creation of long-term shareholder value is aligned with executives' interests and individual and corporate performance as measured against specific targets.

The Remuneration and Nominations Committee assists the Board to evaluate the Company's remuneration framework so that it aligns, supports and drives achievement in our strategic focus areas as set out in the Operating and Financial Review.

Remuneration approach in FY21

The CEO and Executive team have been extremely focused fast tracking, accelerating and commencing a number of new initiatives placing A2B in a strong position to quickly recover when governments ease the current restrictions. They have worked tirelessly in preparing and implementing the Company's new strategic plan to complete A2B's transformation into an integrated, digitally driven, global mobility and payments company.

Detailed information regarding remuneration outcomes for FY21 are outlined in section 4 of this Remuneration Report.

Committee activities in FY21

Key activities undertaken by the Remuneration and Nominations Committee during the year include:

- Reviewing the Company's current Long Term Incentive Plan;
- Updating the executive and senior management equity settings and framework to align with the new strategic plan; and
- Reviewing A2B's Board and Committee Charters with respect to current market practice.

Review of equity arrangements and outlook for FY22

During FY21, the Company designed and committed to on a new strategic plan. In this context, the Remuneration and Nominations Committee supported the Board in conducting a review of the Company's current Long Term Incentive Plan, having regard to its overall effectiveness and linkage to delivery of the Company's strategic plan.

For FY22, the Committee will remain focused on ensuring that the Company maintains a robust remuneration framework that is responsive to change and aligned with the Company's strategic focus areas and values. The Committee and Board expect to introduce equity components to the Short Term Incentive Plan within the existing remuneration framework while maintaining the overall level of executive at risk remuneration. These equity components will contain performance metrics tightly aligned to the Company's new strategic plan. These metrics will be directly linked to delivering the key elements of the strategy and targeted at motivating and closely aligning KMP interests with creating shareholder value. In addition, the Committee will continue its work enhancing our corporate governance arrangements.

On behalf of the Board, thank you for your ongoing support and we look forward to receiving your feedback on this report.

Yours faithfully,



Paul Oneile
Chairman

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Remuneration Report
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This Remuneration Report for the year ended 30 June 2021 outlines the remuneration arrangements of A2B Australia Limited ("**A2B**" or "**Company**") and is prepared in accordance with the requirements of the *Corporations Act 2001* ("**Corporations Act**") and the Corporations Regulations 2001. The information in sections 1 to 7 has been audited as required by section 308(3C) of the Act, unless otherwise stated.

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Remuneration Report

1. Overview

The Board of Directors present the Company's Remuneration Report for the financial year ended 30 June 2021 ("**FY21**"). This report details the Company's remuneration framework and its alignment with the Company's performance and strategy. It also sets out the remuneration arrangements and outcomes for the Company's key management personnel ("**KMP**") who have authority and responsibility for planning, directing and controlling the activities of the Company.

The Board in its deliberations on the performance of the KMP's took into account the whole FY21 year and also the significant disruption brought about by COVID-19.

The Board has been satisfied that the KMP Executives and the CEO have been extremely focused and have significantly performed during this period, fast tracking, accelerating and commencing a number of new initiatives to position A2B as strongly as possible to navigate the disruption and to recover post the pandemic. In addition, they have also operated in a manner that considered not only the significant disruption to A2B and its various stakeholders but the boarder implications to other competitors in the sectors in the overall spirit of A2B's pandemic response.

Who is covered by this report

The KMP covered by this report are listed in table 1 below.

Table 1: KMP included in this report

KMP	Role	Change in FY21
Non-executive Director		
Paul Oneile	Independent Chairman	
David Grant	Independent Director	
Jennifer Horrigan	Independent Director	Appointed 11 September 2020
Louise McCann	Independent Director	
Richard Millen	Independent Director	Retired 19 November 2020
Clifford Rosenberg	Independent Director	
Executive		
Andrew Skelton	Managing Director and CEO	
Ton van Hoof	Chief Financial Officer	
Adrian Lucchese	General Counsel and Company Secretary	
Deon Ludick	Chief Technology Officer	
Stuart Overell	Chief Operating Officer – Taxi Networks	

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Realised remuneration

The details of statutory executive KMP remuneration prepared in accordance with the Australian Accounting Standards can be found in table 6 on page 47. Details of statutory Non-executive Director fee arrangements can be found in table 9 on page 49.

The table below provides shareholders with an understanding of the actual remuneration earned by executive KMP in FY21. The value of remuneration includes the STI components received in cash during the year in relation to deferred STI from previous years and the equity grants where executive KMP received control of the shares in FY21.

The amounts disclosed in the table below are intended to provide an explanation of the pay for performance relationship in our remuneration framework and are in addition to the information provided in the statutory executive KMP remuneration table in table 6 prepared in accordance with the Australian Accounting Standards.

Table 2: Executive remuneration earned in FY21 (non-statutory) (unaudited)

Executive	Fixed remuneration[1] $	STI Earned for FY21 and vesting of deferred STI $	LTI vested in FY21[3] $	Total $
Andrew Skelton	825,000	233,550[2]	0	1,058,550
Ton van Hoof	400,000	82,875	0	482,875
Adrian Lucchese	420,000	74,000	0	494,000
Deon Ludick	450,000	88,500	0	538,500
Stuart Overell	425,000	60,000	0	485,000

1 Fixed remuneration means contracted remuneration amount for base salary and superannuation.

2 Under the STI arrangements, 25% of the CEO's earned STI is deferred, with payment being made in equal instalments 12 and 24 months later. This amount includes payment of the second (and last) instalment of FY19 deferred STI (being $45,000) and the first instalment of FY20 deferred STI (being $26,250). It also includes 75% of the FY21 STI earned (being $162,300), which will be paid in September 2021 (with the remainder being deferred and paid in cash in two equal instalments over the next 24 months).

3 The LTI rights awarded in FY17 were tested in September 2020 and did not vest. The LTI rights awarded in FY18 and FY19 are due to vest in September 2021. Further information on vesting is set out in the LTI section of this report.

Remuneration strategy

The Board is committed to ensuring that A2B's remuneration framework remains responsive, robust and reflective of current market practice. The Company has introduced adjustments progressively, recognising both the need to remain flexible and retaining the ability to fine-tune the remuneration framework from time to time in an orderly and fair manner for both the Company and its people.

This year, the Company has embarked on a new four year strategic plan aimed at accelerating its transformation into an integrated, digitally driven, global mobility and payments organisation. To tightly align the efforts of the Company's KMP with execution of this strategy, the Board will seek to introduce equity components within the existing remuneration framework that contain performance metrics aligned to this four year strategic plan. These metrics are expected to be directly linked to delivering key elements of the strategy and targeted at motivating and closely aligning KMP interests with creating shareholder value.

2. Remuneration governance

The Board consults with the Remuneration and Nominations Committee ("**Committee**"), management and where necessary, external advisors, when making remuneration decisions. The diagram below illustrates the remuneration decision-making process.

Board

- Ensures remuneration is fair and competitive, and supports the Company's strategic and operational goals
- Approves remuneration policies, structures and arrangements after consideration of recommendations from the Committee
- Approves performance measures and outcomes after consideration of recommendations from the Committee

Remuneration and Nominations Committee

- Comprises at least three members appointed by the Board
- Must have an independent chair and a majority of independent Directors
- Makes recommendations to the Board regarding remuneration policies, structures and arrangements
- Makes recommendations to the Board regarding performance measures and outcomes
- The Committee met four times in FY21

For more detail on the Company's charters and policies, see: www.a2baustralia.com/investor-center/corporate-governance/

Management

- CEO proposes individual remuneration arrangements and performance outcomes for direct reports to the Committee
- CEO not present when his remuneration is decided

External remuneration consultants and advisors

- Engaged and appointed by the Board or the Committee as required
- Advises the Committee and management to ensure that the Company is fully informed when making decisions
- Mandatory disclosure requirements apply to use of remuneration consultants under the Corporations Act

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3. Executive KMP remuneration arrangements

Remuneration principles and link to Company strategy

The Company has adopted the following principles to guide its remuneration strategy:

- Align to the business strategy to encourage opportunities to be pursued and executives rewarded accordingly for the creation of long-term shareholder value
- Be supported by a governance framework
- Provide that executive KMP and Non-executive Director remuneration is balanced and market competitive in order to recruit, motivate, reward and retain skilled senior executives and Directors
- Align the interests of executive KMP with the long-term interests of the Company and its shareholders with the use of performance-based remuneration
- Set short and long-term incentive performance hurdles that are challenging and linked to the creation of sustainable shareholder returns
- Ensure any termination benefits are justified and appropriate

Business objectives	Remuneration strategy objectives	Remuneration structure
• Enhance and expand operational platform for the creation of a sustainable business model for future growth • Focus on creation of shareholder value	• Attract and retain key talent through balanced remuneration, market competitive pay and performance focused STI and LTI • Focus the executive team on the key strategic business imperatives • Align interests of executive KMP and shareholders • Invite executive KMP to participate in the STI and LTI plans	**Fixed annual remuneration ("FAR")** Set with reference to job size and organisations of similar complexity and industry dynamics **Short-term incentive ("STI")** Cash incentive comprising a group financial performance target (60%) and individual targets focused on strategic priorities (40%) **Long-term incentive ("LTI")** Equity incentive comprising of performance rights vesting over three years, subject to achievement of an absolute total shareholder return and an indexed total shareholder return performance metrics **Executive arrangements** Executive services agreements formalise incentive arrangements, and include termination and post-termination provisions

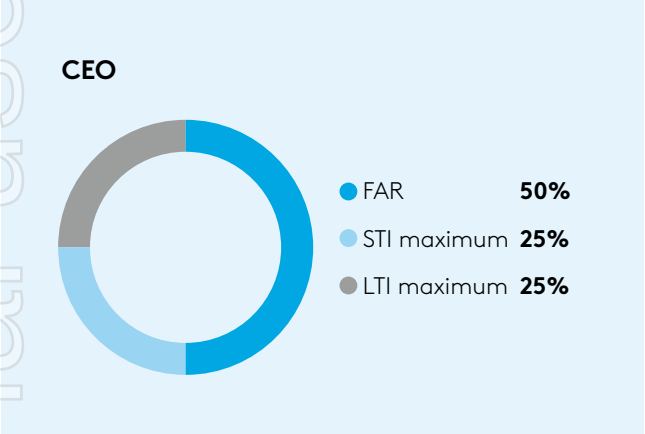
Remuneration structure

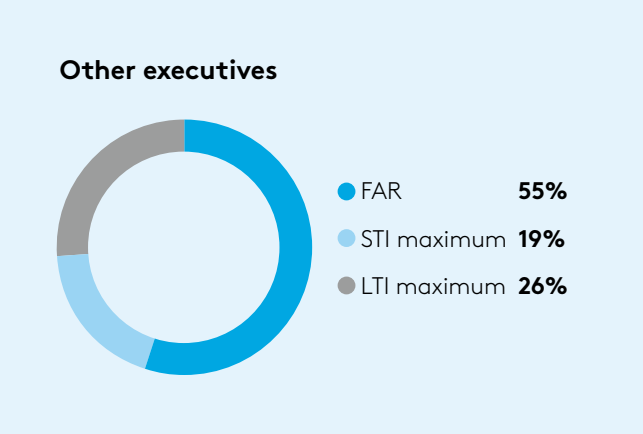
The Company aims to reward its executive KMP with a level and mix of remuneration appropriate to an individual's experience, position, responsibilities and performance.

The Board and the Committee regularly review the remuneration level and structure for the Company's executive KMP and make adjustments where appropriate to support the strategic initiatives of the business whilst ensuring that it remains market competitive for recruiting and retaining skilled individuals.

In FY21, the executive KMP remuneration structure consisted of FAR and performance based at risk short term and long term incentives awarded pursuant to STI and LTI plan rules. Adjustments or changes to remuneration arrangements made in FY21 are detailed under each remuneration element below.

The following graphs summarise the CEO and other executive KMP remuneration mix for FY21.





Remuneration elements and incentive plans

FAR

Details of executive KMP FAR are disclosed below.

What is FAR?	FAR is comprised of salary and other benefits provided to an executive on an ongoing basis, such as superannuation contributions.
How is FAR determined?	FAR is reviewed annually and our standard executive services agreements do not include any guaranteed FAR increases. When reviewing FAR for executives a number of factors are considered, including the individual's skills and experience relevant to their role, and internal and external factors. The Company's policy is to position FAR competitively with reference to companies and roles of a similar complexity and industry dynamic to that of A2B.
Were any changes made in FY21?	Changes to FAR are typically implemented and take effect on 1 July of each year. The FAR for each executive in FY21 is shown in table 6 on page 47.

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STI

Details of executive KMP STI are disclosed below.

What is the STI plan?	The STI plan provides participating executives with an opportunity to be rewarded for their individual achievements, as well as the achievements of their business unit and the Company. This further aligns their interests with the strategic priorities of the Company. All executive KMP are eligible and participated in the STI plan in FY21.
What is the format for STI awards?	STI awards are delivered annually in the form of a cash payment that is subject to the satisfaction of performance measures that are set at the beginning of each financial year. For the CEO, 25% of any STI award is deferred and paid in two equal instalments over the next 24 months.
What is the performance period?	The performance period for the FY21 STI award is from 1 July 2020 to 30 June 2021.
What is the maximum opportunity?	The STI maximum opportunity is set individually and based upon market benchmarks for the remuneration mix. This figure when referenced to FAR is: CEO: 48% of FAR and other executives: on average 35% of FAR.
What are the STI performance measures?	The FY21 STI award vests subject to the achievement of a Group-wide financial performance measure and individual performance measures. The financial performance measure continues to apply to all executive KMP to ensure their common focus on the achievement of the Company's financial objectives. The individual performance measures for each executive are directly linked to the strategic imperatives of the Company and the contributions of the relevant executive towards achieving them. A summary of the FY21 performance measures is set out below. **Group-wide financial performance measure (60% of STI)** Earnings before interest, tax, depreciation and amortisation excluding acquisitions, divestments and impairments ("**Gateway Hurdle**"). The Gateway Hurdle was divided into quarterly targets and achievement individually rated against each target.

		Gateway Hurdle	
FY21	**Target**	**100%**	**90%**
1Q21	($4.5m)	($4.5m)	($4.95m)
2Q21	($3.3m)	($3.3m)	($3.63m)
3Q21	$2m	$2m	$1.8m
4Q21	$6m	$6m	$5.4m

The minimum threshold for each Gateway Hurdle is 90%, triggering a 35% payment of the financial performance measure. Straight line vesting of 65% will occur between the minimum threshold of 90% and the maximum threshold of 100% for each Gateway Hurdle.

If the 90% minimum threshold is not met, no payment will be made under the financial performance measure and, subject to the Board's discretion, the individual performance measures below may be discounted by up to 33%.

STI (continued)

What are the STI performance measures? (continued)

Individual performance measures (40% of STI)

Role	Performance measure
CEO	• Adapting and responding to the COVID-19 Pandemic (14%) • Corporate culture and Customer engagement (13%) • Initiation and execution of strategic initiatives (13%)
Other executive KMP	Position-specific performance measures tailored for each executive having regard to their role, responsibility and specific strategic goals over which they have influence. Examples include: • Employee safety, remuneration and governance • Enhance financial systems and processes • Streamline end of trip experience and grow CNP payment turnover • Fleet growth

Details regarding the STI outcomes for FY21, based on achievement of the performance measures outlined above, are set out in section 4 of the Remuneration Report.

How is performance tested?

The Committee considers the CEO's performance against the performance measures set for the year and provides a recommendation of the STI to be paid (if any) to the Board for approval. The CEO considers the performance of other executive KMP against the performance measures set for the year and, in consultation with the Committee, provides a recommendation of the STI to be paid (if any) to the Board for approval. The Board may approve, amend or reject the recommendations.

What happens on a change of control or other significant events?

If a change of control occurs before the end of the performance period, the Board will determine how STI awards will be dealt with. If a change of control occurs before the Board makes a determination, a pro rata amount of the STI award based on the proportion of the performance period that has elapsed at the time of the change of control will be paid.

The Board has the discretion to vary the terms of STI awards so that executives are not unfairly advantaged (or disadvantaged) by factors outside their control. Any variations will be disclosed and explained in the Remuneration Report.

Does the plan provide for clawback?

A2B has a clawback mechanism in place, which allows for the repayment of STI awards in cases involving fraud, dishonesty, breach of obligations (including a material misstatement of financial information), or any other omissions that result in an STI outcome. The Board may use its discretion to ensure that no unfair benefit is obtained, subject to applicable laws.

What happens on termination of employment?

Where employment ends prior to the end of the performance period by reason of resignation, fraudulent or dishonest conduct, or termination for cause (including gross misconduct), any entitlement to the STI award will be forfeited at termination of employment.

Where employment ends for any other reason, a pro rata portion of the STI award will remain on foot and will be tested at the end of the original performance period.

The Board retains the discretion to vary the treatment set out above based on the specific circumstances surrounding the termination of employment.

In respect of the deferred STI, when employment ends after payment of the initial STI instalment but prior to payment of the deferred portion of an STI award:

- By reason of fraudulent or dishonest conduct, or termination for gross misconduct, the entitlement to the deferred portion of the STI award will be forfeited at termination of employment.
- For any other reason, the deferred portion of the STI award will remain on foot and be paid in the ordinary course.

Were any changes made in FY21?

The STI performance measures were reviewed to ensure that they continue to align with strategic goals.

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LTI

Details of executive KMP LTI are disclosed below.

What is the LTI plan?	The LTI plan provides participating executives with an opportunity to share in the long-term growth of A2B and aligns their interests with those of the Company's shareholders. All executive KMP are eligible and participated in the LTI plan in FY21.
What is the format for LTI awards?	LTI awards are delivered in the form of rights which are granted to participants for nil consideration. LTI awards are granted annually. The FY21 awards are subject to a three-year performance period. Rights vest at the end of the performance period, subject to the satisfaction of the performance measures set out below. There is no retesting of performance. On vesting, each right converts into one ordinary share (or if determined by the Board into the equivalent cash value). Any rights which do not vest immediately lapse.
What is the performance period?	The performance period for the FY21 LTI award commenced on 1 July 2020 and will end on 30 June 2023. Subject to the satisfaction of the relevant performance measures, the FY21 award vests following testing of the performance measures, which is anticipated to occur following the release of the Company's audited financial results for the year ending 30 June 2023. The performance period for the FY18 to FY20 LTI award is set out on table 7 on page 48.
What is the maximum opportunity?	The maximum LTI opportunity is set individually and based upon market benchmarks for the remuneration mix. This figure when compared to FAR is: CEO: 48% of FAR and other executives: on average 47% of FAR. The number of rights granted to individuals was calculated by dividing their maximum LTI opportunity by the volume weighted average market price ("**VWAP**") of the Company's shares over the five trading day period commencing 30 days after the date of the release of the Company's audited financial results for the year ended 30 June 2020. No discount is made for dividends foregone nor for performance or other considerations.
What are the LTI performance measures?	The rights for the FY19 to FY21 LTI award are subject to two performance metrics which are independent and will be tested separately. **1. Absolute total shareholder return** 60% of the rights vest subject to absolute total shareholder return ("**aTSR**") performance over the performance period. The aTSR metric requires minimum threshold performance of at least 4% compounded annual growth rate ("**CAGR**") in total shareholder return ("**TSR**") before any vesting will occur. The percentage of rights subject to the aTSR metric that vest, if any, will be determined by the Board in accordance with the following vesting schedule.

A2B aTSR CAGR performance	Rights that vest (% of tranche)
< 4%	0%
= 4%	35%
> 4% and < 12%	Straight-line vesting between 35% and 100%
12% or more	100%

LTI (continued)

What are the **LTI performance measures?** (continued)

2. Indexed total shareholder return

40% of the rights vest subject to indexed total shareholder return ("**iTSR**") performance over the performance period.

The vesting of the rights subject to the iTSR metric will be determined by comparing the Company's TSR with the movement of the S&P/ASX 300 Index ("**Index**") over the performance period.

The iTSR metric requires minimum threshold performance of at least 100% of the Index before any vesting will occur.

The percentage of rights subject to the iTSR metric that vest, if any, will be determined by the Board in accordance with the following vesting schedule.

A2B iTSR performance	Rights that vest (% of tranche)
< 100% of Index	0%
= 100% of Index	25%
> 100% of Index and < 100% of Index +8% CAGR	Straight-line vesting between 25% and 100%
> 100% of Index +8% CAGR	100%

The FY18 LTI award is subject to the achievement of an absolute total shareholder return target by the Company ("**TSR Hurdle**"). The TSR Hurdle measures the change in the Company's share price, including dividends paid, over the performance period. It is set at a level above average historical long-term market returns to ensure vesting will occur only if the Company's shareholders experience superior returns.

The TSR Hurdle requires a minimum threshold performance of at least 8% annual effective TSR per ordinary share before any vesting will occur.

The percentage of rights subject to the TSR Hurdle that vest, if any, will be determined by the Board in accordance with the following vesting schedule.

TSR performance	Rights that vest (%)
Less than 8% return p.a.	0%
At 8% return p.a.	30%
Above 8% return p.a. but less than 12% return p.a.	Straight-line vesting between 30% and 100% of the award
12% return p.a. or more	100%

For the purpose of calculating the growth in the Company's share price as part of the TSR calculation, the following opening and closing share prices will be used:

- the VWAP of the Company's shares over the five trading day period commencing 30 days after the date of the release of the Company's audited financial results for the year ended 30 June 2017, being $1.80; and
- the VWAP of the Company's shares over the corresponding five trading day period following the release of the Company's audited financial results for the year ended 30 June 2021.

Decisions regarding the level of performance achieved and relevant remuneration outcomes will be made by the Board according to the above vesting schedules following the end of the performance period, with the outcomes communicated to shareholders in the Remuneration Report.

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LTI (continued)

What happens on a change of control or other significant events?	Where a change of control event occurs, the Board has discretion to determine the proportion of LTI awards to vest and may have regard to the executive's tenure, the proportion of the performance period that has elapsed, the extent to which the performance conditions have been satisfied at the time of the change of control and the interests of the Company's shareholders. If a change of control occurs before the Board exercises its discretion, a pro rata number of unvested LTI awards will vest based on the extent to which the performance conditions are satisfied (or are estimated to have been satisfied) and the proportion of the performance period that has elapsed at the time of the change of control. The Board may adjust the terms of LTI awards in exceptional situations where participants may be unfairly advantaged (or disadvantaged) by external factors outside of their control. The Board in all circumstances will ensure any variation takes into account the purpose of the LTI plan and achievement against the relevant performance conditions up until the relevant time. Any variations will be disclosed and explained in the Remuneration Report.
Does the plan provide for clawback?	The Company has a clawback mechanism in place, which allows for the lapsing and/or clawback of LTI awards in cases involving fraud, dishonesty, breach of obligations (including a material misstatement of financial information), or any other act or omission that result in an inappropriate LTI outcome. The Board may use its discretion to ensure that no unfair benefit is obtained by a participant, subject to applicable laws.
What happens on termination of employment?	Where employment ends prior to the end of the performance period due to resignation, termination for cause or poor performance, unvested LTI awards will lapse. Where the employment ends for any other reason, unvested LTI awards will continue on-foot and be tested at the end of the original performance period against the relevant performance conditions. However, the Board has an overriding discretion to apply another treatment if it deems it appropriate.
Were any changes made in FY21?	No change to performance measures and period were made in FY21.

Executive KMP contracts

The Company has a contemporary standard executive service agreement. The remuneration arrangements for executive KMP are formalised in these agreements.

Table 3: Executive KMP contract terms

Executive	Contract term	Notice period [1]
Andrew Skelton	Ongoing	12 months
Ton van Hoof	Ongoing	6 months
Adrian Lucchese	Ongoing	6 months
Deon Ludick	Ongoing	6 months
Stuart Overell	Ongoing	6 months

1 The length of the notice period is the same for the executive KMP and the Company. The Board has the discretion to make payments to executive KMP lieu of notice.

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4. Executive KMP remuneration outcomes for FY21

The FY21 STI program successfully aligned executive effort and focus with the Company's strategy and objectives. The STI framework supported ongoing commitment and focus on the key actions that set the Company up for growth while market conditions ebbed and flowed during the year.

During the year each member of the executive team stepped up to manage a range of issues stemming from the pandemic and associated restrictions.

The level of executive effort enabled the Company to:

- Make substantial advances in technologies including in 13cabs app performance and the addition of new features like Price Guarantee;
- Significantly expand delivery capabilities; and
- Grow both the national and global footprint through the growth in 13cabs bureaus and networks (11 locations) and the MTI customer base (3 locations).

FAR

The fixed annual remuneration of executive KMP for FY21 is set out at table 2 on page 37.

STI performance and outcomes

The CEO assessed the performance of each executive KMP against their individual FY21 STI performance measures with recommendations presented to the Committee. The Committee also assessed the performance of the CEO with reference to his STI performance measures and made recommendations to the Board.

The Board considered the material provided to the Committee, its recommendations, and the annual financial results. This year the impact of the COVID-19 pandemic has also been a factor the Board has taken into account. The Board also agreed with the recommendations in relation to the individual performance of each executive KMP and the applicable value payable.

In respect of the CEO's FY21 STI outcomes, the Board approved the following.

Financial performance measure – Gateway Hurdle	50%	Target 60%
Adapting and responding to the COVID-19 Pandemic	70%	Target 14%
Corporate culture and Customer engagement	60%	Target 13%
Initiation and execution of strategic initiative	50%	Target 13%

The individual FY21 STI outcomes for each executive KMP, including percentages and values payable are detailed in the table below.

Table 4: FY21 STI award outcomes

Executive	Maximum FY21 STI opportunity $	STI earned in FY21 $	% of maximum opportunity achieved	% of maximum STI opportunity forfeited
Andrew Skelton	400,000	216,400 [1]	54%	46%
Ton van Hoof	150,000	82,875	55%	45%
Adrian Lucchese	150,000	74,000	49%	51%
Deon Ludick	150,000	88,500	59%	41%
Stuart Overell	150,000	60,000	40%	60%

1 25% of the STI earned in FY21 being $54,100 is deferred and paid in two equal instalments of $27,050 in July 2022 and $27,050 in July 2023.

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LTI performance and outcomes

The Company's shareholders approved the LTI plan in November 2014. The third tranche of performance rights under the LTI plan were granted for the performance period 1 July 2016 – 30 June 2020. The rights were tested in September 2020 and, due to regulatory and market disruption and disruptors, did not vest and lapsed immediately as the performance conditions attached to the rights, being an absolute TSR and a compound annual growth hurdle, were not achieved. Further details are shown in table 7 on page 48.

Snapshot of Group performance

Table 5: Performance outcomes for the last five years

		FY21	FY20	FY19	FY18	FY17
Profit after tax from continuing operations	($m)	(18.1)	(23.7)	11.9	(1.9)	13.8
(Loss) Profit attributable to the owners of the Company	($m)	(18.3)	(23.8)	11.8	(2.2)	(90.5)
Dividend paid	($m)	0	9.6	9.6	16.9	120.4
Dividend paid per share fully franked	(cents)	0	8	8	14	100
Closing share price at 30 June	($)	1.26	0.81	1.77	2.4	2.53

Note: Opening share price in FY17 was $3.19.

Executive remuneration in FY21

The statutory remuneration of each executive KMP in FY21 is set out in the table below.

Table 6: FY21 executive KMP remuneration (statutory)

		Short-term benefits			Post employment benefits			Share based payments		
Executive		Salary and fees $	STI $	Non-cash benefits[1] $	Super-annuation contributions $	Termination benefits $	Other long-term employee benefits[1] $	LTI $	Total $	Performance related rem % of total rem[2]
Andrew Skelton	**2021**	**804,022**	**216,400**[3]	**16,443**	**21,694**	**–**	**15,239**	**210,494**	**1,284,292**	**33.24%**
	2020	804,022	210,000[4]	16,740	21,003	–	27,727	189,440	1,268,932	31.48%
Ton van Hoof	**2021**	**379,021**	**82,875**	**–**	**21,694**	**–**	**6,804**	**105,247**	**595,641**	**31.58%**
	2020	379,020	71,625	26,839	21,003	–	3,823	63,025	565,335	23.82%
Adrian Lucchese	**2021**	**399,010**	**74,000**	**13,651**	**21,694**	**–**	**12,018**	**105,247**	**625,620**	**28.65%**
	2020	399,010	85,000	16,997	21,003	–	7,474	94,720	624,204	28.79%
Deon Ludick	**2021**	**429,029**	**88,500**	**14,904**	**21,694**	**–**	**3,858**	**105,247**	**663,232**	**29.21%**
	2020	429,029	72,500	10,259	24,399	–	3,025	83,525	622,737	25.05%
Stuart Overell	**2021**	**404,014**	**60,000**	**13,973**	**21,694**	**–**	**7,762**	**105,247**	**612,690**	**26.97%**
	2020	404,014	68,250	–	21,003	–	10,932	94,720	598,919	27.21%
Total	**2021**	**2,415,096**	**521,775**	**58,971**	**108,470**	**–**	**45,681**	**631,482**	**3,781,475**	**30.50%**
	2020	2,861,081	507,375	70,835	150,416	286,312	62,637	613,623	4,552,279	24.62%

1 Movements in accruals for annual leave and reportable fringe benefits are disclosed as non-cash benefits. Other long-term employee benefits represent provisions for long service leave.

2 This represents the percentage of the total remuneration that relates to performance.

3 $54,100 is deferred and will be paid in two equal instalments of $27,050 the first in July 2022 and the second in July 2023.

4 $52,500 is deferred and will be paid in two equal instalments of $26,250 the first in July 2021 and the second in July 2022.

LTI awards held by executive KMP

Details of all outstanding rights granted to executive KMP as LTI awards are set out in the table below. The tranche of performance rights under the LTI plan granted for the performance period 1 July 2016 – 30 June 2020 were tested in September 2020 and, due to regulatory and market disruption and disruptors, did not vest and lapsed immediately as the performance conditions attached to the rights, being an absolute TSR and a compound annual growth hurdle, were not achieved. Further details are shown in table 11 on page 51.

Table 7: LTI rights held by executive KMP

Executive	Grant Date	Performance period	Number of rights granted	Performance conditions	Vesting date
Andrew Skelton	26 April 2021	1 July 2020 –30 June 2023	370,370	Absolute TSR hurdle and indexed TSR	September 2023
	1 July 2020	1 July 2019 –30 June 2022	275,862	Absolute TSR hurdle and indexed TSR	September 2022
	21 February 2019	1 July 2018 –30 June 2021	179,372	Absolute TSR hurdle and indexed TSR	September 2021
	22 February 2018	1 July 2017 –30 June 2021	222,222	Absolute TSR hurdle	14 September 2021
Ton van Hoof	26 April 2021	1 July 2020 –30 June 2023	185,185	Absolute TSR hurdle and indexed TSR	September 2023
	1 July 2020	1 July 2019 –30 June 2022	137,931	Absolute TSR hurdle and indexed TSR	September 2022
	21 February 2019	1 July 2018 –30 June 2021	89,686	Absolute TSR hurdle and indexed TSR	September 2021
Adrian Lucchese	26 April 2021	1 July 2020 –30 June 2023	185,185	Absolute TSR hurdle and indexed TSR	September 2023
	1 July 2020	1 July 2019 –30 June 2022	137,931	Absolute TSR hurdle and indexed TSR	September 2022
	21 February 2019	1 July 2018 –30 June 2021	89,686	Absolute TSR hurdle and indexed TSR	September 2021
	15 February 2018	1 July 2017 –30 June 2021	111,111	Absolute TSR hurdle	14 September 2021
Deon Ludick	26 April 2021	1 July 2020 –30 June 2023	185,185	Absolute TSR hurdle and indexed TSR	September 2023
	1 July 2020	1 July 2019 –30 June 2022	137,931	Absolute TSR hurdle and indexed TSR	September 2022
	21 February 2019	1 July 2018 –30 June 2021	89,686	Absolute TSR hurdle and indexed TSR	September 2021
	15 February 2018	1 July 2017 –30 June 2021	83,333	Absolute TSR hurdle	14 September 2021
Stuart Overell	26 April 2021	1 July 2020 –30 June 2023	185,185	Absolute TSR hurdle and indexed TSR	September 2023
	1 July 2020	1 July 2019 –30 June 2022	137,931	Absolute TSR hurdle and indexed TSR	September 2022
	21 February 2019	1 July 2018 –30 June 2021	89,686	Absolute TSR hurdle and indexed TSR	September 2021
	15 February 2018	1 July 2017 –30 June 2021	111,111	Absolute TSR hurdle	14 September 2021

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5. Non-executive Director fee arrangements

Board and Committee fees

Non-executive Director ("**NED**") fees are paid out of an aggregate fee pool of $1.3 million per annum which was approved by shareholders on 26 November 2014. The fee pool is inclusive of statutory entitlements (including superannuation). When recommending the aggregate fee pool for shareholder approval, the Board considers the fees required to attract and retain NEDs with the necessary skills and experience whilst incurring a cost acceptable to our shareholders.

NED fees consist of Board fees and committee fees. The payment of additional fees for serving on a committee recognises the additional time commitment required by NEDs. The Chairman of the Board is not eligible for additional fees for serving on committees. Fees are not linked to performance and no STI or LTI is provided to NEDs.

Fees in FY21

The Committee reviewed the NED fees for FY21. Having taken into account the Committee's recommendation, the Board determined to increase the amount of NED fees to accommodate the recent regulated increases to superannuation contributions and to increase the annual NED fees by CPI each year commencing 1 July 2021.

The table below summarises NED fees payable in respect of FY21.

Table 8: Board and committee fees

	Chairman $	Member $
Board	226,000	103,000
Audit and Risk Committee	21,000	11,000
Remuneration and Nominations Committee	21,000	11,000

The Board and Committee fees outlined in the table above include statutory superannuation contributions. NEDs do not receive retirement benefits other than statutory superannuation.

NED remuneration in FY21

The statutory remuneration of each NED for FY21 is set out in the table below.

Table 9: FY21 NED remuneration (statutory)

		Short-term benefits	Post-employment benefits	
		Salary and fees $	Superannuation contributions $	Total $
Paul Oneile	**2021**	**206,397**	**19,608**	**226,005**
Chairman	2020	206,397	19,608	226,005
David Grant	**2021**	**134,936**	**12,819**	**147,755**
Non-executive Director	2020	9,936	944	10,880
Jennifer Horrigan [1]	**2021**	**100,694**	**–**	**100,694**
Non-executive Director	2020	–	–	–
Louise McCann	**2021**	**123,293**	**11,713**	**135,006**
Non-executive Director	2020	123,293	11,713	135,006
Richard Millen [2]	**2021**	**45,692**	**10,559**	**56,251**
Non-executive Director	2020	109,659	25,343	135,002
Clifford Rosenberg [3]	**2021**	**125,000**	**–**	**125,000**
Non-executive Director	2020	125,000	–	125,000
Total fees	**2021**	**736,012**	**54,699**	**790,711**
	2020	574,285	57,607	631,892

1 Ms Horrigan's fees were invoiced and paid monthly to Scarp Consulting Pty Ltd as trustee for The MacDonald Horrigan Family Trust. Ms Horrigan was appointed on 11 September 2020.

2 Mr Millen retired on 19 November 2020.

3 Mr Rosenberg's fees were invoiced and paid monthly to Rosenberg Trading Pty Ltd, a personal services company nominated by him.

6. Additional disclosures relating to securities

Shares

In order to align the interests of NEDs with the Company's shareholders, the Board has adopted a policy that requires each NED to accumulate a minimum shareholding equivalent to their annual base fee. NEDs who were members of the Board before 20 June 2016 have three years from this date to meet the expected level of share ownership. NEDs appointed after 20 June 2016 have three years from their appointment date to meet the expected level of share ownership.

In April 2020 the Board resolved to suspend the requirement for NEDs to comply with the minimum shareholding level under the policy for 12 months. On 9 June 2021 the Board determined to resume the operation of the minimum shareholding requirement under the policy.

Executive KMP are granted rights under the LTI plan which convert into shares on the achievement of performance measures. The third tranche of performance rights under the LTI plan granted for the performance period 1 July 2016 – 30 June 2020 were tested in September 2020 and, due to regulatory and market disruption and disruptors, did not vest and lapsed immediately as the performance conditions attached to the rights, being an absolute TSR and a compound annual growth hurdle, were not achieved. Further details are shown in table 11 on page 51.

The relevant interests of each KMP (and their related parties) in the share capital of the Company for FY21 are detailed in the table below.

Table 10: Shareholdings of KMP and their related parties

	Balance 1 July 2020		Received as remuneration		Net other change		Balance 30 June 2021	
	Direct interest	Indirect interest	Direct interest	Indirect interest	Direct interest	Indirect interest	Direct interest	Indirect interest
Non-executive Director								
Paul Oneile [1]	50,000	56,968	–	–	–	–	50,000	56,968
David Grant	–	–	–	–	27,000	–	27,000	–
Jennifer Horrigan	–	–	–	–	–	–	–	–
Louise McCann [2]	–	48,800	–	–	–	–	–	48,800
Richard Millen [3]	–	60,000	–	–	–	–	–	60,000
Clifford Rosenberg [4]	–	111,307	–	–	–	–	–	111,307
Executive								
Andrew Skelton [5]	20,861	–	–	–	–	45,938	20,861	45,938
Ton van Hoof	10,565	–	–	–	3,574	–	14,139	–
Adrian Lucchese	3,856	–	–	–	–	–	3,856	–
Deon Ludick	–	–	–	–	–	–	–	–
Stuart Overell	–	–	–	–	–	–	–	–

1 56,968 fully paid ordinary shares held by PNM Management Pty Ltd atf the Kyambra Superannuation Fund.
2 48,800 fully paid ordinary shares held by Tyrrell McCann Pty Ltd atf the Tyrrell McCann Superannuation Fund.
3 60,000 fully paid ordinary shares held by Woor Pty Ltd atf the Millen Superannuation Fund. Mr Millen retired on 19 November 2020.
4 111,307 fully paid ordinary shares held by Cliffro Pty Ltd atf the Cliffro Trust.
5 45,938 fully paid ordinary shares are held by Julie Skelton.

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Rights

The table below details the performance rights granted to executive KMP under the LTI plan as part of their remuneration.

Table 11: Rights granted under the LTI plan to executive KMP

Executive	Balance 1 July 2020	Number of rights granted in FY21 [1]	Value of rights granted in FY21 [2]	Net other change	Vested	Value of rights vested	Lapsed	Balance 30 June 2021
Andrew Skelton	802,067	370,370	400,000	–	–	–	124,611	1,047,826
Ton van Hoof	227,617	185,185	200,000	–	–	–	–	412,802
Adrian Lucchese	401,033	185,185	200,000	–	–	–	62,305	523,913
Deon Ludick	342,103	185,185	200,000	–	–	–	31,153	496,135
Stuart Overell	401,033	185,185	200,000	–	–	–	62,305	523,913

1 For performance rights granted as remuneration, the total fair value of $760,000 as calculated by an independent advisor as at the date of grant, using a Monte Carlo simulation model for the total shareholder return. This comprises of $0.68 per absolute TSR right and $0.69 per relative TSR right over a total of 1,111,110 rights granted in FY21. The number of rights are calculated by dividing the value of rights by the VWAP as at the date of the grant.

2 The value of rights granted in FY21 represents the maximum LTI opportunity set to the individual executive.

7. Transactions with KMP and their related parties

No loans were made, guaranteed, or secured, to KMP or any of their related parties.

There were no transactions between the Company (or any of its controlled entities) and any KMP (or their related parties) other than those within the normal employee, customer or supplier relationship on terms no more favourable than arms' length. Information about these transactions would not adversely affect investment decisions by shareholders, or the discharge of accountability by KMP.

8. Shareholder voting for the 2020 Remuneration Report

The Company received a "yes" vote on 84% of votes cast on its Remuneration Report for the 2020 financial year. The Board is committed to ongoing and transparent engagement with all stakeholders. It will continue to review the effectiveness of the Company's remuneration practices and their alignment with strategic performance objectives to appropriately reward its executives and deliver shareholder value.

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Auditor's Independence Declaration



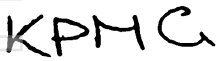
Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

To the Directors of A2B Australia Limited

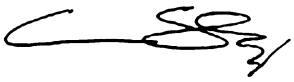
I declare that, to the best of my knowledge and belief, in relation to the audit of A2B Australia Limited for the financial year ended 30 June 2021 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.



KPMG



Cameron Slapp
Partner

Sydney
26 August 2021

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Consolidated Financial Statements

for the year ended 30 June 2021

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Consolidated Statement of Comprehensive Income

for the year ended 30 June 2021

	Notes	2021 $'000	2020[1] $'000 (Re-stated)
Continuing operations			
Revenue	3	113,373	170,894
Other income	3	17,992	9,010
Processing fees to taxi networks		(4,183)	(6,461)
Brokered taxi plate licence costs		(1,323)	(18,592)
Other taxi related costs		(2,559)	(5,572)
Taxi operating expenses		(6,688)	(8,985)
Courier service expenses		(3,450)	(3,198)
Employee benefits expenses		(62,990)	(66,696)
Cost of cars and hardware sold		(5,562)	(6,330)
General and administrative expenses		(33,740)	(40,379)
Depreciation	10 & 29	(11,745)	(14,051)
Amortisation	12 &14	(6,170)	(3,629)
Impairment charges	12 &14	(1,879)	(14,983)
Other expenses		(15,616)	(15,653)
Results from operating activities		**(24,540)**	**(24,625)**
Finance income	4	16	77
Finance costs		(1,079)	(1,416)
Net finance costs		**(1,063)**	**(1,339)**
(Loss) before income tax		**(25,603)**	**(25,964)**
Income tax benefit	5	7,537	2,206
(Loss) after tax for the year		**(18,066)**	**(23,758)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences, net of tax		128	(52)
Items that will not be reclassified to profit or loss:			
Net change in fair value of financial assets		(233)	(477)
Other comprehensive (loss) for the year, net of income tax		**(105)**	**(529)**
Total comprehensive (loss) for the year		**(18,171)**	**(24,287)**
Attributable to:			
Owners of the Company		(18,274)	(23,883)
Non-controlling interest		208	125
Total (loss) for the year		**(18,066)**	**(23,758)**
Owners of the Company		(18,379)	(24,412)
Non-controlling interest		208	125
Total comprehensive (loss) for the year		**(18,171)**	**(24,287)**
Earnings per share			
Basic earnings per share	20	(15.2 cents)	(19.8 cents)
Diluted earnings per share	20	(15.2 cents)	(19.8 cents)

1 Certain amounts have been re-stated to reflect adjustments relating to Note 2.

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the notes to the consolidated financial statements.

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Consolidated Statement of Financial Position

as at 30 June 2021

	Notes	2021 $'000	2020[1] $'000 (Re-stated)
Current assets			
Cash and cash equivalents	30	11,874	25,759
Trade and other receivables	6	44,620	34,217
Current tax assets		5,604	282
Inventories	7	3,271	3,009
Prepayments		3,629	3,987
Total current assets		**68,998**	**67,254**
Non-current assets			
Trade and other receivables	6	5,841	5,624
Financial assets	8	977	1,298
Property, plant and equipment	10	32,989	39,740
Right-of-use assets	29	12,716	17,820
Net deferred tax assets	11	8,218	6,149
Taxi plate licences	12	1,349	3,275
Goodwill	13	27,487	27,487
Intellectual property	14	19,414	21,284
Total non-current assets		**108,991**	**122,677**
Total assets		**177,989**	**189,931**
Current liabilities			
Contract liabilities, trade and other payables	15	39,654	29,509
Loans and borrowings	16	1,864	2,031
Lease liabilities	29	1,999	2,262
Deferred income	3	118	–
Provisions	17	8,117	8,267
Total current liabilities		**51,752**	**42,069**
Non-current liabilities			
Lease liabilities	29	11,318	15,926
Deferred income	3	354	–
Provisions	17	1,581	1,345
Total non-current liabilities		**13,253**	**17,271**
Total liabilities		**65,005**	**59,340**
Net assets		**112,984**	**130,591**
Equity			
Share capital	18	138,325	138,325
Other reserves	18	959	433
Profits reserve		18,823	18,823
Retained losses		(46,310)	(28,036)
Total equity attributable to owners of the Company		**111,797**	**129,545**
Non-controlling interest		1,187	1,046
Total equity		**112,984**	**130,591**

1 Certain amounts have been re-stated to reflect adjustments relating to Note 2.

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial statements.

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Consolidated Statement of Cash Flows

for the year ended 30 June 2021

	Notes	2021 $'000	2020[1] $'000 (Re-stated)
Cash flows from operating activities			
Receipts from customers and others		658,710	989,728
Payments to suppliers, licensees and employees		(662,458)	(949,975)
Dividends received		–	387
Interest received		16	77
Finance costs paid		(1,040)	(1,165)
Income tax paid		(79)	(1,258)
Net cash (used in)/provided by operating activities	30	**(4,851)**	**37,794**
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,938)	(11,542)
Payments for development of intellectual property		(4,253)	(5,513)
Acquisition of business assets, net of cash acquired		–	(3,363)
Proceeds from sale of property, plant and equipment		1,029	2,259
Net cash (used in) investing activities		**(6,162)**	**(18,159)**
Cash flows from financing activities			
Proceeds from borrowings		5,132	20,242
Repayment of borrowings		(5,298)	(21,002)
Payment of lease liabilities		(2,576)	(2,597)
Dividends paid to equity holders	19	–	(9,634)
Dividends paid to non-controlling interest in subsidiaries		(67)	(70)
Net cash (used in) financing activities		**(2,809)**	**(13,061)**
Net (decrease)/increase in cash and cash equivalents		(13,822)	6,574
Cash and cash equivalents at 1 July		25,759	19,172
Effect of movements in exchange rates on cash held		(63)	13
Cash and cash equivalents at 30 June	30	**11,874**	**25,759**

1 Certain amounts have been re-stated to reflect adjustments relating to Note 2.

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated financial statements.

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Consolidated Statement of Changes in Equity

for the year ended 30 June 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 2020		**138,325**	**433**	**18,823**	**(28,036)**	**1,046**	**130,591**
Total comprehensive (loss) for the year							
Loss for the year		–	–	–	(18,274)	208	(18,066)
Other comprehensive loss		–	(105)	–	–	–	(105)
Total comprehensive (loss) for the year		**–**	**(105)**	**–**	**(18,274)**	**208**	**(18,171)**
Transactions with owners in their capacity as owners							
Share-based payments	33	–	631	–	–	–	631
Dividends to non-controlling interest in subsidiaries		–	–	–	–	(67)	(67)
		–	**631**	**–**	**–**	**(67)**	**564**
Balance at 30 June 2021		**138,325**	**959**	**18,823**	**(46,310)**	**1,187**	**112,984**
Balance at 1 July 2019 (Re-stated [1])		**138,325**	**71**	**–**	**24,845**	**177**	**163,418**
Total comprehensive (loss) for the year							
Loss for the year (Re-stated) [1]		–	–	–	(23,883)	125	(23,758)
Other comprehensive loss		–	(529)	–	–	–	(529)
Total comprehensive (loss) for the year		**–**	**(529)**	**–**	**(23,883)**	**125**	**(24,287)**
Transactions with owners in their capacity as owners							
Transfer of reserves		–	541	–	(541)	–	–
Transfer to profits reserve		–	–	23,640	(23,640)	–	–
Share-based payments	33	–	350	–	–	–	350
Dividends to equity holders	19	–	–	(4,817)	(4,817)	–	(9,634)
Dividends to non-controlling interest in subsidiaries		–	–	–	–	(70)	(70)
		–	**891**	**18,823**	**(28,998)**	**(70)**	**(9,354)**
Changes in ownership interest							
Acquisition of subsidiary with NCI		–	–	–	–	814	814
Balance at 30 June 2020 (Re-stated) [1]		**138,325**	**433**	**18,823**	**(28,036)**	**1,046**	**130,591**

1 Certain amounts have been re-stated to reflect adjustments relating to Note 2.

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements.

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Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

1. Reporting entity

A2B Australia Limited (the "**Company**") is a company domiciled in Australia. The address of the Company's registered office is 152–162 Riley Street, East Sydney. The Consolidated Financial Statements as at and for the year ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the "**Group**"). The Group is a for-profit entity and during the year ended 30 June 2021 was involved in providing technology, payment and Taxi related services.

2. Basis of preparation

Statement of compliance

The Consolidated Financial Statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ("**AASBs**") adopted by the Australian Accounting Standards Board ("**AASB**") and the *Corporations Act 2001*. The Consolidated Financial statements comply with International Financial Reporting Standards ("**IFRSs**") adopted by the International Accounting Standards Board ("**IASB**").

The Consolidated Financial Statements were authorised for issue by the Board of Directors on 26 August 2021.

Going concern

The financial report has been prepared on a going concern basis. In determining the appropriateness of the basis of preparation, the Directors have considered the impact of COVID-19 on the Group's operations and in particular the next 12 months from the date of which the financial report is authorised for issue.

In FY21 the Group implemented a range of measures aimed at preserving liquidity in the near term that resulted in $11 million in cost savings. These measures include reduced employee expenses ($5 million), marketing expenses ($1.3 million), technology and communication expenses ($1.5 million) and travel expenses ($1.2 million).

As of 30 June 2021, the Group had access to $36.9 million in liquidity, with $11.9 million in cash and $25 million of undrawn bank facilities. The Group's existing finance facility has a limit of $25 million and expires on 1 July 2023.

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.

Basis of measurement

The Consolidated Financial Statements have been prepared on the historical cost basis except for financial assets (unlisted investments), which are measured at fair value through other comprehensive income.

Functional and presentation currency

These Consolidated Financial Statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the majority of the Group entities.

The Company is of a kind referred to in ASIC Corporation 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.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

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Use of estimates and judgements

The preparation of Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the Consolidated Financial Statements are described in the following notes:

- Note 6 Trade and other receivables
- Note 10 Property, plant and equipment
- Note 12 Taxi plate licences
- Note 13 Goodwill
- Note 14 Intellectual property

The Group has specifically exercised judgement in evaluating the impact of COVID-19 on the areas noted above.

Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the Consolidated Financial Statements.

Amended Accounting Standard not yet adopted

The amended Accounting Standard below is effective for annual periods beginning after 1 July 2021 and earlier application is permitted; however, the Group has not early adopted the amended standards in preparing these consolidated financial statements. This amended standard is not expected to have a significant impact on the Group's financial statements.

- Classification of Liabilities as Current or Non-current (Amendments to AASB 101)

Changes to significant accounting policy

Software-as-a-Service (SaaS) arrangements

The International Financial Reporting Standards Interpretations Committee ("**IFRIC**") has issued two final agenda decisions which impact SaaS arrangements:

- *Customer's right to receive access to the supplier's software hosted on the cloud* (March 2019) – this decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term.
- *Configuration or customisation costs in a cloud computing arrangement* (April 2021) – this decision discusses whether configuration or customisation expenditure relating to SaaS arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

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 above agenda decisions has resulted in these intangible assets to recognition being recognised as an expense in the Statement of Comprehensive Income, impacting both the current and/or prior periods presented.

The new accounting policy is presented in Note 14.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

Historical financial information has been restated to account for the impact of the change in accounting policy in relation to SaaS arrangements, as follows:

Consolidated statement of financial position

Balance at 30 June 2020	As previously reported $'000	Adjustments $'000	As re-stated $'000
Current tax assets	–	282	282
Total current assets	**66,972**	**282**	**67,254**
Net deferred tax assets	6,122	27	6,149
Intellectual property	22,328	(1,044)	21,284
Total non-current assets	**123,694**	**(1,017)**	**122,677**
Total assets	**190,666**	**(735)**	**189,931**
Current tax liabilities	4	(4)	–
Total current liabilities	**42,073**	**(4)**	**42,069**
Total liabilities	**59,344**	**(4)**	**59,340**
Net assets	**131,322**	**(731)**	**130,591**
Retained earnings	(27,305)	(731)	(28,036)
Total equity	**131,322**	**(731)**	**130,591**

Balance at 1 July 2019	As previously reported $'000	Adjustments $'000	As re-stated $'000
Intellectual property	21,185	(953)	20,232
Total non-current assets	**114,452**	**(953)**	**113,499**
Total assets	**214,908**	**(953)**	**213,955**
Current tax liabilities	1,120	(286)	834
Total current liabilities	**49,261**	**(286)**	**48,975**
Total liabilities	**50,822**	**(286)**	**50,536**
Net assets	**164,086**	**(667)**	**163,419**
Retained earnings	25,513	(667)	24,846
Total equity	**164,086**	**(667)**	**163,419**

Consolidated statement of comprehensive income

Year ended 30 June 2020	As previously reported $'000	Adjustments $'000	As re-stated $'000
General and administrative expenses	(40,198)	(181)	(40,379)
Amortisation	(3,720)	91	(3,629)
Results from operating activities	**(24,535)**	**(90)**	**(24,625)**
(Loss) before income tax	**(25,874)**	**(90)**	**(25,964)**
Income tax benefit	2,179	27	2,206
(Loss) after tax for the year	**(23,695)**	**(63)**	**(23,758)**
Total comprehensive (loss) for the year	**(24,224)**	**(63)**	**(24,287)**

There is no impact on Basic and diluted EPS.

Consolidated statement of cash flows

Year ended 30 June 2020	As previously reported $'000	Adjustments $'000	As re-stated $'000
Payments to suppliers, licensees and employees	(949,794)	(181)	(949,975)
Net cash provided by operating activities	**37,975**	**(181)**	**37,794**
Payments for development of intellectual property	(5,694)	181	(5,513)
Net cash (used in) investing activities	**(18,340)**	**181**	**(18,159)**

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3. Revenue and other income

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

The following is a description of the Group's principal activities from which the Group generates its revenue:

Taxi service fee income

Taxi service fee income is derived from Taxi payments processed through the A2B Payment System and is disclosed net of Goods and Services Tax ("**GST**") and third party credit card fees. 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 Taxi payments proceeds. Taxi service fee income is recognised at the point in time when the payment is processed.

Network subscription fee and Taxi plate licence incomes

Network subscription fee and Taxi plate licence incomes are billed every month in advance. Revenue is recognised over the period when the services are provided. Operating revenue receipts relating to services performed in the period beyond the current financial year are shown in the Consolidated Statement of Financial Position as contract liabilities under the heading of Current liabilities – Contract liabilities, trade and other payables, refer to Note 15.

Other Taxi related services income

Other Taxi related services income is generated from fit-out of vehicles as Taxis, repair and replacement of in-vehicle Taxi equipment. Revenue is recognised over the period when the services are provided, or a point in time when the Group has transferred the control to the buyer through ownership, generally when the customer has taken delivery of the goods.

Taxi operating income

Taxi operating income is derived from the rental of vehicles to Independent Drivers. This revenue is recognised at a point in time or over time when services are rendered, whichever is applicable.

Courier service income

Courier service income is generated from providing courier dispatch services to Customers, of which revenue is recognised at point in time when services are rendered. Revenue is also generated from subscriptions by courier agents, which is recognised over the period when the services are rendered.

Insurance commission revenue

Insurance commission revenue comprised of brokerage fees received from referral to insurance products. Revenue is recognised at point in time when the referral has been fully rendered.

Hardware sales

Sales of hardware is recognised at point in time when the Group has transferred the control to the buyer through ownership, generally when the customer has taken delivery of the goods. Hardware sales primarily relates to sale of Taxi equipment.

Car sales income

Car sales income is generated through the sale of cars to Taxi Operators. This revenue is recognised at a point in time when the ownership of the car is transferred to Customers.

School bus route services revenue

School bus route services revenue is based on contracts for these services with State Government. It is billed weekly in arrears and recognised over the period when services are rendered.

Taxi subsidy scheme revenue

The Taxi Subsidy Scheme ("**TSS**") revenue is derived from providing services to issue TSS cards and process Taxi travel transactions of TSS participants in some States and Territories. It is billed monthly in arrears and is recognised over the period when services are rendered.

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Software consulting and licence income

Software consulting and licence income is derived through the provision of a software license to a licensee for the return of a fixed fee. Software consulting income is derived in relation to payment consulting and software development. It is recognised over time when services are rendered.

Other revenue

Other revenue is generated from ancillary Taxi operations. It is recognised at a point in time or over time, whichever is applicable, when services are rendered.

Interest on finance lease receivables

Interest earned on vehicle and insurance loans is recognised on a basis reflecting a constant periodic return based on the lessor's net investment outstanding in respect of the loan.

Taxi equipment and terminal rental income

Taxi equipment and terminal rental income is derived from the rental of Taxi equipment and payment terminals. This revenue is recognised at a point in time or over time when services are rendered, whichever is applicable.

Revenues

	2021 $'000	2020 $'000
Revenue from contracts with customers		
Taxi service fee income	22,666	32,806
Network subscription fee income	31,140	60,735
Brokered taxi plate licence income	1,517	18,300
Owned taxi plate licence income	115	3,207
Other taxi related services income	3,300	5,172
Taxi operating income	11,381	12,349
Courier service income	4,984	4,564
Insurance commission revenue	1,069	1,064
Hardware sales	55	769
Car sales income	5,514	5,246
School bus route services income	6,042	5,758
Taxi Subsidy Scheme Revenue	2,611	1,845
Software consulting and licence income	5,394	6,063
Other	11,314	7,045
Total revenue from contracts with customers	**107,102**	**164,923**
Other revenue		
Interest on finance lease receivables and others	1,387	1,256
Taxi equipment and terminal rental income	4,884	4,715
Total other revenue	**6,271**	**5,971**
Total revenue	**113,373**	**170,894**

For more information about receivables and contract liabilities from contract with customers, refer Note 6 and 15, respectively.

The Group has elected to apply the following practical expedient under AASB 15 whereby information on future performance obligations has not been disclosed as performance obligations form part of a contract that has an original expected duration of one year or less.

Other income

	2021 $'000	2020 $'000
Non-operating activities		
Government grants	17,643	8,716
Gain on disposal of property, plant and equipment	349	294
Total other income	**17,992**	**9,010**

Government grants

The Group has recognised Government grants (JobKeeper payment and industry stimulus support package) at their fair value where there is a reasonable assurance that grants will be received.

In FY21 the Group received Government grants amounting to $18,115,000 (FY20 $8,716,000) where the amount of $17,643,000 is presented as part of other income (FY20 $8,716,000) and the amount of $472,000 is recognised as deferred income (FY20: nil) as it is related to the capitalised development costs and amortised over the useful life of the projects.

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 Cabcharge's Taxi service fee plus the Group's revenue from other sources. A2B's credit risk is based on turnover rather than revenue.

The receipts from customers and others as disclosed in the consolidated statement of cash flows includes the total turnover.

4. Finance income

Finance income comprises interest income on funds invested and foreign currency gains. Interest income is recognised as it accrues using the effective interest method.

	2021 $'000	2020 $'000
Finance income		
Interest income	16	77
Total finance income	**16**	**77**

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5. Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

A2B Australia Limited and its wholly owned Australian resident subsidiaries form a tax consolidated group. The current tax rate applicable to the group is 30%.

Amounts recognised in profit and loss

	2021 $'000	2020[1] $'000 (Re-stated)
Current income tax benefit		
Current year	(6,517)	(1,933)
Adjustment for prior years	(398)	(386)
	(6,915)	(2,319)
Deferred tax expense		
Origination and reversal of temporary differences	(519)	(1,373)
Utilisation of previously unbooked tax losses	(103)	–
Derecognition of previously recognised tax losses	–	1,486
Total income tax (benefit)	**(7,537)**	**(2,206)**

1 Certain amounts have been re-stated to reflect adjustments relating to Note 2.

Amounts recognised in other comprehensive income

	2021			2020		
	Before tax $'000	Tax (expense) benefit $'000	Net of tax $'000	Before tax $'000	Tax (expense) benefit $'000	Net of tax $'000
Items that may be reclassified subsequently to profit or loss:						
Foreign exchange translation differences	(128)	–	(128)	52	–	52
	(128)	**–**	**(128)**	**52**	**–**	**52**
Items that will not be reclassified to profit or loss:						
Net change in fair value of financial assets	333	(100)	233	651	(174)	477
	333	**(100)**	**233**	**651**	**(174)**	**477**
	205	**(100)**	**105**	**703**	**(174)**	**529**

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Numeric of reconciliation between tax expense and pre-tax profit

	2021 $'000	2020[1] $'000 (Re-stated)
Profit before tax	(25,603)	(25,964)
Prima-facie income tax using the corporate tax rate of 30% (2020: 30%)	(7,681)	(7,789)
Effect of tax rates in foreign jurisdiction	(85)	(16)
Add tax effect of:		
Non-deductible depreciation	213	101
Non-allowable impairment charges	564	4,495
Other non-allowable items	23	82
Less tax effect of:		
Rebateable fully franked dividends	(70)	(95)
Tax exempt dividends	–	(60)
Utilisation of previously unbooked tax losses	(103)	(24)
Adjustment for prior years – tax payable	(398)	(386)
Derecognition of previously recognised tax losses	–	1,486
Income tax (benefit)	**(7,537)**	**(2,206)**
Effective tax rate on pre-tax profit	**29.4%**	**8.5%**

1 Certain amounts have been re-stated to reflect adjustments relating to Note 2.

6. Trade and other receivables

Trade receivables are recognised initially at the value of the invoice sent to the Customer and subsequently at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses are recognised in profit or loss. Any gains or losses on derecognition is recognised in profit or loss. The Group derecognises a financial asset when contractual rights to the cash flows from the financial assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Finance lease receivables

When the Group is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognised and presented within trade and other receivables.

Impairment

The Group has considered the increased risk arising from the economic impacts of the COVID-19 pandemic. The Group has specifically assessed the circumstances of individual customers in the current environment, resulting in a material year on year increase in the level of accumulated losses relative to the gross trade receivables balance. Specific doubtful debt provision accounts for most of the Group's allowance for impairment as at 30 June 2021.

In addition, the Group recognises an allowance for expected credit losses using the simplified approach allowed under AASB 9. Expected credit losses are based on the difference between the contractual cash flows due and all the cash flows that the Group expects to receive. The collective loss allowance is determined based on the historical default rate.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

	2021 $'000	2020 $'000
Current		
Trade receivables	42,688	30,430
Accumulated impairment losses	(7,366)	(6,323)
Finance lease receivables	3,237	3,139
Other receivables	6,061	6,971
	44,620	**34,217**
Non-current		
Finance lease receivables	5,841	5,624
	5,841	**5,624**
Movement in allowance for impairment		
Opening balance	**(6,323)**	**(2,275)**
Net remeasurement in allowance for impairment	(1,106)	(6,199)
Amount written off as uncollectable	63	2,151
Closing balance	**(7,366)**	**(6,323)**

Ageing of trade receivables

	2021			2020		
	Gross $'000	Impairment $'000	Net $'000	Gross $'000	Impairment $'000	Net $'000
Not past due	27,773	(312)	27,461	19,733	(1,662)	18,071
Past due 1–30 days	3,025	(406)	2,619	2,566	(142)	2,424
Past due 31–60 days	2,178	(267)	1,911	1,608	(316)	1,292
Past due 61–90 days	3,055	(279)	2,776	1,840	(422)	1,418
Past due over 90 days	6,657	(6,102)	555	4,683	(3,781)	902
	42,688	**(7,366)**	**35,322**	**30,430**	**(6,323)**	**24,107**

The Group's credit risk management policies are outlined in Note 31. There have been no changes to the credit risk management policies during the year.

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Finance lease receivables

	2021			2020		
	Future minimum lease payments $'000	Interest $'000	Present value of minimum lease payments $'000	Future minimum lease payments $'000	Interest $'000	Present value of minimum lease payments $'000
Less than one year	4,068	831	3,237	3,887	748	3,139
Between one and five years	6,616	775	5,841	6,359	735	5,624
	10,684	**1,606**	**9,078**	**10,246**	**1,483**	**8,763**

There have been no unguaranteed residual values. No lease payments are considered uncollectable at the reporting date.

No credit terms have been re-negotiated with Customers. Collateral is held in the case of finance lease receivables, where the Group holds a lien over the leased asset. The market value of such collateral is not expected to vary materially from the net investment value of the finance lease receivables.

There has been no change in credit risk policies during the financial year.

7. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in, first-out basis and include direct materials and the cost of purchase. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

	2021 $'000	2020 $'000
Motor vehicles – at cost	418	337
Parts, safety cameras and sundries – at cost	2,853	2,672
	3,271	**3,009**

In 2021, inventories of $7,743,000 (2020: $9,315,000) were recognised as an expense during the year and included in "cost of cars and hardware sold" and "other taxi related costs".

8. Financial assets

Unlisted equity investments are recognised initially and subsequently at each reporting date at fair value. Unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income and presented in the fair value reserve in equity. There is no subsequent reclassification of fair value gains and losses to profit or loss on derecognition of the investment. Dividends from these investments are recognised in profit or loss when the Group's right to receive payments is established.

These unlisted investments are primarily investments in unrelated Taxi Network operations where the shareholding held by the Group is not sufficient to demonstrate significant influence. The Group has no intention to dispose of these unlisted investments in the foreseeable future.

	2021 $'000	2020 $'000
Unlisted investments		
Shares in other corporations	977	1,298
	977	**1,298**

9. Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Gold Coast Cabs

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 Omeau. 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 [1]	**(781)**
Fair value of previously held equity interest	**(391)**
Consideration paid, satisfied in cash	**(2,416)**
Goodwill (refer to Note 13)	**1,199**

1 Based on their proportionate interest in the fair value of identifiable net assets acquired.

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The remeasurement to fair value of the Group's existing 22.2% interest in THCT resulted in a gain of $197,000 in FY20. This amount has been included in "other comprehensive income".

Corporate Cabs Pty Ltd business

On 15 January 2020 the Group acquired the business of Corporate Cabs Pty Ltd, for a consideration of $900,000.

Goodwill of $465,000 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:

	15 January 2020 $'000
Inventory	38
Net deferred tax assets	50
Property, plant and equipment	514
Right-of-use assets	886
Lease liabilities	(886)
Employee entitlements	(167)
Fair value of identifiable net assets acquired	**435**
Consideration paid, satisfied in cash	**(900)**
Goodwill (refer to Note 13)	**465**

Taxi Industry (Australia) Insurance Brokers Pty Ltd ("TIAIB")

On 1 June 2020 TIAIB cancelled 540 shares held by Black & White Holdings Limited by way of a selective-share buy-back for a consideration of $100,000. Immediately following the selective-share buy-back and shares cancellation, the Group holds a majority of TIAIB's share capital (61.6%).

Goodwill of $115,000 resulted from this selective-share buy-back and cancellation of shares.

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

	1 June 2020 $'000
Cash and cash equivalent	62
Trade and other receivables	47
Other current assets	3
Investments in other company	25
Trade and other payables	(35)
Current tax liabilities	(18)
Fair value of identifiable net assets acquired	**84**
Non-controlling interest [1]	**(32)**
Fair value of previously held equity interest	**(167)**
Goodwill (refer to Note 13)	**115**

1 Based on their proportionate interest in the fair value of identifiable net assets acquired.

The remeasurement to fair value of the Group's existing 45% interest in TIAIB resulted in a loss of $67,000 in FY20. This amount has been included in "other comprehensive income".

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10. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation

Items of property (excluding freehold land), plant and equipment are depreciated at rates based upon their expected useful lives using the straight-line method. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives of each major class of asset for the current and comparative periods are:

- Buildings 40 to 50 years
- Leasehold improvements 10 years
- Furniture, fittings, plant and equipment 3 to 8 years
- EFTPOS Equipment 4 to 8 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income/other expense in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Impairment testing

The property, plant and equipment is allocated to the two groups of Cash Generating Units ("**CGU**") according to business operation and assessed for impairment based on the methodology described in Note 13.

If the recoverable amount of specific property, plant and equipment is identified to be less than its carrying value, an impairment charge is recognised in the profit or loss, and the carrying value of the asset written-down to its recoverable amount. Should the recoverable amount increase in future periods the carrying value may be adjusted to the lower of the recoverable value or the amortised cost of the asset had it not been impaired.

Independent valuations of interests in land and buildings

In monitoring market values for the Group's interest in land and buildings the directors have relied upon independent valuations from registered qualified valuers. The last market valuations were completed in August 2021. The properties included in the independent valuations are subject to mortgage security to secure the Group's bank loan facilities.

Amounts disclosed below represent the fair value of the Group's interest in land and buildings, as determined at the time of the most recent independent valuation report. Independent registered qualified valuers are engaged to perform the valuations. The values are determined based on the highest and best use of each property.

The fair value disclosure has been categorised as a Level 3 fair value based on certain unobservable inputs to the valuation techniques used. The valuers have used either a capitalisation of net income approach or a direct comparison approach to determine the fair value. The significant inputs to the capitalisation of net income approach included the forecast net income, adopted capitalisation rate and the discount rate. The significant inputs to the direct comparison approach included the land value range per square metre and the estimated demolition costs.

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The fair values determined by the independent registered qualified valuers are sensitive to changes in these significant inputs, amongst others. However, overall the fair value of the Group's interest in land and buildings is significantly higher than the book value of these interests as noted below:

- Book value of properties subject to an independent valuation: $10,656,000
- Fair value of properties subject to an independent valuation: $81,080,000

The above market valuations do not consider the potential impact of capital gains tax

	Land & buildings $'000	Furniture, fittings, plant and equipment $'000	Eftpos equipment $'000	Total $'000
2021 year:				
Cost				
Opening balance	15,817	77,688	43,909	137,414
Additions	493	1,786	659	2,938
Disposals	(18)	(1,429)	–	(1,447)
Closing balance	16,292	78,045	44,568	138,905
Accumulated depreciation				
Opening balance	(4,859)	(56,953)	(35,862)	(97,674)
Depreciation expense	(795)	(6,080)	(2,039)	(8,914)
Disposals	18	654	–	672
Closing balance	(5,636)	(62,379)	(37,901)	(105,916)
Net Book Value				
Opening balance	10,958	20,735	8,047	39,740
Closing balance	**10,656**	**15,666**	**6,667**	**32,989**
2020 year:				
Cost				
Opening balance	14,518	70,029	43,834	128,381
Additions	268	9,333	1,941	11,542
Additions through acquisition	1,031	1,295	–	2,326
Reclassification	–		–	–
Disposals	–	(2,969)	(1,866)	(4,835)
Closing balance	15,817	77,688	43,909	137,414
Accumulated depreciation				
Opening balance	(4,036)	(51,497)	(33,925)	(89,458)
Depreciation expense	(823)	(6,820)	(3,443)	(11,086)
Reclassification				–
Disposals	–	1,364	1,506	2,870
Closing balance	(4,859)	(56,953)	(35,862)	(97,674)
Net Book Value				
Opening balance	10,482	18,532	9,909	38,923
Closing balance	**10,958**	**20,735**	**8,047**	**39,740**

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11. Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences relating to investments in subsidiaries and associates to the extent that the Group is able to control the timing or reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences and tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Recognised deferred tax assets and liabilities and the movements in these balances are set out below:

	Opening balance $'000	Charged to income $'000	Charged to OCI $'000	Charged to equity $'000	Acquisitions/ (Transfer) $'000	Closing balance $'000
2021 year:						
Accumulated impairment losses – receivables	1,790	310	–	–	–	2,100
Financial assets (unlisted investment)	186	–	100	–	–	286
Employee entitlements	3,180	8	–	–	–	3,188
Accruals	229	182	–	–	–	411
Tax losses [1]	2,086	6,831	–	–	(5,381)	3,536
Prepayments	(470)	101	–	–	–	(369)
Intellectual property	(538)	–	–	–	–	(538)
Other taxable temporary differences	(314)	(82)	–	–	–	(396)
	6,149	**7,350**	**100**	**–**	**(5,381)**	**8,218**

1 Based on cash flow projections, the Group determined that tax losses recognised as deferred tax assets at 30 June 2021 will be recovered in future periods. The Group has chosen to carry back tax loss to earlier years which resulted in the $5,381,000 of tax losses reclassified as current tax assets as at 30 June 2021.

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	Opening balance $'000	Charged to income $'000	Charged to OCI $'000	Charged to equity $'000	Acquisitions $'000	Closing balance $'000
2020 year: (Re-stated) [1]						
Accumulated impairment losses – receivables	683	1,107	–	–	–	1,790
Financial assets (unlisted investment)	214	–	174	(202)	–	186
Employee entitlements	3,067	(23)	–	–	136	3,180
Accruals	140	89	–	–	–	229
Tax losses [2]	1,455	631	–	–	–	2,086
Prepayments	(376)	(94)	–	–	–	(470)
Intellectual property	(675)	137	–	–	–	(538)
Other taxable temporary differences	(397)	83	–	–	–	(314)
	4,111	**1,930**	**174**	**(202)**	**136**	**6,149**

1 Certain amounts have been re-stated to reflect adjustments relating to Note 2.

2 Based on cash flow projections, the Group determined that tax losses recognised as deferred tax assets at 30 June 2021 will be recovered in future periods. The Group has chosen to carry back tax loss to earlier years which resulted in the $5,381,000 of tax losses reclassified as current tax assets as at 30 June 2021.

12. Taxi plate licences

Taxi and other licences acquired separately are reported at cost less accumulated amortisation and impairment losses. Taxi and other licences with finite useful lives are amortised on a straight-line basis over their estimated useful lives of 50 years in current and comparative periods. Taxi and other licences with indefinite useful lives are not amortised. Such assets are tested for impairment in accordance with the accounting policy.

Impairment testing

Taxi plate licences with indefinite useful lives are tested for impairment annually, and whenever there is any indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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Composition and movement

	Indefinite life	Finite life		
	$'000	50 year renewable $'000	10 year $'000	Total $'000
2021 year:				
Cost				
Opening balance	2,879	2,506	3,356	8,741
Additions	–	–	–	–
Impairment	(1,568)	(311)	–	(1,879)
Disposals	–	–	–	–
Closing balance	1,311	2,195	3,356	6,862
Accumulated amortisation				
Opening balance	–	(2,147)	(3,319)	(5,466)
Amortisation expense	–	(47)	–	(47)
Disposals	–	–	–	–
Closing balance	–	(2,194)	(3,319)	(5,513)
Net book value				
Opening balance	2,879	359	37	3,275
Closing balance	**1,311**	**1**	**37**	**1,349**
2020 year:				
Cost				
Opening balance	15,756	3,709	3,319	22,784
Additions	–	–	–	–
Additions through acquisition	455	–	37	492
Impairment	(13,332)	(1,203)	–	(14,535)
Disposals	–	–	–	–
Closing balance	2,879	2,506	3,356	8,741
Accumulated amortisation				
Opening balance	–	(2,006)	(3,319)	(5,325)
Amortisation expense	–	(141)	–	(141)
Disposals	–	–	–	–
Closing balance	–	(2,147)	(3,319)	(5,466)
Net book value				
Opening balance	15,756	1,703	–	17,459
Closing balance	**2,879**	**359**	**37**	**3,275**

Impairment considerations

After assessing the recoverable amount of Taxi plate licences based on value-in-use, using a discounted projected cash flow model, the Group determined that an impairment charge of $1,879,000 was required (FY20 $14,535,000). To determine value-in-use, five scenarios of free cash flows have been prepared based on estimated Taxi plate licence income for the forthcoming year plus annual growth of between -15% to 5% for years two to five based on expected market conditions with weights of between 10% to 30% (FY20 between 0% to 20% for years 2 to 5 with weights of between 10% to 50%) and a long term growth rate of between -20% to 0% after five years (FY20 0%). A post-tax discount rate of 9.5% (FY20 9.5%) was applied in determining recoverable amount. This long term growth rate reflects an estimation of the long term rental income growth for taxi plates and the discount rate is based on comparable industry market assumptions for the risk free rate, the market risk premium, the cost of debt, the beta and an additional risk weighting for these assets. Following the impairment charge, the recoverable amount of Taxi plate licences approximates the carrying value. An increase of 100 basis points in post-tax discount rate would result in further impairment of $44,000 and a decrease of 100 basis points in the long term growth rate would result in further impairment of $13,000.

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13. Goodwill

Goodwill arising on the acquisition of a subsidiary is included in intangible assets. For the measurement of goodwill at initial recognition, refer to Note 9. Goodwill is subsequently measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Following changes in the way the business is managed and at what level performance of goodwill is monitored, two (previously three) groups of cash generating units have been identified against which goodwill has been allocated and for which impairment testing has been undertaken. The two groups of cash generating units are Mobility Services (previously Taxi Network) and Mobility Platforms (includes Cabcharge Payments and Mobile Technologies International). Comparatives have been restated with the goodwill allocation to the new groups of cash generating units presented below.

Impairment considerations

For the purpose of impairment testing, goodwill is allocated to groups of Cash Generating Units (**CGU**), according to business operation and/or geography of operation, which represent the lowest level at which the goodwill is monitored for internal management purposes.

Goodwill is allocated to the Group's CGU's as set out below and assessment of the recoverable amount for each CGU has been performed on a value-in-use basis using discounted cash flow projections. Although this approach is consistent with prior years some adjustments have been made to reflect current uncertainties about the impact of COVID-19 on the broader economy, trajectory of the economic recovery and the impact on the Group.

The impairment tests of the goodwill allocated to each CGU as per 30 June 2021 was based on five different scenarios for the five-year period FY22–FY26. A base case scenario was prepared based on a forecast EBITDA for the forthcoming year, COVID-19 recovery assumptions for years one and two and an annual growth rate of 2.1% for year five and a long-term growth rate of 2.1% (FY20 2.1%). For the base scenario, this resulted in a compound annual EBITDA growth rate over the seven years from FY19 (being unaffected by COVID-19) to the FY26 terminal year of -1.0% for the Mobility Services CGU, and 1.2% for the Mobility Platforms CGU. A post-tax discount rate of 9.5% (FY20 9.5%) was applied in determining recoverable amount. The long-term growth rate reflects the general estimated long term Australian economic growth and the discount rate is based on comparable industry market assumptions for the risk free rate, the market risk premium, the cost of debt and the beta.

Under two high case scenarios cash flow improvements of 10% and 20% relative to the base case have been assumed. Under two low case scenarios cash flow declines of 20% and 40% relative to the base case have been assumed. A weighting of 50% is applied to the base case scenario, with the residual weightage equally allocated between the high case and low case scenarios.

For the Mobility Platforms CGU group, a reasonably possible unfavourable change in assumptions would not result in an impairment.

The valuation of the Mobility Services CGU assumes growth driven by an increased fleet and associated revenue. The recoverable amount of the Mobility Services CGU currently exceeds its carrying value in the base case model by $7.5 million. This is based on a compound annual growth rate of -1% for EBITDA over the period from FY19 (being unaffected by COVID-19) to the FY26 terminal year, as used in the base case scenario noted above. A number of scenarios have been analysed and based on the modelling and analysis performed the recoverable amount of the Mobility Services CGU is expected to be greater than it's carrying value.

Management has identified that a reasonably possible unfavourable change in the five-year compound annual EBITDA growth rate, long term growth rate and discount rate assumptions in isolation and in the absence of any mitigating factors would result in the carrying value of the Mobility Services CGU becoming equal to the recoverable amount.

Individual changes in key assumptions used in the base case model that would result in nil headroom would be a decrease to -1.8% in the seven-year compound annual EBITDA growth rate, a decrease to 1.5% in the long-term growth rate and an increase to 10.1% in the post-tax discount rate.

		Goodwill allocated		Impairment loss	
	CGU	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Mobility Services	MS	22,954	22,954	–	–
Mobility Platforms	MP	4,533	4,533	–	–
		27,487	**27,487**	**–**	**–**

	MS $'000	MP $'000	Total $'000
2021 year:			
Cost			
Opening balance	22,954	4,533	27,487
Additions through acquisition	–		–
Impairment loss	–	–	–
Closing balance	**22,954**	**4,533**	**27,487**
2020 year:			
Cost			
Opening balance	21,175	4,533	25,708
Additions through acquisition	1,779	–	1,779
Impairment loss	–	–	–
Closing balance	**22,954**	**4,533**	**27,487**

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14. Intellectual property

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination primarily relating to customer contracts, software, trademarks and brand names are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Trademarks are considered to have indefinite useful lives and such assets are tested for impairment in accordance with the policy below.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such the Group does not receive a software intangible asset at the contract commencement date.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

Recognise as an operating expense over the term of the service contract	• Fee for use of application software • Customisation costs
Recognise as an operating expense as the service is receive	• Configuration costs • Data conversion and migration costs • Testing costs • Training costs

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

Capitalised development costs

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, borrowing and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss when incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses.

Amortisation

Items of intellectual property are amortised at rates based upon their estimated useful lives using the straight-line method, and this amortisation is recognised in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

• Customer contracts	5 to 8 years
• Software	5 years
• Capitalised development costs (internally developed applications)	4 to 8 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment testing

The intellectual property is allocated to the two groups of Cash Generating Units (**CGU**) according to business operation and assessed for impairment based on the methodology described in Note 13.

Intangible assets with indefinite useful lives and capitalised development costs (Under development) are tested for impairment annually, and whenever there is any indication that the asset may be impaired.

Intangible assets with finite useful lives and capitalised development costs (Internally developed) are tested for impairment whenever there is any indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

	Indefinite life		Finite life				
					Capitalised development costs		
	Trademarks $'000	Brands $'000	Customer contracts $'000	Software $'000	Internally developed $'000	Under development $'000	Total $'000
2021 year:							
Cost							
Opening balance	944	759	5,684	2,700	39,282	3,519	52,888
Additions – internally developed	–	–	–	–	–	4,253	4,253
Transfer	–	–	–	–	5,221	(5,221)	–
Closing balance	944	759	5,684	2,700	44,503	2,551	57,141
Accumulated amortisation							
Opening balance	–	(759)	(3,774)	(897)	(26,174)	–	(31,604)
Amortisation expense	–	–	(560)	(518)	(5,045)	–	(6,123)
Closing balance	–	(759)	(4,334)	(1,415)	(31,219)	–	(37,727)
Net book value							
Opening balance	944	–	1,910	1,803	13,108	3,519	21,284
Closing balance	**944**	**–**	**1,350**	**1,285**	**13,284**	**2,551**	**19,414**
2020 year: (Re-stated) [1]							
Cost							
Opening balance	1,392	759	5,684	2,700	31,495	6,317	48,347
Additions – internally developed	–	–	–	–		5,513	5,513
Transfer	–	–	–	–	8,311	(8,311)	–
Impairment	(448)	–	–	–		–	(448)
Written-off	–	–	–	–	(524)	–	(524)
Closing balance	944	759	5,684	2,700	39,282	3,519	52,888
Accumulated amortisation							
Opening balance	–	(584)	(3,063)	(347)	(24,121)	–	(28,115)
Amortisation expense	–	(175)	(711)	(550)	(2,053)	–	(3,489)
Closing balance	–	(759)	(3,774)	(897)	(26,174)	–	(31,604)
Net book value							
Opening balance	1,392	175	2,621	2,353	7,374	6,317	20,232
Closing balance	**944**	**–**	**1,910**	**1,803**	**13,108**	**3,519**	**21,284**

1 Certain amounts have been re-stated to reflect adjustments relating to Note 2.

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15. Contract liabilities, trade and other payables

Trade and other payables are recognised at the fair value of the invoice received from the supplier. The carrying value of trade and other payables is considered to approximate fair value.

Contract liabilities primarily relates to revenue arising from network subscription fee income, brokered taxi plate licence income, owned taxi plate licence income, taxi Operating income, interest on vehicle and insurance loans and taxi equipment and terminal rental which have been billed in advance. This will be recognised as revenue when the services are provided to the customers in the following month.

	2021 $'000	2020 $'000
Trade payables	12,161	7,699
Security deposit	5,748	6,251
Other payables and accruals	16,596	11,015
Contract liabilities	5,149	4,544
	39,654	**29,509**

16. Loans and borrowings

Loans and borrowings are recognised at the consideration received, less directly attributable transaction costs, with subsequent measurement at amortised cost using the effective interest rate method.

For more information about the Group's exposure to interest rate and liquidity risk, refer to Note 31.

Composition

	2021 $'000	2020 $'000
Unsecured loans	1,864	2,031
	1,864	**2,031**

Disclosure in the Consolidated Statement of Financial Position

	2021 $'000	2020 $'000
Current liability	1,864	2,031
	1,864	**2,031**

The unsecured loans are at-call and bear variable interest rates at 1.5% per annum.

For more information about the Group's exposure to interest rate and liquidity risk, refer to Note 31.

17. Provisions

Employee benefits and make good provisions

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave represent the present obligations resulting from employees' services provided up to reporting date. The provisions have been calculated at undiscounted amounts based on expected wage and salary rates that the Group expects to pay as at reporting date and include related on-costs, such as workers' compensation insurance and payroll tax. A liability is recognised in other payables for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long service leave

The provision for employee benefits for long service leave represents the present value of the estimated future cash outflows to be made by the Group resulting from employees' services provided up to the reporting date. The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to corporate bonds at reporting date which most closely match the terms of maturity of the related liabilities.

Superannuation plans

The Group contributes to defined contribution superannuation funds for the benefit of employees or their dependants on retirement, resignation, disablement or death. The Group contributes a percentage of individual employees' gross income and employees may make additional contributions on a voluntary basis. Obligations for contributions to defined contribution superannuation funds are recognised as an employee benefits expense in profit or loss in the periods during which services are rendered by employees.

Make good provision

The make good provision represents the present value of the estimated future cash outflows to be made where the obligation to restore the lease property to its original condition exists.

Composition

	2021 $'000	2020 $'000
Employee benefit provision		
– Annual leave provision	4,647	4,248
– Long service leave provision	4,085	4,597
Make good provision	966	767
	9,698	**9,612**

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Disclosure in the Consolidated Statement of Financial Position

	2021 $'000	2020 $'000
Current provision		
– Employee benefits provision	7,814	7,982
– Make good provision	303	285
Total current provision	**8,117**	**8,267**
Non-current provision		
– Employee benefits provision	918	863
– Make good provision	663	482
Total non-current provision	**1,581**	**1,345**
Total provisions	**9,698**	**9,612**

Defined contribution superannuation funds

	2021 $'000	2020 $'000
Contributions to defined contribution superannuation funds	4,782	5,130

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18. Share capital and Reserves

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Profits reserve

The profits reserve represents profits of entities within the Group transferred to a separate reserve to preserve their profit character. Such profits are available to enable payment of franked dividends in future years.

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of unlisted equity investments. On derecognition, the Group transfers that part of the reserve related to the underlying investment that is derecognised directly to Retained earnings.

Employee Compensation Reserve

The fair value of Long Term Incentive plans granted is recognised in the employee compensation reserve over the vesting period.

Composition and movement in issued capital (number of shares)

	2021 $'000	2020 $'000
Composition of issued capital		
Fully paid ordinary shares	120,430,683	120,430,683

Composition and movement in share capital (dollars)

	2021 $'000	2020 $'000
Composition of issued capital		
Fully paid ordinary shares	138,325	138,325

Options over unissued shares

No options were granted during the year and there were no options outstanding at the end of the financial year. Performance rights were awarded during the year and they may be converted into ordinary shares, subject to Board's discretion.

Terms and conditions applicable to ordinary shares

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation. The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid.

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Composition and movement in other reserves

	Foreign currency translation reserve $'000	Fair value reserve $'000	Employee compensation reserve $'000	Total $'000
2021 year:				
Opening balance	(135)	(434)	1,002	433
Net change in fair value of financial assets, net of tax	–	(233)	–	(233)
Foreign exchange translation differences, net of tax	128	–		128
Share-based payments	–	–	631	631
Closing balance	**(7)**	**(667)**	**1,633**	**959**
2020 year:				
Opening balance	(83)	(498)	652	71
Net change in fair value of financial assets, net of tax	–	(477)	–	(477)
Net change in fair value of financial assets transferred to retained earnings	–	541	–	541
Foreign exchange translation differences, net of tax	(52)	–	–	(52)
Share-based payments	–	–	350	350
Closing balance	**(135)**	**(434)**	**1,002**	**433**

19. Dividends

Dividends are recognised as a liability in the period in which they are declared.

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

Dividends paid

	2021 $'000	2020 $'000
2020 year interim – 4.0 cents per share (from profits reserve)	–	4,817
2019 year final – 4.0 cents per share	–	4,817
	–	**9,634**

Dividends cents per share – paid

	2021 $'000	2020 $'000
Interim	–	4.00
Final	–	4.00
Total	**–**	**8.00**

Recovery patterns during FY21 were encouraging however considering current uncertainties the Board has determined that no final dividend be paid in conjunction with FY21.

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20. Earnings per share

Basic earnings per share ("**EPS**") is calculated by dividing the profit attributable to equity holders for the reporting period by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit attributable to equity holders for the reporting period by the weighted average number of ordinary shares outstanding including dilutive potential ordinary shares.

	2021	2020[1] (Re-stated)
Consolidated (loss) attributable to owners of the Company (in thousands of AUD)	(18,274)	(23,883)
Weighted average number of fully paid ordinary shares outstanding during the year used in calculation of basic EPS (in thousands of shares)	120,431	120,431

1 Certain amounts have been re-stated to reflect adjustments relating to Note 2.

Any potential dilution in A2B's earnings per share which might arise following the exercise of the LTI awards is immaterial given the number of existing shares on issue.

	2021 $'000	2020 $'000
Basic EPS	(15.2 cents)	(19.8 cents)
Diluted EPS	(15.2 cents)	(19.8 cents)

21. Dividend franking balance

	2021 $'000	2020 $'000
Balance at the end of the financial year including franking credits/(debits) arising from income tax payable/(receivable) in respect of the financial year	32,854	33,564

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

a. franking credits/(debits) that will arise from the payment/receipt of the current tax liabilities/receivables;

b. franking debits that will arise from the payment of dividends recognised as a liability at the year-end;

c. franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year-end; and

d. franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. The impact on the dividend franking account of dividends proposed after the balance sheet date but not recognised as a liability is to reduce it by $nil (2020 $nil). In accordance with the tax consolidation legislation, the Company as the head entity in the tax consolidated group has also assumed the benefit of $32,854,000 (2020 $33,564,000) franking credits.

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22. Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2021 the parent entity of the Group was A2B Australia Limited.

	2021 $'000	2020[1] $'000 (Re-stated)
Result of the parent entity		
(Loss) for the year	(11,347)	(16,244)
Other comprehensive income, net of tax	216	43
Total comprehensive (loss) for the year	**(11,131)**	**(16,201)**
Financial position of parent entity at year end		
Current assets	41,091	45,790
Non-current assets	258,656	261,931
Total assets	**299,747**	**307,721**
Current liabilities	30,374	25,265
Non-current liabilities	136,592	138,743
Total liabilities	**166,966**	**164,008**
Total equity of the parent entity comprising of:		
Share capital	138,325	138,325
Reserves	1,127	712
Profits reserve	18,823	18,823
Retained earnings	(25,494)	(14,147)
Total equity	**132,781**	**143,713**

1 Certain amounts have been re-stated to reflect adjustments relating to Note 2.

Parent entity capital expenditure commitments and contingencies

At 30 June 2021 the parent entity has not made any capital expenditure commitments (2020 $nil). For the contingent liability as at 30 June 2021 (2020 $nil), refer to Note 28.

Parent entity guarantees in respect of the debts of its subsidiaries

The parent entity has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of certain subsidiaries.

Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed are disclosed in Note 23.

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23. Deed of Cross Guarantee

Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785, the wholly-owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports, and Directors' reports.

It is a condition of the Instrument that the Company and each of the subsidiaries seeking relief enter into a Deed of Cross Guarantee ("**Deed**"). The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporation Act. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries are subject to the Deed are:

- Taxis Combined Services Pty Ltd
- Black Cabs Combined Pty Ltd
- Yellow Cabs (South Australia) Pty Ltd
- Yellow Cabs Australia Pty Ltd
- Combined Communications Network Pty Ltd
- EFT Solutions Pty Ltd
- Maxi Taxi (Australia) Pty Ltd
- 135466 Pty Ltd
- Newcastle Taxis Pty Ltd
- Austaxi Group Pty Ltd
- Taxitech Pty Ltd
- Arrow Taxi Services Pty Ltd
- North Suburban Taxis (Vic) Pty Ltd
- ABC Radio Taxi Pty Ltd
- Cabcharge Payments Pty Ltd
- Mobile Technologies International Pty Ltd

The Consolidated income statement and retained earnings for the Company and controlled entities which are a party to the Deed is as follows:

	2021 $'000	2020[1] $'000 (Re-stated)
Revenue and other income	113,075	159,891
Expenses	(138,895)	(183,247)
Results from operating activities	**(25,820)**	**(23,356)**
Finance income	15	76
Finance costs	(958)	(1,290)
(Loss) before income tax	**(26,763)**	**(24,570)**
Income tax benefit	7,737	2,346
(Loss) for the year	**(19,026)**	**(22,224)**
Items that will not be reclassified to profit or loss:		
Net change in fair value of financial assets	(333)	(703)
Income tax on other comprehensive income	100	174
Other comprehensive loss for the year, net of income tax	**(233)**	**(529)**
Total comprehensive (loss) for the year	**(19,259)**	**(22,753)**
Retained earnings at beginning of year	(22,228)	28,453
Transfer to profits reserve	–	(18,823)
(Loss) for the year	(19,026)	(22,224)
Dividends provided for or paid	–	(9,634)
Retained earnings at end of year	**(41,254)**	**(22,228)**

1 Certain amounts have been re-stated to reflect adjustments relating to Note 2.

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The Consolidated financial position for the Company and controlled entities which are a party to the Deed is as follows:

	2021 $'000	2020[1] $'000 (Re-stated)
Current assets		
Cash and cash equivalents	8,488	22,922
Trade and other receivables	53,699	44,084
Current tax assets	5,541	288
Inventories	3,099	2,855
Other current assets	2,980	3,509
Total current assets	**73,807**	**73,658**
Non-current assets		
Trade and other receivables	5,841	5,624
Investments	2,596	2,928
Property, plant and equipment	29,296	35,004
Right-of-use assets	11,972	17,438
Net deferred tax assets	7,951	6,320
Taxi plate licences	1,311	3,237
Goodwill	26,838	26,838
Intellectual property	18,924	21,014
Total non-current assets	**104,729**	**118,403**
Total assets	**178,536**	**192,061**
Current liabilities		
Trade and other payables	37,097	27,779
Loans and borrowings	1,864	2,031
Lease liabilities	1,861	2,174
Deferred income	118	–
Provisions	8,664	8,097
Total current liabilities	**49,604**	**40,081**
Non-current liabilities		
Lease liabilities	10,691	15,624
Deferred income	354	–
Provisions	1,503	1,345
Total non-current liabilities	**12,548**	**16,969**
Total liabilities	**62,152**	**57,050**
Net assets	**116,384**	**135,011**
Equity		
Share capital	138,325	138,325
Reserves	490	91
Profits reserve	18,823	18,823
Retained losses	(41,254)	(22,228)
Total equity attributable to equity holders of the Company	**116,384**	**135,011**

1 Certain amounts have been re-stated to reflect adjustments relating to Note 2.

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24. Related Party and Key Management Personnel disclosures

Apart from the details disclosed in this note, no key management personnel ("**KMP**") have entered into a material contract with the Company or the Group since the end of the previous financial year and there are no material contracts involving key management personnel interests existing at year end.

KMP compensation (including Non-executive Directors)

	2021 $	2020 $
Short-term employee benefits – salary, fees, non-cash benefits and cash bonus	2,995,842	4,013,576
Post-employment benefits – superannuation	108,470	208,024
Other long-term benefits	45,681	62,637
Termination benefits	–	286,312
Share-based payment expense	631,482	613,623
	3,781,475	**5,184,172**

Loans to Directors and other KMP

No loans are made to Directors or other KMP.

Transactions with Directors and other KMP

The Group has no transactions with related parties in the reporting period.

25. Remuneration of auditors

	2021 $	2020 $
Audit and review of financial reports	**431,012**	**415,000**
Other services		
Auditors of the Company – KPMG Australia		
Taxation services	325,690	224,550
Advisory services	–	22,212
	756,702	**661,762**

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26. Particulars relating to controlled entities

	Group Interest % 2021	Group Interest % 2020
13cabs Innovations Pty Ltd	100	100
135466 Pty Ltd	100	100
A2B Corporate Services Pty Ltd (previously known as Voci Asia Pacific Pty Ltd)	100	100
ABC Radio Taxi Pty Ltd	100	100
Access Communications Net Pty Ltd	100	100
Arrow Taxi Services Pty Ltd	100	100
Austaxi Group Pty Ltd	100	100
Black Cabs Combined Car Sales Pty Ltd	100	100
Black Cabs Combined Pty Ltd	100	100
Cab Access Pty Ltd	100	100
Cabcharge (Investments) Pty Ltd	100	100
Cabcharge Payments Pty Ltd	100	100
Carbodies Australia Pty Ltd	100	100
Champ Australia Pty Ltd	100	100
Champ NSW Pty Ltd	100	100
Champ Victoria Pty Ltd	100	100
Champ WA Pty Ltd	100	100
Combined Communications Network Pty Ltd	100	100
EFT Solutions Pty Ltd	100	100
Enterprise Speech Recognition Pty Ltd	100	100
Go Taxis Pty Ltd	100	100
Helpline Australia Pty Ltd	100	100
Kingscliff Tweed Coast Taxis Pty Ltd	56	56
Mact Franchise Pty Ltd	100	100
Mact Network Pty Ltd	100	100
Mact Rental Pty Ltd	100	100
Maxi Taxi (Australia) Pty Ltd	100	100
Melbourne Taxi Cab Service Pty Ltd	100	100
Mobile Technologies Developments Pty Ltd	100	100
Mobile Technologies International Pty Ltd	100	100
Newcastle Taxis Pty Ltd	100	100
North Suburban Taxis (Vic) Pty Ltd	100	100
Silver Service (Victoria) Pty Ltd	100	100
Silver Service Taxis Pty Ltd	100	100
South Western Cabs (Radio Room) Pty Ltd	100	100
Taxi Data Australia Pty Ltd	68	68
Taxi Industry (Australia) Insurance Brokers Pty Ltd	62	62
Taxi Services Management (Newcastle) Pty Ltd	100	100
TaxiProp Pty Ltd	100	100
Taxis Australia Pty Ltd	68	68
Taxis Combined Services (Victoria) Pty Ltd	100	100
Taxis Combined Services Pty Ltd	100	100

	Group Interest % 2021	Group Interest % 2020
Taxitech Pty Ltd	100	100
Thirteen Hundred Pty Ltd	100	100
Tiger Taxis NSW Pty Ltd	100	100
Tiger Taxis Operations Pty Ltd	100	100
Tiger Taxis Pty Ltd	100	100
Tiger Taxis Queensland Pty Ltd	100	100
Tweed Heads Coolangatta Taxi Service Pty Ltd	56	56
Yellow Cabs (Queensland) Holdings Pty Ltd	100	100
Yellow Cabs Australia Pty Ltd	100	100
Yellow Cabs of Sydney Pty Ltd	100	100
Yellow Cabs South Australia Pty Ltd	100	100
Yellow Cabs Victoria Pty Ltd	100	100
Cabcharge NZ Limited	100	100
Cabcharge North America Limited	93	93
Manchester Taxi Division Limited	100	100
Mobile Technologies International Limited	100	100
Mobile Technologies International LLC	100	100

27. Capital expenditure commitments

The Group has not entered into any contracts to purchase plant and equipment for which amounts have not been provided as at 30 June 2021 (2020 $nil).

28. Contingencies

The Group had no material contingent liabilities at 30 June 2021 (2020 $nil).

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29. Leases

The Group leases various offices and Taxitech workshops. The leases run typically for a fixed period of one to 10 years, with an option to renew the lease after that date.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

The right-of-use assets are initially measured at cost, which comprises:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives and any initial direct costs incurred by the lessee
- An estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset.

Subsequently the right-of-use asset is measured at cost less any accumulated depreciation and impairment losses and adjusted for certain measurements of the lease liability.

The right-of-use asset is depreciated over the shorter period of the lease term and the economic useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the costs of the right-of-use asset reflects that the Group will exercise a purchase option, the asset will be depreciated from the commencement date to the end of the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Where the initially anticipated lease term is subsequently reassessed, any changes are reflected in a remeasurement of the lease liability and a corresponding adjustment to the asset.

If the recoverable amount of a right-of-use asset is less than its carrying value, an impairment charge is recognised in the profit or loss, and the carrying value of the asset written-down to its recoverable amount. Should the recoverable amount increase in future periods the carrying value may be adjusted to the lower of the recoverable value or the amortised cost of the asset had it not been impaired.

	Land and buildings $'000	Equipment $'000	Total $'000
2021 year:			
Balance at 1 July	17,820	–	17,820
Depreciation	(2,831)	–	(2,831)
Additions	3,056	–	3,056
Derecognition [1]	(5,329)	–	(5,329)
Balance at 30 June	**12,716**	**–**	**12,716**

	Land and buildings $'000	Equipment $'000	Total $'000
2020 year:			
Balance at 1 July	18,676	1,196	19,872
Depreciation	(2,853)	(112)	(2,965)
Additions	1,997	–	1,997
Derecognition [1]	–	(1,084)	(1,084)
Balance at 30 June	**17,820**	**–**	**17,820**

1 Derecognition of the right-of-use assets during the 2020 and 2021 is a result of lease cancellation.

Lease liabilities

Contractual undiscounted cash flows	2021 $'000	2020 $'000
One year or less	2,348	2,809
From one to five years	6,864	8,407
Over five years	5,927	10,752
Total undiscounted lease liabilities	**15,139**	**21,968**
Current	1,999	2,262
Non-current	11,318	15,926
Total lease liabilities	**13,317**	**18,188**

The lease liability is initially measured at the present value of future lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if this rate cannot be readily determined the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivables
- Variable lease payments that depend on an index or a rate
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- The amount expected to be payable under a residual value guarantee
- Payments of penalties for termination of the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Variable lease payments not included in the initial measurement of the lease liability are recognised directly in profit or loss.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- The lease payments change due to changes in an index or rate or a change in the amount expected to be payable under a residual value guarantee
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Amounts recognised in the Consolidated Statement of Comprehensive Income

	2021 $'000	2020 $'000
Interest on lease liabilities	595	621
Depreciation	2,831	2,965
Expenses relating to variable lease payments not included in lease liabilities	304	474

Amounts recognised in the Consolidated Statement of Cash Flows

	2021 $'000	2020 $'000
Total cash outflow for leases	3,472	3,692

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30. Notes to the consolidated statement of cash flows

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows.

The carrying value of cash is considered to approximate fair value.

Reconciliation of net cash provided by operating activities with profit from ordinary activities after income tax

	2021 $'000	2020[1] $'000 (Re-stated)
(Loss) for the year attributable to owners of the Company	(18,274)	(23,910)
Adjustment for non-cash items:		
Depreciation and amortisation	17,917	17,680
Net (profit) on disposal of property, plant and equipment	(254)	(294)
Share-based payments	631	350
Impairment charges	1,879	14,983
Acquisition related costs	–	145
Other non cash items	291	593
Changes in assets and liabilities, net of the effects of purchase of subsidiaries:		
Change in trade and other debtors	(10,265)	40,120
Change in inventories	(262)	462
Change in creditors and accruals	10,621	(9,343)
Change in provisions	86	71
Change in income taxes payable	(5,322)	(1,229)
Change in deferred tax balances	(1,899)	(1,834)
Net cash provided by operating activities	**(4,851)**	**37,794**

1 Certain amounts have been re-stated to reflect adjustments relating to Note 2.

Reconciliation of liabilities arising from financing activities

	Interest bearing loans $'000	Lease liabilities $'000	Total liabilities from financing activities $'000
Balance at 1 July 2020	**2,031**	**18,188**	**20,219**
Net cash flows	(167)	(2,576)	(2,743)
Lease net additions, derecognition and remeasure	–	(2,296)	(2,296)
Balance at 30 June 2021	**1,864**	**13,316**	**15,180**
Balance at 1 July 2019	**2,701**	**–**	**2,701**
AASB 16 transition adjustment	–	19,872	19,872
Changes arising from obtaining NCI	90	–	90
Net cash flows	(760)	(2,597)	(3,357)
Lease net additions and remeasure	–	913	913
Balance at 30 June 2020	**2,031**	**18,188**	**20,219**

Cash and cash equivalents

	2021 $'000	2020 $'000
Cash on hand and at bank	10,422	8,520
Money market deposits	1,452	17,239
Balance per Consolidated Statement of Cash Flows	**11,874**	**25,759**

Restricted cash

There was no restricted cash at 30 June 2021 (30 June 2020 $nil).

31. Financial instruments and financial risk management

Overview

The Board of Director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on equity, which the Group defines as profit after tax divided by total shareholders' equity. The Board also determines the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group's target is to achieve a return exceeding its cost of equity over the medium term.

There were no changes in the Group's approach to medium term capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The Group has exposure to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these Consolidated Financial Statements.

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Financial risk management objectives

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Audit & Risk Committee, which is responsible for developing and monitoring risk management activities. The Committee reports regularly to the Board of Directors on risk management.

Risk management practices are established to identify and analyse the risks faced by the Group, to set appropriate policies which include risk limits and controls, and to monitor risks and adherence to policies. Risk management practices are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through their training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit & Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a Customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from Customers, investments with financial institutions and securities. The carrying value of cash and cash equivalents, trade and other receivables and deposits with financial institutions represents the maximum credit exposure of these assets.

Impairment losses and changes on financial assets recognised in the consolidated statement of comprehensive income were as follows:

	2021 $'000	2020 $'000
Impairment loss on trade receivables arising from contracts with customers	(1,106)	(6,199)
Changes on financial assets measured at FVOCI	(333)	(581)
	(1,439)	**(6,780)**

a) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each Customer and in the current market the broader impacts of COVID-19.

The Group minimises concentration of credit risk in relation to trade accounts receivable by undertaking transactions with a large number of Customers.

Credit risk in trade receivables is managed in the following ways:

- The Board has established delegated limits and authority for agreements, contracts and receivable write-off;
- Each new Customer is analysed individually for creditworthiness under a credit policy before the Group's standard payment and delivery terms and conditions are offered;
- Payment terms are 28 days;
- A risk assessment process is used for Customers over 90 days; and
- Cash or bank guarantee is obtained where appropriate.

The Group assumes the credit risk for the full value of Taxi fares settled through the Cabcharge Payment System (refer to Note 3).

In assessing the combined collective loss allowance and specific doubtful debts provision as at 30 June 2021, the Group has considered the increased risk arising from the economic impacts of the COVID-19 pandemic. The Group has specifically assessed the economic circumstances of individual customers in the current environment, resulting in a material year on year increase in the level of accumulated losses relative to the gross trade receivables balance.

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b) Investments

The Group limits its exposure to credit risk by placing deposits with major Australian banks.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group undertakes the following activities to ensure that there will be sufficient funds available to meet obligations:

- Prepare budgeted annual and monthly cash flows;
- Monitor actual cash flows on a daily basis and compare to liquidity requirements;
- Maintain standby money market and commercial overdraft facilities; and
- Maintain committed borrowing facility in excess of budgeted usage levels.

There has been no change in liquidity risk policies during the financial year.

Maturity profile of financial liabilities by remaining contractual maturities

	Carrying amount $'000	Contractual cash flows $'000	6 months or less $'000	6 to 12 months $'000	1 to 2 years $'000	2 to 5 years $'000
2021 year						
Contract liabilities, trade and other payables	39,654	39,654	39,654	–	–	–
Loans and borrowings	1,864	1,897	1,897	–	–	–
	41,518	**41,551**	**41,551**	**–**	**–**	**–**
2020 year						
Contract liabilities, trade and other payables	29,509	29,509	29,509	–	–	–
Loans and borrowings	2,031	2,075	2,075	–	–	–
	31,540	**31,584**	**31,584**	**–**	**–**	**–**

	2021 $'000	2020 $'000
Bank facilities		
Revolving credit facility	25,000	45,000
Multi option facility	–	5,000
Total facility	**25,000**	**50,000**
Amount used at 30 June	**–**	**–**
Amount unused at 30 June	**25,000**	**50,000**

Bank borrowings bear interest rate from 1.86% to 1.87% per annum.

Typically the Group ensures that it has sufficient cash on demand to meet expected current operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group maintains lines of credit as detailed in the above table.

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Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Currency risk

The Group has no significant exposure to foreign exchange risk in respect of the Company and the entities it controls.

b) Interest rate risk

The principal risk to which financial assets and financial liabilities are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2021 $'000	2020 $'000
Fixed rate instruments		
Financial assets – Finance lease receivables	9,078	8,763
Financial liabilities – lease liabilities	13,317	18,188
	22,395	**26,951**
Variable rate instruments		
Financial assets – cash and cash equivalents	11,874	25,759
Financial liabilities – loans and borrowings	(1,864)	(2,031)
	10,010	**23,728**

As at 30 June 2021 the carrying value of financial assets and liabilities on the above table are considered to approximate their fair value.

c) Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, where applicable, are based on the government yield curve at the reporting date plus an adequate credit spread, and were as follows:

	2021 $'000	2020 $'000
Loans and borrowings	1.5% to 2%	1.5% to 2.8%
Finance lease receivables	8% to 12%	7% to 12%

d) Fair value hierarchy

To determine fair value, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising unobservable inputs. Fair value measurements that are recognised in the Consolidated Financial Statements are categorised as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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The fair value hierarchy of the investments is provided below:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2021				
Unlisted equity investments	–	–	–	–
30 June 2020				
Unlisted equity investments	–	–	1,298	1,298

The valuation techniques and significant unobservable inputs used to determine the fair value of on these unlisted equity investments at 30 June 2021 is as follows:

Valuation techniques	Significant unobservable inputs
Future Maintainable Earnings ("**FME**") methodology – the estimate of FME represents the fair value of the unlisted equity investments on a going concern and cash flow basis, determined by capitalising the maintainable earnings of the investee using an appropriate earnings multiple.	Expected earnings at 30 June 2021, with an adjusted earnings multiple of 1x, derived from comparable companies to the investee. The estimate of the fair value will increase (decrease) if the earnings and earnings multiple increases (decreases).
Net Tangible Assets approach – the estimate of fair value is determined by valuing the assets and liabilities of the investee at market value (excluding operating assets and liabilities).	Minority discount of 20%. The estimate of the fair value will increase (decrease) if the discount rate decreases (increases).

The carrying amount of the unlisted equity investments is sensitive to possible changes in the significant unobservable inputs.

e) Sensitivity analysis

i. Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

ii. Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

	Profit or loss	
	100 bp increase $'000	100 bp decrease $'000
2021	(18)	18
2020	(20)	20

32. Operating segment

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 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 $4,792,000 and non-current assets of $1,005,000 were included in the Group's Consolidated Statements.

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33. Share-based payment – Long term incentive

The Group has provided Long term incentive ("**LTI**") awards to the CEO and other executives and granted them annually in the form of Rights. The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The total share-based payment expense for the year was $631,482 (FY20 $677,170).

Fair value

The fair value of the awards as at the valuation date is set out in the following table:

Grant date/employees entitled	Number of Rights	Vesting conditions	Valuation methodology	Fair Value	Expected vesting date	Performance Period
2021 year						
Rights granted to CEO and key management personnel On 19 November 2020	666,667	Absolute Total Shareholder Return (market condition) [1]	Monte Carlo simulation	$0.68	15 September 2023	1 July 2020 to 30 June 2023
	444,444	Relative Total Shareholder Return (non-market condition) [1]	Monte Carlo simulation	$0.69		
Total number of Rights	**1,111,111**					
2020 year						
Rights granted to CEO and key management personnel On 21 November 2019	496,552	Absolute Total Shareholder Return (market condition) [1]	Monte Carlo simulation	$0.79	15 September 2022	1 July 2019 to 30 June 2022
	331,034	Relative Total Shareholder Return (non-market condition) [1]	Monte Carlo simulation	$0.87		
Total number of Rights	**827,586**					

1 Details of the operation of LTI awards are outlined in the Remuneration Report from page 34 to 51.

Key assumptions

The key assumptions adopted for valuation of the awards are summarised in the following table:

	2021 19 November 2020	2020 21 November 2019
Share price at grant date	$1.20	$1.61
Expected life	3 years	3 years
Expected volatility	38.0%	38.0%
Dividend yield	0.00%	5.29%
Risk-free interest rate	0.15%	0.72%

Reconciliation

The reconciliation of outstanding rights is shown the following table:

	Number of Rights	
Performance Rights reconciliation	**2021**	**2020**
Rights outstanding as at 1 July	2,457,040	1,813,066
Rights granted	1,111,111	827,586
Rights forfeited	–	–
Rights lapsed	(389,408)	(183,612)
Rights exercised	–	–
Rights outstanding as at 30 June	3,178,743	2,457,040
Rights exercisable as at 30 June	–	–

34. Subsequent event

Dividends

Recovery patterns during FY21 were encouraging however considering current uncertainties the Board has determined that no final dividend be paid in conjunction with FY21.

Other than the matters above, there have been no events subsequent to the reporting date that would have had a material impact on the Group's financial statements as at 30 June 2021.

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Directors' Declaration

Directors' Declaration

1. In the opinion of the Directors of A2B Australia Limited ("**Company**"):
   a. the Consolidated Financial Statements and Notes set out on page 53 to 100, and the Remuneration Report in the Directors' Report, set out on page 34 to 51, are in accordance with the *Corporations Act 2001* (Cth), including:
      i. giving a true and fair view of the consolidated entity's financial position at 30 June 2021 and of the performance for the financial year ended on that date; and
      ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.
   b. there are reasonable grounds to believe that the Company and the controlled entities identified in Note 23 as parties to a Deed of Cross Guarantee will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those entities pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785.
2. The Consolidated Financial Statements and Notes comply with International Financial Reporting Standards as disclosed in Note 2.
3. The Directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by section 295A of the Corporations Act.

Signed in accordance with a resolution of the Directors



Paul Oneile
Chairman

26 August 2021



Andrew Skelton
Managing Director

26 August 2021

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Independent Auditor's Report



To the shareholders of A2B Australia Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of A2B Australia Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2021;
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with 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 Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

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Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of Goodwill at 30 June 2021 ($27.5million)

Refer to Note 13: Goodwill in the Financial Report

The key audit matter

The valuation of Goodwill is considered a key audit matter due to the size of the balance and the increased judgement applied by us when evaluating the evidence available arising from:

- The industry in which the Group operates being impacted by disruptive technologies. Further, there are changes in government regulations impacting the taxi service fee which can be applied by the Group when processing payments;
- Significant estimation uncertainty on the recovery of the CGUs in the Group from the impacts of the COVID-19 global pandemic; and
- The Group changing the level at which the performance of goodwill is monitored, necessitating our consideration of the Group's allocation of goodwill to the CGUs to which they belong based on the management and monitoring of the business.

We focussed on the significant forward-looking assumptions the Group applied in their value in use models, including

- Discount rates are complicated in nature and vary according to the conditions and environment the specific cash generating unit (CGU) is subject to;
- Forecast growth rates and terminal growth rates. In addition to the uncertainties described above, the Group's models are highly sensitive to small changes in these assumptions, reducing available headroom. This drives additional audit effort specific to their feasibility and consistency of application to the Group's strategy.

These conditions increase the possibility of goodwill being impaired, which necessitates additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application.

How the matter was addressed in our audit

Our audit procedures included:

- We considered the appropriateness of the value in use method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards.
- We met with management to understand the impact of COVID-19 to the Group and impact of changes to government regulations.
- We checked the forecast cash flows in the Group's value in use model to the Board approved FY22 budget.
- We assessed the accuracy of previous forecasting for the Group as an indicator to inform our evaluation of forecasts included in the value in use models. We noted previous trends where constrained market conditions existed, in particular, for the interdependencies of key assumptions and how they impacted the business, for use in further testing.
- We challenged the Group's forecast cash flow and growth rate assumptions in light of the impact of COVID-19 and industry and regulatory changes on the Group. We compared forecast cash flow and growth rate assumptions for the taxi industry against available industry data. We considered the impact of COVID-19, including the expected rate of recovery of the CGU's, and industry and regulatory changes on the Group's key assumptions, for indicators of bias and inconsistent application using our knowledge of the Group, business and customers, and our industry experience. We checked the consistency of the growth rates to the Group's revised plans and our experience regarding the feasibility of these in the industry economic environment in which they operate.

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Valuation of Goodwill at 30 June 2021 ($27.5million) (continued)

Refer to Note 13: Goodwill in the Financial Report (continued)

The key audit matter (continued)

We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.

How the matter was addressed in our audit

- We performed sensitivity analysis on the models by varying key assumptions such as forecast cash flows and terminal growth rate, within a reasonably possible range. We did this to identify those assumptions which are at higher risk of bias or inconsistency in application. Our sensitivity analysis included various scenarios for the forecast recovery from COVID-19.
- Working with our valuation specialists, we independently developed a discount rate range using publicly available data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in.
- We analysed the Group's internal reporting to assess the Group's monitoring and management of activities, and the consistency of the allocation of goodwill to CGUs.
- We assessed the Group's allocation methodology of corporate costs and assets to CGUs to our understanding of the business and the criteria in the accounting standards.
- We assessed the Group's disclosures of the qualitative and quantitative considerations in relation to the valuation of goodwill, by comparing these disclosures to our understanding obtained from our testing and accounting standard requirements.

Other Information

Other Information is financial and non-financial information in A2B Australia Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinions.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

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Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

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Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of A2B Australia Limited for the year ended 30 June 2021, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 34 to 51 of the Directors' report for the year ended 30 June 2021.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

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Cameron Slapp
Partner

Sydney
26 August 2021

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Shareholder Information

The information below was prepared as at 7 September 2021.

20 largest shareholders

Holder		Number of shares held	% Issued capital
1	Citicorp Nominees Pty Limited	31,077,610.00	25.81
2	HSBC Custody Nominees (Australia) Limited	11,918,019.00	9.9
3	J P Morgan Nominees Australia Pty Limited	11,402,655.00	9.47
4	Comfortdelgro Corporation Limited	8,980,676.00	7.46
5	One Managed Invt Funds Ltd (Sandon Capital Inv Ltd A/C)	4,217,163.00	3.50
6	Prudential Nominees Pty Ltd	3,000,000.00	2.49
7	Swan Taxis Pty Ltd	2,631,004.00	2.18
8	Bond Street Custodians Limited (Laman – D05019 A/C)	2,200,000.00	1.83
9	Portman Trading Pty Ltd	2,000,000.00	1.66
10	One Fund Services Ltd (Sandon Capital Activist A/C)	1,911,067.00	1.59
11	National Nominees Limited	1,847,204.00	1.53
12	Legion Cabs (Trading) Co-Operative Society Limited	1,750,000.00	1.45
13	BNP Paribas Nominees Pty Ltd (Agency Lending DRP A/C)	1,420,343.00	1.18
14	BNP Paribas Noms Pty Ltd (DRP)	1,217,880.00	1.01
15	HSBC Custody Nominees (Australia) Limited – A/C 2	1,038,502.00	0.86
16	National Exchange Pty Ltd	1,000,000.00	0.83
17	Quotidian No 2 Pty Ltd	771,250.00	0.64
18	Quotidian No 2 Pty Limited	702,438.00	0.58
19	AKAT Investments Pty Limited (Tag Family – Core A/C)	650,000.00	0.54
20	Neweconomy.com.au Nominees Pty Limited (900 Account)	537,968.00	0.45
Total		90,273,779.00	**74.96**

Substantial shareholders

Holder	Number of shares held	% Issued capital
Spheria Asset Mgt	21,656,935.00	17.98
Investors Mutual	15,496,109.00	12.87
Comfortdelgro	11,611,680.00	9.64
Samuel Terry Asset Mgt	6,490,793.00	5.39
Edgbaston Investment Partners	6,286,029.00	5.22

Information included in the substantial shareholders table is sourced from substantial shareholder notices or the register that the Company maintains in accordance with section 672DA of the *Corporations Act 2001*, in each case as at 7 September 2021.

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Spread of shareholders

Size of holding	Number of holders	Number of shares held	% issued capital
1 – 1,000	1,525	814,255	0.68
1,001 – 5,000	1,510	3,991,463	3.32
5,001 – 10,000	470	3,246,571	2.70
10,001 – 100,000	556	15,489,417	12.89
100,001 and over	50	96,616,437	80.41
Total	**4,111**	**120,158,143**	**100**

614 shareholders had less than a marketable parcel of shares in the Company based on the closing market price on 7 September 2021.

Voting rights

The voting rights of shareholders are set out in the Company's Constitution. Each shareholder is entitled, either personally, or by proxy, attorney or representative, to be present at any general meeting of the Company and to vote on any resolution on a show of hands or on a poll. Every shareholder present in person, by proxy, or attorney or representative, has one vote for every share held.

The Company has only one class of shares on issue (fully paid ordinary shares), each with the same voting rights.

ASX listing

The Company's ordinary shares are quoted on the ASX under the trading code "A2B", with Sydney being the Company's home exchange.

Details of trading activity are published in most daily newspapers and are also available on a 20 minute delayed basis, on the Company's website at www.a2baustralia.com/investor-center/share-price/.

The Company is not currently conducting an on-market buy-back of its shares.

Website

An electronic version of the Annual Report is available on the Company's website at www.a2baustralia.com/investor-center/reports/. A printed copy of the Annual Report will only be sent to shareholders who have elected to receive one.

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Corporate Directory

Annual General Meeting

The 2021 Annual General Meeting of the shareholders of A2B Australia Limited will be held at 11.00am on Thursday 18 November 2021 online at https://agmlive.link/A2B21.

Full details provided in the Notice of Meeting.

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Company Secretary

Adrian Lucchese

Auditor

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