

23 August 2022

FY22 Full Year Results Announcement

Attached is the FY22 Full Year Results Announcement.

The following associated documents will be provided separately for lodgement:

- 2022 Appendix 4E & Annual Report (which includes the FY22 Financial Statements)
- FY22 Investor Deck
- 2022 Corporate Governance Statement & Appendix 4G

Authorised for lodgement by the Board of A2B Australia Limited.

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ASX: A2B

23 August 2022

FY22 Results – A2B shifts gear into FY23

A2B Australia Limited (ASX: A2B) announces its results for the 12 months ended 30 June 2022 (FY22), a year of transition for the Company. New leadership was appointed, a strategic review undertaken, and a cultural reset implemented, all of which realign and refocus business priorities while reinvigorating the workforce.

Commenting on the Company's FY22 results, Executive Chairman Mark Bayliss said:

"Having joined in March 2022, it was clear to me from the outset that A2B is a business with significant potential that had underperformed for several years. The ongoing pandemic hit the business hard, with government restrictions and consumer hesitancy limiting personal movement, which significantly impacted profitability in FY22. The business needed to change and regain its purpose, and this change has already begun, with positive early traction."

FY22 Results

Financial performance (\$m)	FY22	FY21	Var (\$)	Var (%)
Revenue	125.1	113.4	11.7	10.4
Underlying EBITDA	(9.4)	(6.8)	(2.6)	(38.0)
Statutory EBITDA	(22.3)	(6.6)	(15.7)	(237.2)
Net profit after tax	(27.8)	(18.1)	(9.7)	(53.9)

While revenue was up 10.4% to \$125.1 million, driven by fleet and service fee income, A2B was loss-making in FY22 (FY21 benefited from \$15.1 million of JobKeeper not repeated in FY22). A2B recorded an underlying EBITDA loss of \$9.4 million, excluding the impact of AASB16 (\$2.4 million) and one-off significant items totalling \$15.3 million, mainly due to costs associated with the transition, asset write-offs, terminations and restructuring.

'BETTER BEFORE BIGGER'

Having assessed its competitive position and performance, A2B's approach for the near term is 'BETTER BEFORE BIGGER':

- Defending and growing its core business by focussing on increasing the fleet, the number of trips and enhancing its corporate offering. Concurrently, work has stopped on all non-core and loss-making aspects of A2B.
- A2B's corporate structure was simplified, with a corresponding leaner and more effective organisational structure. As a result total positions were reduced by 128 or 15%.
- FlamingoPay operations ceased in June, the sale of our courier business was completed on 1 August, and the operated fleet has been reduced by 99 vehicles.

Due to these changes, A2B now has an appropriate cost base for ongoing operations and these decisions will underpin the Company's return to profitability and growth.

Robust balance sheet with significant property assets

A2B has a robust balance sheet, with \$6.6 million of net debt as at 30 June 2022, and a \$25 million working capital facility in place that matures in September 2023. In addition, the Company has material property assets on its balance sheet, that have been independently valued in June 2022 at \$102 million to \$114 million.

Releasing the value of A2B's property portfolio

The Board sought independent advice from MA Financial and concluded that owning or remaining in the current sites in the long term was not the right solution for the business. Selling the properties will optimise shareholder value and facilitate a cash return to shareholders. Colliers has been appointed as sales agent to manage the sale of both properties in New South Wales with a target of completing by the end of 2022 (subject to market conditions).

A2B intends to distribute the net sale proceeds to shareholders via a fully franked special dividend when the sale is completed. Net sale proceeds will include deductions for taxes, sale costs, and any necessary debt repayments, and take account of ongoing working capital requirements.

Leadership Update

On 7 March 2022, Mark Bayliss was appointed Executive Chairman. Under the terms of his agreement, Mr Bayliss agreed to act in a full-time executive capacity until the earlier of 7 September 2022 or the appointment of a suitably qualified CEO, after which he would become A2B's Non-Executive Chairman. To facilitate the continued successful delivery of the new growth strategy and ensure stability for the business, the Board has postponed the current CEO search process until early 2023. On the Board's request, Mr Bayliss has agreed to extend his current contract as full time Executive Chairman until 30 June 2023.

With the correct strategy and leadership now in place, David Grant has informed A2B of his intention to step down from the Board, pending the appointment of a Non-executive Director who will also Chair the Company's Audit and Risk Committee. A search process has commenced, and to facilitate an orderly transition, David has offered to remain on the Board until an appointment is made. The Board thanks David for his highly valued contribution to A2B and wishes him well for the future.

Commenting on the Company's outlook for FY23, Mr Bayliss said:

"While it's still early days, the recent operational improvements we have achieved demonstrate that our strategy is gaining traction and delivering results. Our people are re-energised, collaborating and taking accountability for creating optimal outcomes.

Key growth indicators for our business are ahead of plan. The affiliated fleet has since grown to 7,066 vehicles and fares processed in the month of July have increased to \$71.5 million. Our performance is gradually returning to pre-pandemic levels, and regulatory equalisation with rideshare will accelerate this turnaround.

We are a well-positioned business, and with operating conditions picking up due to our recent actions and a gradual improvement in the market, we are confident we will return to growth, with a positive EBITDA and a solid EBITDA margin expected in FY23. A2B has all the ingredients to grow and be a sustainable business that creates value for all its stakeholders."

Investor conference call being held at 10:30am AEST today

An investor conference call with Mark Bayliss (Executive Chairman) and Ton van Hoof (CFO) will be held today at 10.30am AEST. To participate, please register at: <https://s1.c-conf.com/DiamondPass/10023409-dj63a9.html> to receive the dial-in details.

- ENDS -

Authorised for lodgement by the Board of A2B Australia Limited.

For further information please contact:**Investors**

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About us

Operating since 1976, over the past 40+ years A2B has grown to become the market leader in personal transportation services and solutions.

For further information, please visit: <https://www.a2baustralia.com/>.