ASX Release

22 August 2023

2023 Appendix 4E & Annual Report

Attached is the 2023 Appendix 4E and Annual Report (which contains the FY23 Financial Statements).

Authorised for lodgement by the Board of A2B Australia Limited.

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About us

Operating since 1976, over the past 40+ years A2B has grown to become a market leader in the personal transport sector.

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

Appendix 4E

Preliminary Final Report

Financial year ended 30 June 2023

Results for announcement to the market

	2023 $'000	2022 $'000	Change $'000	Change %
Revenue	147,251	126,138	21,113	17%
Statutory net profit/(loss) after tax for the period attributable to owners of the Company	26,792	(28,118)	54,910	195%
Underlying net profit/(loss) after tax for the period *	5,108	(17,120)	22,228	130%

* Underlying net profit/(loss) after tax is a non-IFRS measure reported to provide a greater understanding of the underlying business performance of the Group. Underlying net profit/(loss) after tax excludes the impact of AASB16 and significant one-off transactions. Non-IFRS measures have not been subject to audit or review.

	30 June 2023 $'000	30 June 2022 $'000
Net tangible assets	71,930	44,582
	$	$
Net tangible assets per security	0.59	0.37

Net tangible assets includes two properties carried at a net book value of $12.6 million. A contract for the sale of the O'Riordan Street property was exchanged in March 2023 with a sale value of $78 million.

Reflecting the strength of A2B's operating performance and balance sheet, the Board has reinstated the Company's dividends, declaring a final FY23 fully franked dividend of $0.05 per share, scheduled for payment on 26 October 2023. The record date for the FY23 final dividend is 29 September 2023.

1. Commentary on the results

Please refer to the Operating and Financial Review section in the Directors' Report accompanying the attached Financial Report for the year ended 30 June 2023.

The information in the consolidated financial statements has been audited and is not subject to an audit dispute or qualification.

This report should be read in conjunction with any public announcements made by A2B Australia Limited (**A2B** or the **Company**) in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

Ton van Hoof
Chief Financial Officer

Date: 22 August 2023

2023 Annual Report

A2B Australia Limited
ABN 99 001 958 390

Contents

Our Vision

The leading provider of personal transportation services and solutions, committed to the success of our customers, our people and our stakeholders.

Our Strategy

Improve profitability

Grow core business

Expand into new markets

Our Purpose

Delivering a safe, reliable, sustainable personalised transportation experience.

Our Values

Caring | Collaborative | Accountable | Authentic | Progressive

Executive Chairman's Report

Dear Shareholders,

The 2023 financial year was transformative for A2B. Our strategic and operational focus not only returned the Company to profitability but has also positioned A2B for further sustainable growth going forward.

A2B is in a much stronger operational and financial position today than it was this time last year. This has only been possible due to the hard work and strong delivery by the A2B Team. I want to thank every member of our Team, from taxi drivers and operators, to our service, corporate office and our Board, for their dedication and commitment that has underpinned the successful turnaround in the business.

Our 'Better Before Bigger' strategy has delivered

Implementing our 'Better Before Bigger' strategy over the past 12 months, that focused on fleet size and fares as the main drivers of A2B's revenue growth, has underpinned the strong turnaround in the business that has delivered positive financial and operational results for FY23.

A2B's nationwide fleet now centres on two top brands – 13cabs and Silver Service. We have successfully attracted new drivers, and transitioned drivers towards these two well-known higher margin taxi brands.

As a result, our total fleet has grown by 972 cars (or 14.2%) during the past 12 months to 7,803 cars as at 30 June 2023. Underlying this, the 13cabs and Silver Service brands experienced even more encouraging growth, up 1,585 cars or 26.7%.

A2B serviced an average of 9.0 trips per day per car in its fleets (up from 8.5 in FY22), with an increasing number of trips generated from the 13cabs and Silver Service booking channels. This increase reflected our new app's convenience and positive user experience, combined with the value proposition these two brands bring.

Increasing demand, combined with fare rises in most states during FY23, translated to an increase in fares processed of $247.5 million or 40.8%, with total fares processed reaching $854.4 million (FY22 $606.9 million), roughly 87% of pre-pandemic levels (FY19). Most pleasingly, the increased fares processed and growing fleet improved profitability for our drivers and operators.

A2B's financial performance has significantly turned around

Financial performance	2023 $m	2022 $m	Change $m	Change %
Underlying revenue	147.3	125.1	22.2	18%
Underlying EBITDA	20.1	(9.4)	29.5	314%
Statutory EBITDA	42.8	(22.3)	65.1	292%
Statutory net profit after tax	27.1	(27.8)	54.9	197%

A2B is well poised for future growth, building on the Team's work during the past 12 months and improving industry conditions.

Excluding the impact of one-off transactions to reflect the operating performance of the business, revenue is up $22.2 million (or 17.7% to $147.3 million). Both underlying EBITDA and statutory net profit after tax outperformed guidance, with underlying EBITDA up $29.5 million to $20.1 million, and statutory net profit after tax was up $54.9 million to $27.1 million.

One-off transactions, reflected in the statutory results, include a pre-tax gain of $21.3 million relating to our property transactions, and $1.6 million in compensation from the NSW Government relating to taxi licence plates.

The right decisions, while challenging, have realigned the business

In FY23, we focused on our core transportation business and exited peripheral activities. Introducing new technology has streamlined some of our processes, including our contact centre. As a result, efficiency has improved, with booking automation rates reaching 85% in July 2023 (July 2022 51%), reducing our cost base and improving customer experience.

While it was challenging to streamline core operations and reduce employee numbers, it was necessary to ensure we laid the foundations for a healthier, more robust business capable of delivering sustainable growth to our drivers, people, customers, and shareholders.

Our focus on improving our value proposition for drivers and passengers continues. A key objective for FY24 is to implement further significant enhancements for drivers via a $3.5 million investment to upgrade all in-car technology to ensure the continuity of our payments processing infrastructure (before 3G is switched off in June 2024). This project will simplify our technology platform and further enhance passenger and driver experience.

Enhancing shareholder value – dividend declared and capital growth

Two of the 'Better Before Bigger' strategy's main goals were for A2B's core operations to deliver sustainable profits by:

1) creating positive free cash flow; and
2) unlocking value through the return of capital to shareholders from property divestments.

The strategy implemented has delivered significant earnings and cash flow improvement.

In May 2022, a registered qualified valuer independently valued A2B's portfolio of three properties (two in Sydney and one in Melbourne) between $102 million and $114 million. During the course of FY23, we entered into contracts to sell the two Sydney properties for a combined value of $97 million and are now working to sell the remaining property in Melbourne.

The total net proceeds from the sales of the two Sydney properties (after deal costs and tax) are $92.8 million. In addition to returning capital to shareholders, A2B will use some of the proceeds to repay debt and for working capital purposes.

The successful delivery of our strategy has enabled the Board to pay a fully franked dividend of $0.05 per share for FY23. In addition, the Board intends to declare a further special fully franked dividend of $0.55 per share following receipt of proceeds from the sale of the O'Riordan Street property currently scheduled for settlement in mid-December 2023.

The Board has set a dividend policy of providing a minimum dividend payout of 50% underlying attributable profit at every reporting period commencing from the second half of FY24. The Board's ability to make these dividend commitments reflects the success of the operational strategy we have implemented.

Board and leadership

Over the past year, A2B further strengthened its Board and leadership team through the appointments of Brent Cubis (Non-executive Director) and Howard Edelman (General Counsel & Company Secretary).

Mr Cubis joined the Board in October 2022 as an independent non-executive director and Chair of the Audit and Risk Committee. He brings more than 20 years of Board and advisory experience to A2B, having been CFO at Cochlear, Nine Network Australia, and Prime Media Limited.

In January 2023, Mr Edelman joined A2B's senior executive team. He has close to 30 years of corporate experience at leading companies such as Australian Super, Super Retail Group, AUB Group, and Real Pet Food Company.

Positive outlook for continued growth

We remain committed to our vision to be the leading provider of personalised transportation services and solutions in Australia, dedicated to the success of our customers, people, and stakeholders. A2B is well poised for future growth, building on the Team's work during the past 12 months and improving industry conditions post COVID-19.

As we head into FY24, fleet growth is continuing with 150 cars added since 30 June 2023. Positive factors such as rising migration levels, an improvement in vehicle supply, along with the removal of restrictions on taxi license plates as a result of deregulation in NSW, will assist with further growth. However, some wider economic factors such as the recent decline in consumer spending may soften fares in the near term.

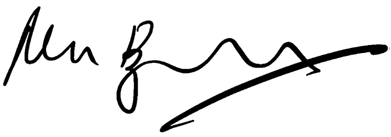
With the Company's balance sheet repaired, dividends reinstated including a planned special dividend, and successfully returning A2B to profitability by right-sizing its cost structure, we are well placed to continue growing in FY24 and beyond.

Thank you

In closing, on behalf of the Board, I would like to thank the A2B Team for its drive, dedication, and continued focus as we complete our reset. Thanks also to the drivers and operators partnering with A2B to deliver a critical service to our communities. And finally, thank you to our shareholders for your ongoing support as we deliver on the Company's full potential.

A2B is well placed to continue growing profitably and be in a position to lead the personal transportation sector in Australia. We have an exciting 12 months ahead as we benefit from upcoming structural and regulatory changes and underlying growth in demand and supply.

Yours sincerely,



Mark Bayliss
Executive Chairman

Board of Directors

Mark Bayliss

Executive Chairman

Mark was appointed as Executive Chairman of the Company on 7 March 2022 and is also a non-executive director of Ecofibre Limited. Mark was previously Executive Chairman and CEO of ASX listed business technology group, CSG Ltd. His previous executive roles include being CEO of Grays eCommerce Group Limited, and CEO of Quick Service Restaurants Holdings, a national fast-food chain of 630 restaurants. Mark has spent four years as a Partner at Anchorage Capital, a private equity fund specialising in the turnaround of underperforming businesses. Mark has also performed roles as Executive Chairman of Burger King (NZ), and as Chief Financial Officer of Australian Discount Retail and Chief Financial Officer of Fairfax Media Limited.

Mark has a Bachelor of Science from the London School of Economics and is a member of the Institute of Chartered Accountants in England and Wales and the Australian Institute of Company Directors.

Brent Cubis

Independent Non-Executive Director

Brent was appointed as a Director of A2B on 3 October 2022. He is Chairman of the Audit and Risk Committee. Brent is a highly experienced Non-executive Director, Advisory Board Member and CFO mentor with over 30 years of board level experience in senior finance roles. Brent is currently a Non-executive Director of ARN Media Limited, EML Payments Limited, SilverChain Group, Carbon Cybernetics, and leading youth cancer charity Canteen Australia. His previous roles have included CFO of Cochlear Ltd, CFO of Nine Network Australia and a Non-executive Director of Prime Media Group Limited.

Brent has a Bachelor of Commerce (Finance/Accounting and Information Systems) from the University of New South Wales, is a Chartered Accountant and a Graduate Member of the Australian Institute of Company Directors.

Jennifer Horrigan

Independent Non-Executive Director

Jennifer was appointed as a Director in September 2020. She is Chair of the Remuneration and Nominations Committee and a member of the Audit and Risk Committee. Jennifer brings 25 years of experience across investment banking, financial communications and investor relations and was formerly the Chief Operating Officer in Australia of the independent investment bank Greenhill Australia (previously Greenhill Caliburn). Jennifer is Chairman of Dexus Asset Management Limited (includes Dexus Industria REIT (ASX: DXI) and Dexus Convenience Retail REIT (ASX: DXC)) and a Director of unlisted AMP Capital Funds Management Limited, AMP Investment Services Pty Limited and Yarra Funds Management Limited.

Jennifer's qualifications include a Bachelor of Business (QUT), a Graduate Diploma in Applied Finance (FINSIA) and a Graduate Diploma in Management (AGSM). She is a member of the Australian Institute of Company Directors.

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 JSE listed Bid Corporation and ASX listed TechnologyOne Limited. Clifford was previously a Non-executive Director of Afterpay Limited (2017–2020) and Nearmap Limited (2011–2022) and has over 25 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).

Clifford holds a Master of Science in Management (Honours) 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.

Corporate Governance

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

CORPORATE GOVERNANCE HIGHLIGHTS

The Company continued to focus on corporate governance during FY23, reflecting the Board's commitment to fostering a strong governance culture. Key highlights included:

- **Succession planning and leadership:** A key focus of the Board during FY23 was the management of the leadership at the Company. Mark Bayliss continues in the role as Executive Chairman following the short period of Daniella Fonterra acting as CEO & Managing Director. Mark Bayliss will continue to lead the Company in the role of Executive Chairman, for the foreseeable future.
- **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 continued enhancements to certain A2B contracts and supplier on-boarding processes as reflected in the Company's most recent Modern Slavery Statement.
- **Board and Committee Charters:** Updates to the Board and Committee Charters have been approved by the Board.

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 follow 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.

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 of three Non-executive Directors and one Executive Chairman.

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 page 5.

The Board as a whole discusses and analyses its 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 page 10 of the 2023 Corporate Governance Statement and the Company's Performance Evaluation Policy.

A2B's Values and Culture

The Company has five core values as set out in A2B's Code of Conduct. These values underpin all activities of the Group and are embedded in its leadership.

Caring	Collaborative	Authentic	Accountable	Progressive
• We care about our business, our customers, each other. We care about safety, quality, reliability and having fun.	• We work together as one connected Team, including our customers and our partners.	• We are straight up. We call it as it is with respect for each other.	• We keep our word and take responsibility for our work.	• We are innovative, we keep moving forward and are goal oriented.

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 2023 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 FY23 can be found on page 12 of the 2023 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 regular reviews of those controls and relevant policies and procedures are undertaken.

The CEO and Managing Director (a role currently performed by the Executive Chairman) 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 2023 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 15 to 16.

Additional details about the Company's corporate governance are available in the 2023 Corporate Governance Statement, available on the Company's website at www.a2baustralia.com/investor-center/corporate-governance/.

Operating and Financial Review

Principal activities

A2B's principal activities are to serve Passengers, Drivers and Taxi Operators by facilitating taxi bookings, trips and payments. A2B is a leader in the Australian personal transportation sector under the "13cabs" and "Silver Service" brands. With approximately 8,000 vehicles in its networks across Australia, A2B is a leading participant in Australia's personal transportation market.

A2B has two core revenue streams – network subscription and payment processing. A2B receives a fixed monthly fee from taxi operators for network subscriptions. Payments processing revenue is generated on non-cash taxi payment services based on the value of the fare processed.

Basis of preparation

The FY23 statutory results, including the prior comparative results in the attached financial statements, are reported in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (**AASB**) and the Corporations Act 2001 including the leasing standard AASB16.

The Company believes that its underlying results, while being a non-statutory measure, provide a better indicator of Group performance. As such, unless otherwise stated, the full year results disclosed in this Operating and Financial Review are underlying results on a pre-AASB16 basis excluding significant items and the impact of one-off transactions.

Financial Results – return to profitability underpinned by our 'BETTER BEFORE BIGGER' strategy

The benefits from the focused execution of the Company's 'BETTER BEFORE BIGGER' strategy are reflected in the FY23 results, with A2B delivering a strong turnaround in financial performance, returning to profitability and strengthening its balance sheet. In addition, A2B is successfully executing its property portfolio strategy, selling both of its Alexandria properties in Sydney.

In May 2023, A2B completed the sale of its Bourke Road (Alexandria) property for $19.0 million. On 30 March 2023, A2B entered into an agreement for the sale of its O'Riordan Street (Alexandria) property for $78.0 million, and this is expected to settle in December 2023. At 30 June 2023, a 12% deposit ($9.4 million) for the sale of O'Riordan Street had been received and held in escrow.

On a statutory basis, A2B recorded an EBITDA of $42.8 million (FY22 EBITDA loss of $22.3 million) and net profit after tax of $27.1 million (FY22 net loss after tax of $27.8 million). These statutory results include the impact of the AASB16 accounting leasing standard, the net gain from the sale of the Bourke Road Alexandria property, the net gain from a land swap transaction in relation to the Alexandria property, and the taxi license plate compensation received from the NSW Government. Further detail relating to these significant items are outlined below.

On an underlying basis, A2B recorded positive EBITDA of $20.1 million (FY22 loss of $9.4 million) and a net profit after tax of $5.1 million (FY22 loss of $17.1 million). The $29.5 million year-on-year EBITDA improvement was supported by revenue growth of $22.2 million and cost reductions of $9.7 million, with FY22 including $2.3 million in COVID-19 related Government support that was not received in FY23.

Underlying financial results **(excl. AASB16 impact, significant items and one-off transactions)**	**2023** **$m**	**2022** **$m**	**Change over PCP**
Revenue	**147.3**	**125.1**	**18%**
Other income	0.3	2.6	
Expenses	(127.5)	(137.1)	
EBITDA	**20.1**	**(9.4)**	**(314%)**
Depreciation & Amortisation	(9.6)	(14.2)	
EBIT	**10.5**	**(23.6)**	**(145%)**
Finance costs	(3.1)	(0.9)	
Profit before tax	**7.4**	**(24.5)**	**(130%)**
Income Tax	(2.3)	7.3	
NPAT	**5.1**	**(17.1)**	**(130%)**
EBITDA margin	13.6%	(7.5%)	
Earnings per share	4.2 cents	(14.1 cents)	

Reconciliation of underlying profit to statutory profit	**2023** **$m**	**2022** **$m**	**Change over PCP**
Underlying profit before tax **(excl. AASB16 impact, significant items and one-off transactions)**	**7.4**	**(24.5)**	**(130%)**
AASB16 impact	-	-	
Net gain on property transactions	21.3	-	
NSW taxi plate licence compensation	1.6	-	
Impairments and asset write-offs	-	(9.7)	
Termination and restructuring	(2.0)	(5.6)	
Total items excluded from underlying profit before tax	**20.9**	**(15.3)**	**(238%)**
Statutory profit before tax	**28.3**	**(39.7)**	**(171%)**
Income Tax	(1.2)	11.9	
Statutory NPAT	**27.1**	**(27.8)**	**(197%)**
Statutory earnings per share	22.4 cents	(22.9 cents)	

Revenue – up 17.7% to $147.3 million

A2B recorded total revenue of $147.3 million (FY22 $125.1 million), an increase of $22.2 million or 17.7%, reflecting:

- Network subscription revenue, +$11.8 million or +27.9%
- Payment processing revenue, +$9.6 million or +37.4%
- Taxi license plate income, +$2.5 million or +96.2%
- School taxi and bus route services revenue, +$4.7 million or 73.2%
- Taxi equipment hardware sales and rental income, +$5.6 million or 50.7%

Partly offset by:

- Vehicle sanitisation income, -$5.6 million, not recurring in FY23 (revenue stream during COVID)
- Courier service revenue, -$2.8 million, discontinued in FY23 in line with strategy
- Taxi operating income, -$2.8 million, following the rationalisation of the operated fleet as per our strategy
- Other revenues, -$0.8 million or -0.6%

A2B's two core revenue streams, network subscription revenue and payments processing revenue were the main contributors to the year-on-year revenue growth.

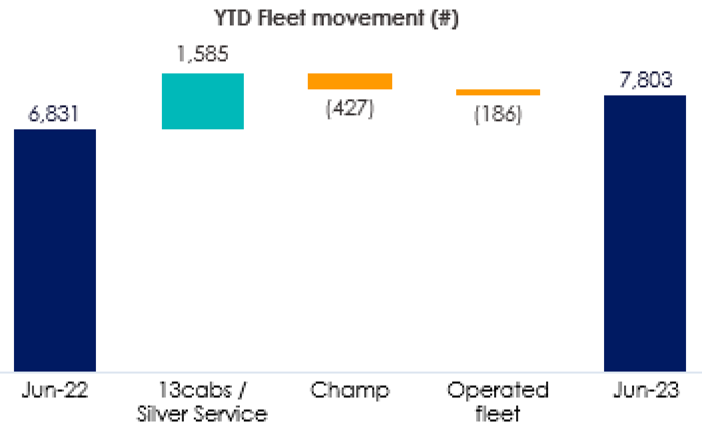
Network subscription revenue – up 27.9% to $54.2 million

Network subscription revenue is A2B's largest revenue stream and is driven by the number of taxis affiliated with its networks.

In line with A2B's strategy, fleet growth was targeted at its core and higher yield networks – 13cabs and Silver Service. During the past year, a range of initiatives were instigated to attract new drivers to these two leading taxi brands, while also transitioning drivers from the lower-yielding CHAMP brand.

A2B's total fleet grew to 7,803 taxis as of 30 June 2023, an increase of 972 or 14.2% over 12 months. The 13cabs and Silver Service brands experienced even more encouraging growth, up 1,585 taxis or 26.7%. As at 30 June 2023, 96% of the fleet was affiliated with either 13cabs or Silver Service, compared with 86% one year earlier.

In addition to fleet growth, A2B also adopted a new pricing strategy for each State that enabled fee increases during the year. Reflecting this, of the $11.8 million in network subscription revenue improvement during FY23, $5.7 million was attributable to fleet growth and $6.1 million was attributable to the improvement in fleet mix and fee increases.



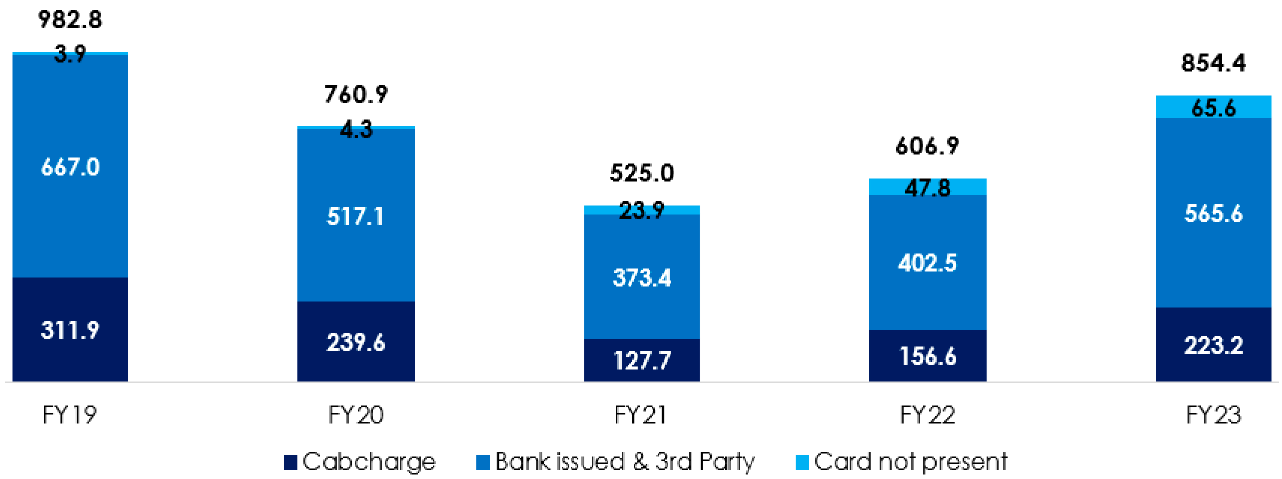
Payments processing revenue – up 37.4% to $35.4 million

Payment processing revenue is A2B's second largest revenue stream and is driven by the value of taxi fares processed through A2B's payment system.

Total taxi fares processed ended at $854.4 million in FY23, an increase of $247.5 million or 40.8% on the prior period. Of the year-on-year growth in fares processed, 82% was attributable to an increase in demand (i.e. volume impact) and 18% was attributable to higher average fares (i.e. price impact). The price impact was supported by fare rises in most states throughout the year.

The encouraging recovery continued throughout the year with fares processed levels reaching 87% of pre-COVID (FY19) levels.

Fares processed – up 41% to $854.4 million



Strong year-on-year growth continued for the period from July 2022 to March 2023. In Q4, the strong growth trend in taxi fares processed softened, as A2B cycled through a full quarter in a post COVID environment and softening macroeconomic conditions started to impact consumer demand.

For the full year, all payment channels experienced double-digit growth with the in-app payment channel and Spotto both reaching all-time highs. Recovery in Cabcharge fares continued, supported by more people returning to the office and growth in airline activity. In FY23 Cabcharge fares ended at 72% of pre-COVID levels while the total value of credit and debit cards processed ended at 94% of pre-COVID levels.

Other income

In FY23 A2B recognised $0.3 million in other income, a decrease of $2.3 million from the comparative period. The reduction in other income relates primarily to the JobSaver payments received in NSW in FY22 which are not recurring.

On a statutory basis, other income was $23.2 million, this is an incremental $22.9 million gain compared with the underlying other income mentioned above. This increase includes a net gain on property transactions of $21.3 million and $1.6 million in relation to taxi license plate compensation received from the NSW Government. Further details are included in Note 3 of the consolidated financial statements.

Operating Expenses

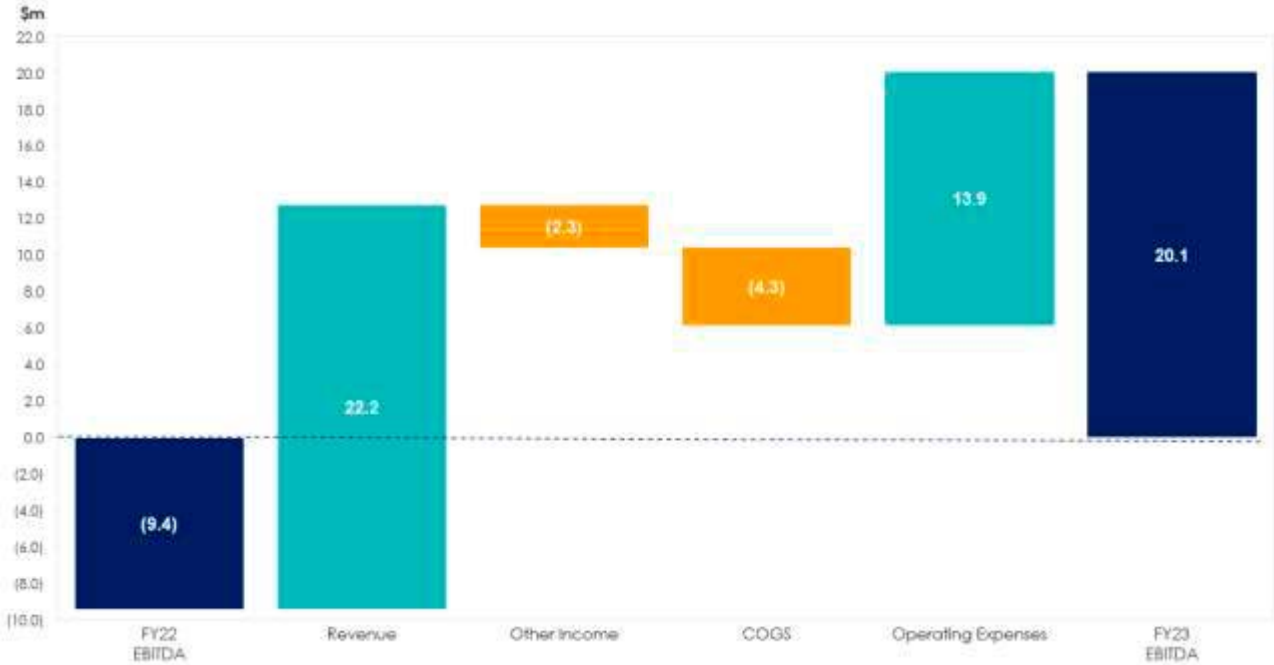
Reflecting A2B's focus on simplifying and streamlining its operations under the 'BETTER BEFORE BIGGER' strategy, total statutory operating expenses (excluding depreciation and amortisation) decreased by $23.4 million or 15.5% to $127.7 million (FY22 $151.1 million).

On an underlying basis, total operating expenses decreased by $9.7 million or 7.1% to $127.5 million.

Direct mobility and payment related expenses increased by $4.3 million or 13.5%. This increase was driven by an associated revenue growth of $22.2 million or 17.7%. As a result, A2B's net revenue margin improved from 74.6% in FY22 to 75.5% in FY23.

Total indirect expenses were $91.5 million, down by $13.9 million or 13.2% compared with FY22. During the year we completed the restructuring of A2B's contact centres as part of the drive to streamline its business and improve efficiency going forward.

Underlying EBITDA waterfall



A net revenue improvement of $17.9 million, a $2.3 million reduction in other income coupled with $13.9 million lower indirect expenses resulted in an FY23 EBITDA improvement of $29.5 million compared with FY22, returning an EBITDA margin of 13.6%.

Depreciation and amortisation

Total depreciation and amortisation charges were reduced by $4.6 million or 32.4% to $9.6 million, primarily due to asset impairments in FY22 and a reduction in internally developed software. On a statutory basis (including the impacts of AASB16), total depreciation and amortisation charges were reduced by $5.2 million or 32.0%.

Net finance costs

Net finance costs increased by $2.2 million to $3.1 million (FY22 $0.9 million) due to higher interest rates in FY23, and higher average debt levels compared to FY22. A portion of the proceeds from the sale of the Alexandria properties will be used to pay down debt.

Income tax expense

On a statutory basis, A2B recorded an income tax expense of $1.2 million (FY22 income tax benefit of $11.9 million) after the $28.3 million profit before income tax, adjusted for non-deductible items and utilisation of prior period tax losses.

Profit after tax

Underlying net profit after tax was $5.1 million (FY22 loss of $17.1 million). A statutory net profit after tax of $27.1 million was recorded in FY23 (FY22 loss of $27.8 million).

Cashflow

At 30 June 2023, A2B held $29.5 million cash, up by $17.2 million compared with the prior year.

On a statutory basis, A2B generated $10.4 million of cash flow from operations in FY23, an improvement of $16.6 million compared with FY22's operating cash outflow. In addition, FY22 benefited from a $5.3 million tax refund. On a like-for-like basis, cash flow from operations improved by $21.9 million compared with FY22.

Net cash flow from investing activities was $11.8 million, primarily reflecting the sale of A2B's Bourke Rd property for $19.0 million and Taxi license plate compensation of $1.6 million received from the NSW Government. Excluding the impact of these items, net cash flow from investing activities was a cash outflow of $8.8 million, an increase of $0.5 million compared with FY22.

Given the positive cash performance in FY23, A2B reduced its borrowings by $3.3 million.

	2023 $m	2022 $m	Change $m
Net cash flow from operations	10.4	(6.2)	16.6
Net cash flow from investing activities	11.8	(8.3)	20.1
Net cash flow from financing activities	(5.0)	15.0	(20.0)
Net change in cash position	**17.2**	**0.4**	**16.8**
Cash and cash equivalents at 1 July	12.3	11.9	0.4
Cash and cash equivalents at 30 June	**29.5**	**12.3**	**17.2**

On a like-for-like basis, free cash flow improved by $22.0 million during FY23, excluding the impact of AASB 16 treatment and one-off transactions. Including the impact of one-off transactions free cash flow improved by $42.6 million. Further detail is set out in the table below.

Free cash flow	2023 $m	2022 $m
Net cash flow from operations	10.4	(6.2)
Net cash flow from investing activities	(8.8)	(8.3)
Payment of lease liabilities	(1.5)	(2.1)
Free cash flow (excluding AASB16 impact)	**0.1**	**(16.6)**
One-off tax refund (Federal Government COVID relief)	-	(5.3)
Free cash flow excluding AASB16 and COVID relief	**0.1**	**(21.9)**
YoY improvement in Operational free cash flow	**22.0**	
One-off transactions (Bourke Road sale and NSW taxi licence compensation	20.6	
YoY improvement in Statutory free cash flow	**42.6**	

An improvement in working capital management resulted in a strengthening of A2B's balance sheet as at 30 June 2023. An increased focus on collections resulted in a material reduction of trade receivables, allowing A2B to rebalance and reduce its trade payables. In addition, $2.3 million in restructuring costs relating to FY22 were paid during the year and $5.9 million in vehicles were financed on behalf of operators who joined the 13cabs and Silver Service networks. At 30 June 2023, net cash was $13.9 million, an improvement of $20.5 million compared with the prior year.

Net debt/cash movement	**$m**
Net debt at 30 June 2022	**(6.6)**
Underlying EBITDA FY23	20.1
Sale of Bourke Road	19.0
NSW taxi plate licence compensation	1.6
Capital expenditure	(8.8)
Vehicle financing	(5.9)
Debt repayment	(3.3)
Restructuring cost	(2.3)
Other working capital movements	0.1
Total movement	20.5
Net cash at 30 June 2023	**13.9**

A2B's ability to generate cash is expected to further improve in FY24 on the back of improved profitability, and a stronger working capital position, coupled with the decision to outsource any future vehicle financing. In addition, the Group expects to receive the proceeds from the settlement of O'Riordan Street in December 2023.

FY23 Dividends

No dividends were paid or declared during FY23.

Directors have declared a final FY23 fully franked dividend of $0.05 per share, scheduled for payment on 26 October 2023. The record date for the FY23 final dividend is 29 September 2023.

Financial position

Balance sheet

A2B significantly improved its financial position during FY23. Positive cash generation coupled with a reduction of $14.5 million in receivables, allowed for a reduction in trade and other payables by $17.7 million. As a result, the current ratio (excl. assets held for sale) improved from 1.2 at 30 June 2022 to 1.6 at 30 June 2023.

Assets held for sale as at 30 June 2023 relate to the O'Riordan Street property in Alexandria. Sale contracts in relation to this property were exchanged in FY23, with settlement expected in December 2023. In addition, the Company has one property asset remaining on its balance sheet. This property asset has a carrying value of $2.2 million (recorded in non-current assets) and was listed for sale in July 2023.

	30 June 2023 $m	30 June 2022 $m	Change $m
Cash and cash equivalents	29.5	12.3	17.2
Trade and other receivables	45.8	60.3	(14.5)
Assets held for sale	10.4	-	10.4
Other current assets	6.6	7.0	(0.3)
Total current assets	**92.3**	**79.6**	**12.8**
Total non-current assets	**92.5**	**98.5**	**(4.5)**
Total assets	**184.8**	**178.1**	**8.3**
Trade and other payables	38.2	55.9	(17.7)
Loans and borrowings	0.6	1.6	(1.0)
Other current liabilities	12.0	10.2	1.8
Total current liabilities	**50.8**	**67.7**	**(16.9)**
Loans and borrowings	15.0	17.3	(2.3)
Other non-current liabilities	4.8	7.0	(2.2)
Total non-current liabilities	**19.8**	**24.3**	**(4.5)**
Total liabilities	**70.6**	**92.0**	**(21.4)**
Net assets	**114.2**	**86.1**	**27.9**
Net cash / (debt)	13.9	(6.6)	20.5

Non-current borrowings were reduced by $2.3 million to $15.0 million. A2B currently has a working capital facility in place with CBA, expiring in September 2024. In August 2023, post balance date, this facility was extended to September 2026.

Outlook

We have experienced improved trust in our brands in FY23, with a strong increase in the 13cabs and Silver Service fleets and total fares nearing pre-pandemic levels, along with improving efficiency through healthy booking rates.

As we head into FY24, fleet growth is continuing with 150 cars added since 30 June 2023. Positive factors such as rising migration levels, an improvement in vehicle supply, along with the removal of restrictions on taxi license plates as a result of deregulation in NSW, will assist with further growth. However, some wider economic factors such as the recent decline in consumer spending may soften fares in the near term.

Another key focus for FY24 is improving our value proposition for drivers and passengers. In FY24 we will undertake a major project by upgrading all in-car technology (before 3G is switched off in June 2024) to ensure the continuity and future growth of our payments processing volumes. We are investing $3.5 million through (a one-off capital expenditure) to simplify our technology platform and further enhance passenger and driver experience.

With the Company's balance sheet repaired, dividends reinstated including a planned special dividend, and successfully returning A2B to profitability by right-sizing its cost structure, we are well placed to continue growing in FY24 and beyond.

Material business risks

The operating and financial performance of A2B is influenced by a variety of general common economic and business conditions, including levels of consumer spending, inflation, interest and exchange rates and access to debt and capital markets.

Risks that have the potential to materially affect the performance of the group are reviewed on a regular basis by the Board and 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.

Strategic Risk	Nature of Risk	Actions / Plans to Mitigate
Regulatory changes	A2B's operations are subject to state and territory regulation and control. All states and territories have a 5% limit in place on non-cash taxi payment service fees. 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. More recently the NSW government introduced 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. These changes took effect from 1 August 2023. Taxi licences will no longer be able to be bought and sold. 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 by setting the supply of new Taxi plate licences and setting the rates for Government leased Taxi plate licences in those states where restrictions remain in place.	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 the opportunities for the A2B Group presented by regulatory frameworks, especially by bringing more drivers into our networks.
Changes to competitive landscape / changes to IT environment	Existing and new competitors in personal transport who offer alternative service and payment methods, both within and outside the regulatory framework, or who are 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. Develop and integrate bookings and payments. Strategic partnering 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.
In-Vehicle Technology Roll-out	In FY24 A2B will undertake a major project by upgrading all in-car technology (before 3G is switched off in June 2024) to ensure the continuity and future growth of our payment processing volumes. An IT project of this nature for any company has inherent risks of delays. Any material delays could affect our ability to process in car payments.	Contingency plans are in place to provide for the continued processing of fares with the current system in case of any delays in the roll-out of the new technology platform.

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 2023.

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:

- Mark Bayliss
- Jennifer Horrigan
- Clifford Rosenberg
- Brent Cubis (appointed 3 October 2022)
- Daniela Fontana (appointed 1 March 2023 and stepped down on 27 April 2023)
- David Grant (stepped down on 3 October 2022)

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

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
Mark Bayliss	EcoFibre Limited	1 September 2022	-
Jennifer Horrigan	Dexus Industria REIT	3 December 2013	-
	Dexus Convenience Retail REIT	27 July 2017	-
	QV Equities Limited	26 April 2016	31 March 2023
Clifford Rosenberg	Technology One Limited	27 February 2019	-
	Bid Corporation Limited	September 2019	-
	Nearmap Limited	3 July 2012	1 December 2022
Brent Cubis	ARN Media Limited	14 June 2023	-
	EML Payments Limited	25 November 2022	-
	Prime Media Group Limited	15 April 2021	31 March 2022
Daniela Fontana[1]	None	-	-
David Grant[1]	Event Hospitality & Entertainment Ltd	25 July 2013	-
	Retail Food Group Limited	25 September 2018	-
	The Reject Shop Ltd	1 May 2020	-

1. Details listed are current as at the date the Director ceased being a Director of the Company.

Company Secretary

Howard Edelman

Howard Edelman was appointed Group General Counsel and Company Secretary on 23 January 2023 following the resignation of Adrian Lucchese. Howard has more than 30 years of corporate and commercial experience and has previously worked as General Counsel and Company Secretary at Real Pet Food Company, CSG Limited, AUB Group Limited, CIMB Australia and iSoft Group Limited. He has also held senior roles with AustralianSuper and Super Retail Group. Howard sits on the National Executive Committee for the Australian Association of Corporate Counsel (ACC) and is also Vice President of ACC NSW.

Howard holds a Bachelor of Arts degree from Hamilton College and a Doctor of Law from Brooklyn Law School.

Dividends

No dividends were paid or declared during FY23. In August 2023 the Board declared to pay a fully franked dividend of $0.05 per share for FY23 with a record date of 29 September 2023 and a payment date of 26 October 2023.

Principal activities

The principal activities of the Group are included in the Operating and Financial Review ("OFR") set out on pages 8 to 16. 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.

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 8 to 16. The Group's business strategies and prospects for future financial years are also included in the OFR.

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.

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.

In August 2023 the Board declared to pay a fully franked dividend of $0.05 per share for FY23 with a record date of 29 September 2023 and a payment date of 26 October 2023.

Following completion of the A2B property portfolio review, the Board resolved in July 2023 to sell its remaining property located in Melbourne at Downing Street, Oakleigh. Marketing activities commenced in July 2023.

Likely developments

Information about likely developments in the Group's operations is included in the "Outlook" section of the OFR on page 15.

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 current Director as at the date of this report are set out in the table below.

Director	Interest in shares
Mark Bayliss	800,000
Brent Cubis	0
Jennifer Horrigan[1]	102,122
Clifford Rosenberg[2]	111,307

1. The indirect shares are 102,122 fully paid ordinary shares held by Macdonald Horrigan Family Holdings as trustee for Macdonald Horrigan Family Superannuation Fund.

2. The indirect shares are 111,307 fully paid ordinary shares held by the The Rosenberg Company Pty Ltd as trustee for The Rosenberg Superannuation Fund.

Remuneration Report

The Remuneration Report is set out on pages 22 to 36 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.

	Board		Audit and Risk[1]		Remuneration and Nominations[1]	
Director[2]	Held[3]	Attended	Held[3]	Attended	Held[3]	Attended
Mark Bayliss	13	13	5	5	3	3
Jennifer Horrigan	13	13	5	5	3	3
Clifford Rosenberg	13	13	5	5	3	3
Brent Cubis[4]	11	11	3	3	2	2
Daniela Fontana[5]	1	1	0	0	0	0
David Grant[6]	2	2	2	2	1	1

1. All Directors are invited to and generally attend, Board Committee meetings. The "Attended" columns in the table reflect attendance at meetings.
2. "Director" in the table means a Director who was a director of the Company at any time during the financial year.
3. The "Held" columns in the table reflect the number of meetings held during the period in which the Director held office.
4. Brent Cubis was appointed on 3 October 2022.
5. Daniela Fontana was appointed on 1 March 2023 and resigned on 27 April 2023.
6. David Grant retired on 3 October 2022.

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 2,470,371 Performance Rights over unissued shares which have been granted to 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 22 to 36.

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, insurance policies prohibit further disclosure of the nature of the insurance coverage 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 26 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 37.

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.

Mark Bayliss	Brent Cubis
Executive Chairman	Director
22 August 2023	22 August 2023

Remuneration Report

Letter from the Chairman of the Remuneration and Nomination Committee

Dear Shareholders,

Your Board is pleased to present the Remuneration Report for the year ended 30 June 2023. This Report provides an overview of our remuneration structures, policies, and practices.

Our remuneration strategy is designed to ensure accountability for performance and to reward outcomes achieved and shareholder value creation.

Consistent with this approach, shareholders will remember that, given A2B's loss-making performance in FY22, no STI or LTI were awarded to executive KMP (other than the LTI incentives approved by shareholders at the EGM on 28 April 2022 for the newly appointed Executive Chairman, Mark Bayliss or the portion of STI paid to departing executives as part of their separation package).

Twelve months on, the 2023 financial year has achieved a major turnaround for A2B with the company achieving an underlying EBITDA of $20.1 million, a significant achievement and representing a $29.5 million turnaround from the $9.4 million loss in FY22.

The significant effort by the Team has returned the Company to profitability, for the first time since FY19, and also delivered a streamlined and focused business that positions A2B for further sustainable growth in the future. Your Board firmly believes these achievements should be recognised through the FY23 remuneration outcomes.

Executive Remuneration

The remuneration outcomes for FY23 correctly reflect the significant effort by the executive team to achieve this important turnaround and the significant value created for shareholders.

The executive remuneration arrangements are essential in retaining and rewarding key talent and ensuring an aligned team, focused on continuing to deliver value to shareholders.

The overall mix between STI and LTI is weighted toward long-term incentives (70% of incentives), to reflect long-term alignment with shareholders and value creation.

Of the 30% of incentives available as STI, 60% of the STI opportunity was dependent on the achievement of an EBITDA gateway hurdle. The remaining 40% of the STI opportunity was assessed based on the achievement of individual performance measures.

The LTI incentives represent a maximum opportunity of 70% of incentives and were awarded as Performance Rights, subject to the same performance metrics approved by shareholders for the Executive Chairman at the EGM on 28 April 2022 (share price hurdles of $1.70 VWAP, $2.00 VWAP and $2.30 VWAP, with a 3-year sunset date of 30 June 2026). Should all three VWAP hurdles be met, and the 600,000 Performance Rights (of which 358,000 were granted to KMP) convert to Shares, the maximum dilution represents approximately 0.49% (0.30% relating to the KMP component) of the current issued ordinary share capital of the Company, while significant value will have been created for shareholders.

Detailed information regarding remuneration outcomes for FY23 are outlined in section 4 of this Remuneration Report.

Non-Executive Director Remuneration & Arrangements

Given the wider turnaround and cost reduction initiatives across the business during FY23, the Board implemented a 15% reduction to Non-Executive Director Board and Committee fee arrangements for FY23. In addition, the Board agreed to decrease the number of Directors by one – taking the total number of Non-Executive Directors to three and to also reduce the aggregate Non-Executive

Director fee pool from $1.3 million per annum (which was approved by shareholders on 26 November 2014) to $1.0 million per annum.

The Board has elected to continue these Non-Executive Director fee arrangements through FY24.

Leadership

The Board would like to recognise the significant turnaround achieved under the dedicated leadership of Executive Chairman Mark Bayliss during FY23. The Board also recognises that Mr Bayliss consented to continue his role of Executive Chairman for the foreseeable future, following Ms Daniela Fontana stepping down as CEO & Managing Director. In addition to A2B's stronger operational and financial position, other FY23 highlights include the successful property divestment achieved in line with May 2022 independent valuations, despite sharply deteriorating property market conditions. This transaction will allow significant value to be returned to shareholders via an expected $0.55 cent special fully franked dividend, currently anticipated to be paid on settlement in December 2023.

Given these strong results led by Mr Bayliss and his agreement to extend his role as Executive Chairman (and noting that an LTI was not awarded for Mr Bayliss in FY23), the Board has determined to issue an additional cash bonus to Mr Bayliss of $200,000 (above the STI opportunity), to reflect the outperformance achieved in FY23. The total FY23 Remuneration earned by Mr Bayliss is therefore $1,125,112 (excluding Performance Rights and Incentive Shares granted in prior years).

FY24 Remuneration Approach

The remuneration framework in place for FY23 reflected the significant turnaround required and underway across A2B. Now that a return to profitability has been achieved, the Board has prepared a renewed remuneration framework for FY24 to reflect A2B's focus on driving continued profitability and growth.

The remuneration framework for FY24 will focus on rewarding growth in shareholder returns, while ensuring remuneration outcomes are tied to robust return hurdles.

Full details of the FY24 incentives for the Executive Chairman Mark Bayliss will be available in the Notice of Meeting for the 2023 AGM.

In conclusion, your Board is confident that the remuneration outcomes for FY23 and the proposals for FY24 are robust, will appropriately reward executives for performance and are designed to achieve long-term value creation and alignment with shareholders.

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

Yours faithfully,

Jennifer Horrigan
Chairman
Remuneration & Nominations Committee

Remuneration Report - Audited

This Remuneration Report for the year ended 30 June 2023 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 8 has been audited as required by section 308(3C) of the Corporations Act, unless otherwise stated.

1. Overview

The Board of Directors present the Remuneration Report for the year ended 30 June 2023 (**FY23**). This Report provides an overview of our remuneration structures, practices and outcomes and their alignment with the Company's performance and strategy.

Who is covered by this report

The Key Management Personnel (**KMP**) covered by this report are listed in table 1 below.

Table 1: KMP included in this report

Key Management Personnel	Role	Change in FY23
Non-Executive Directors		
Brent Cubis	Independent Director	Appointed on 3 October 2022
Jennifer Horrigan	Independent Director	
Clifford Rosenberg	Independent Director	
David Grant	Independent Director	Retired on 3 October 2022
Executive		
Mark Bayliss	Executive Chairman	
Olivia Barry	Chief Operating Officer - B2C	
Gary Becus	Chief Operating Officer - B2B	Appointed on 1 July 2022
Ton van Hoof	Chief Financial Officer	
Daniela Fontana	Chief Executive Officer & Managing Director	Appointed on 1 March 2023 Stepped down on 27 April 2023

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 33. Details of statutory Non-executive Director fee arrangements can be found in table 9 on page 34.

The table below provides shareholders with an understanding of the actual remuneration earned by executive KMP in FY23.

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 in table 6 prepared in accordance with the Australian Accounting Standards.

Table 2: Actual executive remuneration earned in FY23 (non-statutory) (unaudited)

Executive	Fixed remuneration[1] $	Termination benefits $	STI earned for FY23 $	LTI vested in FY23[2] $	Total $
Mark Bayliss	716,612	-	408,500	-	**1,125,112**
Olivia Barry	375,862	-	120,000	-	**495,862**
Gary Becus	351,724	-	80,000	-	**431,724**
Ton van Hoof	451,724	-	108,000	-	**559,724**
Daniela Fontana	101,199	143,750	-	-	**244,949**

1. Fixed remuneration means contracted remuneration amount for base salary and superannuation during the period the Executive was a KMP.

2. The LTI rights awarded in FY20 were tested in September 2022 and did not vest. Further information on vesting is set out in the LTI section of this report.

2. Remuneration governance

The Board consults with the Remuneration and Nominations Committee (**Committee**), management, and where necessary, external advisers, 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 and alignment with long-term value creation for shareholders
- 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 three times in FY23

Management

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

External remuneration consultants and advisers

- 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 the use of remuneration consultants under the Corporations Act

Use of remuneration consultants and advisors

No remuneration recommendations by a remuneration consultant as defined under the Corporations Act were made during FY23.

For more detail on the Company's charters and policies, see:

www.a2baustralia.com/investor-center/corporate-governance/

3. Executive Key Management Personnel 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 to be rewarded for the creation of long-term shareholder value
- Be supported by a governance framework, to motivate, reward, and retain skilled 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, where incentive plans are offered to executive KMP
- Ensure any termination benefits are justified and appropriate.

Business objectives		Remuneration strategy objectives		Remuneration structure
▪ Enhance and expand the operational platform for the creation of a sustainable business model for future growth ▪ Focus on the creation of shareholder value	⬌	▪ Attract and retain key talent through balanced remuneration, market competitive pay and performance-focused incentive awards ▪ Focus the executive team on the key strategic business imperatives ▪ Align interests of executive KMP and shareholders ▪ Invite executive KMP to participate in incentive plans where appropriate	⬌	**Fixed annual remuneration ("FAR")** Set with reference to job size and organisations of similar complexity and industry dynamics **Variable remuneration** Equity-based incentive awards based on the Company's short- and long-term performance and other vesting conditions **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 adjust where appropriate to support the strategic initiatives of the business, whilst ensuring that it remains market competitive for recruiting and retaining skilled individuals.

In FY22, the Board adopted a new executive KMP structure for FY23. In FY23, the executive KMP remuneration structure consisted of FAR and performance based short term and long-term incentives awarded pursuant to STI and LTI plan rules and individual invitation letters.

How is the Executive Chairman Rewarded?	The total reward for the Executive Chairman is comprised of fixed annual reward and short and long term incentives.
How are the Executive KMP Rewarded?	The total reward for each executive KMP is split across the following elements: • 50% fixed annual reward; • 15% short-term incentive; and • 35% long-term incentive.

Remuneration elements and incentive plans

Executive KMP 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 similar complexity and industry dynamic to that of A2B.
Were any changes made in FY23?	The Board reviewed the FAR for each executive for FY23 and the only change made was to increase Olivia Barry's FAR from $351,724 to $400,000 to reflect her appointment as Chief Operating Officer B2C & Corporate Transport on 1 January 2023 and the additional responsibilities that role entails. Changes to FAR are typically implemented and take effect on 1 July of each year. The FAR for each executive in FY23 is shown in table 3 on page 31.
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 to participate in the STI plan in FY23.
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.
What is the performance period?	The performance period for the FY23 STI award is from 1 July 2022 to 30 June 2023.
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 30% of FAR with the limited exception of the additional STI awarded to Mr Bayliss in FY23.

What are the STI performance measures?	The FY23 STI award vests subject to the achievement of a Group-wide financial performance measure (60%) and individual performance measures (40%). 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.

1. Individual performance measures (40% of STI)

Role	**Performance**
Executive Chair	• Property strategy delivery • Strengthen investor relations • Employee engagement and positive corporate culture
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 engagement and positive corporate culture • Improve the A2B corporate product offering • Fleet and fare growth • Improved service for drivers and passengers • In-vehicle technology replacement • Risk management/compliance • Improvement in working capital

2. Group-wide financial performance measure (60% of STI)

Earnings before interest, tax, depreciation, and amortisation excluding acquisitions, divestments and impairments ('**Gateway Hurdle**').

If the Gateway Hurdle is met, 100% of this portion of STI will be paid.

If the 90% minimum threshold is not met, no incentive payment will be made. Straight line vesting occurs between 90% and 100% of the Gateway Hurdle.

Details regarding the STI outcomes for FY23, based on achievement of the approved performance measures are set out in section 4 of the Remuneration Report.

How is performance tested?	The Committee considers the Executive Chairman'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 Executive Chairman 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 in its absolute discretion.

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 decides, 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, 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.
Were any changes made in FY23?	The FY23 STI incentive plan was adopted by the Board in the last quarter of FY22 and implemented in FY23. The performance framework has been chosen as it more closely aligns with the focus of the Executive team to deliver improved business results and shareholder value. No changes to the plans were made in FY23.

<u>FY23 LTI Plan:</u>

Details of the 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 for FY23.
What is the format for LTI awards?	LTI awards are delivered in the form of rights which are granted for nil consideration. LTI awards are granted annually. The quantum granted is dependent on the individual performance outcomes for each KMP. Unvested rights will remain on foot until 30 June 2026 (Sunset date) and will vest when the respective vesting conditions (outlined below) are met during the performance period. Any Performance Rights which are unvested on 30 June 2026 will lapse. On vesting, each right converts into one ordinary share.
What is the performance period?	The performance period for the FY23 LTI award commenced on 1 July 2022 and will end on 30 June 2026. Subject to the satisfaction of the relevant performance measures, the allocated portion of the FY23 awards vest immediately.

<table>
<tr><td>What is the maximum opportunity?</td><td>The maximum LTI opportunity is set individually and based upon market benchmarks for the remuneration mix. This figure when compared to FAR is 70% of FAR.</td></tr>
<tr><td>What are the LTI performance measures?</td><td>Performance Rights will vest upon satisfaction of the following vesting conditions:

- First tranche: 1/3 of Performance Rights will vest on A2B achieving a 20 day volume-weighted average price (VWAP) of at least $1.70,
- Second Tranche: 1/3 of Performance Rights will vest on A2B achieving a 20 day VWAP of at least $2.00, and
- Third Tranche: 1/3 of Performance Rights will vest on A2B achieving a 20 day VWAP of at least $2.30.

These performance conditions have been chosen because they incentivise management to achieve increases in the Company’s share price, thereby aligning their interests with the creation of shareholder value. A 20-day VWAP method has been chosen for assessing the achievement of these performance conditions because it reduces the impact of daily fluctuations in the Company’s share prices and ensures that vesting would only occur where sustained increases in the Company’s share price are achieved.

Unvested rights will remain on foot until 30 June 2026 and will vest when the respective vesting conditions are met. Any Performance Rights which are unvested on 30 June 2026 will lapse (Sunset Date).

The target VWAP specified above will be reduced by the amount of any dividend or return of capital paid per share paid prior to the Sunset Date.

Decisions regarding the level of performance achieved and the relevant remuneration outcomes will be made by the Board, in its absolute discretion, with the outcomes communicated to shareholders in the Remuneration Report.</td></tr>
<tr><td>What happens on a change of control or other significant event?</td><td>Where a change of control event occurs, the Board has the 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 and 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 the 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.

With respect to Mr Bayliss’ existing Performance Rights, on a change of control, any unvested Performance Rights will vest.</td></tr>
</table>

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. With respect to Mr Bayliss, on his resignation of his role or termination of his appointment agreement by A2B for cause, any unvested Performance Rights currently granted will lapse.
Were any changes made in FY23?	**Change to performance measures and period** The FY23 LTI incentive plan was adopted by the Board in the last quarter of FY22 and implemented in FY23. The performance framework chosen aligns with the metrics approved by shareholders at the EGM for the Performance Rights granted to the Executive Chairman. Additionally, it more closely aligns the focus of the Executive team to deliver improved business results and shareholder value. No changes to the plans were made in FY23.

For the terms applicable to prior-year STI and LTI grants, please refer to our Remuneration Report for the relevant year, which is available at https://www.a2baustralia.com/investor-center/reports/.

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]	FAR
Mark Bayliss	Ongoing	6 months	720,296
Olivia Barry	Ongoing	6 months	400,000
Gary Becus	Ongoing	6 months	351,724
Ton van Hoof	Ongoing	6 months	451,724
Daniela Fontana	Stepped down on 27 April 2023	3 months	575,000

1. The Board has the discretion to make payments to executive KMP in lieu of notice. No other termination payments are provided for under any KMP contract.

4. Executive KMP remuneration outcomes for FY23

FAR

The fixed annual remuneration of executive KMP for FY23 is set out at table 3 on page 31.

STI performance and outcomes

The Executive Chairman assessed the performance of each executive KMP against their individual FY23 STI performance measures with recommendations presented to the Committee. The Committee also assessed the performance of the Executive Chairman 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. The Board determined that the financial performance was in line with the minimum threshold for the Gateway Hurdle. The Board also agreed with the recommendations in relation to the individual performance of each executive KMP and the applicable value payable.

The individual FY23 STI outcomes for each executive KMP, including percentages and values payable are detailed in the table below.

Table 4: STI award outcomes

Executive	Maximum FY23 STI opportunity $	STI earned in FY23 $	% of maximum opportunity achieved	% of maximum STI opportunity forfeited
Mark Bayliss *	208,500	208,500	100%	0%
Olivia Barry	120,000	120,000	100%	0%
Gary Becus	105,000	80,000	76%	24%
Ton van Hoof	135,000	108,000	80%	20%

* The Board determined to issue an additional cash bonus to Mr Bayliss of $200,000 (above the maximum STI opportunity), to reflect the outperformance achieved in FY23.

Long Term Incentive Plan approved in 2014

The Company's shareholders approved an earlier LTI plan in November 2014. The sixth tranche of Performance Rights under the LTI plan was granted for the performance periods 1 July 2019 – 30 June 2022. The rights were tested in September 2022 and did not vest and lapsed immediately as the performance conditions attached to the rights, being an absolute TSR and an indexed TSR hurdle, were not achieved. Further details are shown in table 7 on page 33.

Snapshot of Group performance

Table 5: Performance outcomes for the last five years

	FY23	FY22	FY21	FY20	FY19
Profit (Loss) after tax from continuing operations ($M)	27.1	(27.8)	(18.1)	(23.7)	11.9
Profit (Loss) attributable to owners of the Company ($M)	26.8	(28.1)	(18.3)	(23.8)	11.8
Dividend paid ($M)	-	-	-	9.6	9.6
Dividend paid per share fully franked (cents)	-	-	-	8	8
Closing share price at 30 June ($)	1.49	1.10	1.26	0.81	1.77

Note: Opening share price in FY19 was $2.40

Executive remuneration in FY23

The statutory remuneration of each executive KMP in FY23 is set out in the table below.

Table 6: FY23 executive KMP remuneration (statutory)

		Salary and fees $	STI $	Non-cash benefits[2] $	Super contributions $	Termination benefits $	Other long term employee benefits[3] $	Non-cash Fair value Performance Rights[4] $	Non-cash Fair value Incentive Shares[4] $	Total $	Performance related rem % of total rem[5]
Executives:											
Mark Bayliss[1]	**2023**	**695,000**	**408,500**	**-**	**21,612**	**-**	**-**	**304,553**	**607,377**	**2,037,042**	**64.82%**
	2022	231,668	-	-	17,624	-	-	101,518	424,623	775,433	67.85%
Olivia Barry	**2023**	**350,570**	**120,000**	**13,850**	**25,292**	**-**	**1,285**	**18,682**	**-**	**529,679**	**26.18%**
	2022	38,502	-	2,962	3,431	-	642	-	-	45,537	0.00%
Gary Becus[6]	**2023**	**326,432**	**80,000**	**3,234**	**25,292**	**-**	**8,200**	**12,277**	**-**	**455,435**	**20.26%**
Ton van Hoof	**2023**	**426,432**	**108,000**	**-**	**25,292**	**-**	**10,972**	**59,036**	**-**	**629,732**	**26.52%**
	2022	426,432	-	-	30,069	-	14,051	80,015	-	550,567	14.53%
Former executives:											
Daniela Fontana[7]	**2023**	**90,066**	**-**	**-**	**11,133**	**143,750**	**-**	**-**	**-**	**244,949**	**0.00%**
Total	**2023**	**1,888,500**	**716,500**	**17,084**	**108,621**	**143,750**	**20,457**	**394,548**	**607,377**	**3,896,837**	**44.10%**
	2022	696,602	-	2,962	51,124	-	14,693	181,533	424,623	1,371,537	44.20%

1. Of the total remuneration recognised in FY23, $911,910 relates to Performance Rights and Incentive Shares earned from prior periods.

2. Movements in accruals for annual leave and reportable fringe benefits are disclosed as non-cash benefits.

3. Other long-term employee benefits represent provisions for long service leave.

4. Amounts disclosed in the table above for remuneration relating to Performance Rights and Incentive Shares are non-cash benefits and represent fair value calculations in accordance with AASB 2 *Share-based Payment*. Further details are set out in Note 34 to the consolidated financial statements. Total cash remuneration is shown in Table 2 above.

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

6. 2023 relates to the period from 1 July 2022 (being the date of Mr Becus' appointment as KMP) to 30 June 2023.

7. 2023 relates to the period from 1 March 2023 to 27 April 2023 (being the period of Ms Fontana's tenure as KMP).

Incentive awards held by executive KMP

Details of all outstanding share-based incentive awards granted to executive KMP are set out in the table below. The maximum possible total value of each grant is the number of instruments granted multiplied by the market value of shares in the Company. The minimum possible total value of each grant is nil.

Table 7: Incentive awards held by executive KMP

Executive	Type of award	Grant date	Performance period	Number granted	Performance conditions	Vesting date
Mark Bayliss	Incentive shares[1]	28 April 2022	1 July 2022 - 30 June 2026	200,000	Service	July 2023
	Performance Rights	28 April 2022	1 July 2022 - 30 June 2026	1, 500,000	Share price	June 2026 sunset date
Olivia Barry	Performance Rights	1 September 2022	1 July 2022 - 30 June 2026	140,000	Share price	June 2026 sunset date
Gary Becus	Performance Rights	1 September 2022	1 July 2022 - 30 June 2026	92,000	Share price	June 2026 sunset date
Ton van Hoof	Performance Rights	1 September 2022	1 July 2022 - 30 June 2026	126,000	Share price	June 2026 sunset date
	Performance Rights	26 April 2021	1 July 2020 - 30 June 2023	185,185	Absolute TSR hurdle and indexed TSR	September 2023

1. Mr Bayliss' incentive shares vested on 1 July 2023.

5. Non-executive Director fee arrangements

Fees in FY23

During FY23, Non-Executive Director (**NED**) fees were paid out of an aggregate fee pool of $1.0 million. The fee pool is inclusive of statutory entitlements (including superannuation).

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.

In June 2022, the Board reviewed the NED fees for FY23 and implemented a 15% reduction to Non-Executive Director Board and Committee fee arrangements.

The table below summarises NED fees payable in respect of FY23.

Table 8: Board and Committee fees

	Chairman $	**Member $**
Board	200,000	90,000
Audit and Risk Committee	20,000	10,000
Remuneration and Nominations Committee	20,000	10,000

No fees were paid for the Board Chairman role in FY23 given that Mr Bayliss was Executive Chairman during FY23 and separately remunerated as highlighted in this Remuneration Report.

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

Fees in FY24

For FY24, the Board has decided to leave the Board and Committee fees unchanged.

Non-executive Director remuneration in FY23

The statutory remuneration of each NED for FY23 is set out in the table below.

Table 9: FY23 NED remuneration (statutory)

		Short term benefits	**Post-employment benefits**	
Executive		**Salary and fees $**	**Superannuation benefits $**	**Total $**
Brent Cubis[1]	**2023**	**90,000**	**-**	**90,000**
Non-executive Director				
Jennifer Horrigan[2]	**2023**	**120,000**	**-**	**120,000**
Non-executive Director	2022	134,509	-	134,509
Clifford Rosenberg[3]	**2023**	**110,000**	**-**	**110,000**
Non-executive Director	2022	130,342	-	130,342
David Grant	**2023**	**32,485**	**3,411**	**35,896**
Non-executive Director	2022	177,973	15,490	193,463
Total fees	**2023**	**352,485**	**3,411**	**355,896**
	2022	442,824	15,490	458,314

1. Mr Cubis' fees were invoiced and paid monthly to Cubes Advisory Pty Ltd.
2. Ms Horrigan's fees were invoiced and paid monthly to Scarp Consulting Pty Ltd as trustee for The MacDonald Horrigan Family Trust.
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 have three years from their appointment date to meet the expected level of share ownership.

Executive KMP's are granted Performance Rights which convert into shares on the achievement of performance measures. As indicated on page 36, no rights were vested during FY23.

The relevant interests of each KMP (and their related parties) in the share capital of the Company for FY23 are detailed in the table below.

Table 10: Shareholdings of KMP and their related parties

	Balance 1 July 2022		Received as remuneration		Net other change		Balance 30 June 2023	
	Direct interest	Indirect interest	Direct interest	Indirect interest	Direct interest	Indirect interest	Direct interest	Indirect interest
Non-executive Director								
Brent Cubis	-	-	-	-	-	-	**-**	**-**
Jennifer Horrigan[1]	-	-	-	-	-	102,122	**-**	**102,122**
Clifford Rosenberg[2]	-	111,307	-	-	-	-	**-**	**111,307**
David Grant	35,000	-	-	-	-	-	**35,000**	**-**
Executive								
Mark Bayliss	800,000	-	-	-	-	-	**800,000**	**-**
Olivia Barry	3,807	-	-	-	-	-	**3,807**	**-**
Gary Becus	-	-	-	-	-	-	**-**	**-**
Ton van Hoof[3]	-	14,139	-	-	-	-	**-**	**14,139**

1. The indirect shares are 102,122 fully paid ordinary shares held by Macdonald Horrigan Family Holdings as trustee for Macdonald Horrigan Family Superannuation Fund.

2. The indirect shares are 111,307 fully paid ordinary shares held by The Rosenberg Company Pty Ltd as trustee for The Rosenberg Superannuation Fund.

3. The indirect shares are 14,139 fully paid ordinary shares held by MLC Wrap Super Series 2 Fund.

Rights

The table below details the rights and incentive shares granted to executive KMP as part of their remuneration during FY23 and LTI rights from an earlier LTI plan (2014) which lapsed during FY23.

Table 11: Rights granted to executive KMP

	Balance 1 July 2022	Number of rights granted in FY23	Value of rights granted in FY23[1]	Net other change	Vested	Value of rights vested	Lapsed	Balance 30 June 2023
Mark Bayliss	1,500,000	-	-	-	-	-	-	**1,500,000**
Olivia Barry	-	140,000	\$85,867	-	-	-	-	**140,000**
Gary Becus	-	92,000	\$56,427	-	-	-	-	**92,000**
Ton van Hoof[2]	323,116	126,000	\$77,280	-	-	-	137,931	**311,185**

1. The fair values of the Performance Rights granted are detailed in Note 34 to the consolidated financial statements.
2. Includes Performance Rights under the earlier LTI Plan approved in November 2014.
3. As at the end of the reporting period, no member of the KMP was holding any vested and exercisable or vested and unexercisable rights.

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 2022 Remuneration Report

The Company received a "yes" vote on 95% of votes cast on its Remuneration Report for the 2022 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.

KPMG

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 2023 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.

Yours faithfully

KPMG

KPMG

Cameron Slapp
Partner
Sydney
22 August 2023

Consolidated Financial Statements

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Consolidated statement of comprehensive income

For the year ended 30 June 2023

	Notes	2023 $'000	2022* $'000
Revenue	3	147,251	126,138
Other income	3	23,194	2,637
		170,445	**128,775**
Direct mobility and payment related expenses	5	(36,020)	(31,742)
Employee benefits expenses		(61,128)	(66,729)
Advertising and marketing expenses		(2,746)	(11,221)
Technology and communications expenses		(12,235)	(11,288)
Depreciation and amortisation expenses		(10,999)	(16,177)
Impairment charges	10, 12, 13	-	(10,249)
Other expenses		(15,555)	(19,869)
Results from operating activities		**31,762**	**(38,500)**
Finance income	4	34	4
Finance costs		(3,538)	(1,222)
Net finance costs		**(3,504)**	**(1,218)**
Profit/(Loss) before income tax		**28,258**	**(39,718)**
Income tax (expense) / benefit	6	(1,195)	11,900
Profit/(Loss) for the period		**27,063**	**(27,818)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences, net of tax		88	(76)
Other comprehensive income/(loss) for the period, net of income tax		**88**	**(76)**
Total comprehensive income/(loss) for the period		**27,151**	**(27,894)**
Attributable to:			
Owners of the Company		26,792	(28,118)
Non-controlling interest		271	300
Total profit/(loss) for the period		**27,063**	**(27,818)**
Owners of the Company		26,880	(28,194)
Non-controlling interest		271	300
Total comprehensive income/(loss) for the period		**27,151**	**(27,894)**
Earnings per share			
Total attributable to owners of the Company:			
Basic earnings per share	21	22.1 cents	(23.3 cents)
Diluted earnings per share	21	21.4 cents	(23.3 cents)

* The comparative information has been re-stated and certain operating expenses have been reclassified to better reflect the nature of the expenses. Refer to Note 2.

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

Consolidated statement of financial position

As at 30 June 2023

	Notes	2023 $'000	2022 $'000
Current assets			
Cash and cash equivalents	31	29,541	12,295
Trade and other receivables	7	45,762	60,254
Inventories	8	3,157	3,667
Prepayments		3,490	3,322
Assets held for sale	9	10,438	-
Total current assets		**92,388**	**79,538**
Non-current assets			
Trade and other receivables	7	5,598	5,303
Property, plant and equipment	10	16,730	23,673
Taxi plate licences	11	1,341	1,349
Goodwill	12	27,487	27,487
Intellectual property	13	13,468	12,722
Right-of-use assets	30	4,123	6,517
Net deferred tax assets	14	22,740	20,507
Financial assets	15	963	977
Total non-current assets		**92,450**	**98,535**
Total assets		**184,838**	**178,073**
Current liabilities			
Trade and other payables	16	38,193	55,880
Loans and borrowings	17	602	1,649
Lease liabilities	30	1,195	1,556
Current tax liabilities		3,096	310
Deferred income		118	118
Provisions	18	7,580	8,112
Total current liabilities		**50,784**	**67,625**
Non-current liabilities			
Loans and borrowings	17	15,000	17,274
Lease liabilities	30	3,453	5,530
Deferred income		118	236
Provisions	18	1,257	1,268
Total non-current liabilities		**19,828**	**24,308**
Total liabilities		**70,612**	**91,933**
Net assets		**114,226**	**86,140**
Equity			
Share capital	19	138,325	138,325
Reserves	19	3,230	2,016
Profits reserve	19	45,615	18,823
Retained losses		(74,428)	(74,428)
Total equity attributable to equity holders of the Company		**112,742**	**84,736**
Non-controlling interest		1,484	1,404
Total equity		**114,226**	**86,140**

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

Consolidated statement of cash flows

For the year ended 30 June 2023

	Notes	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers and others		1,023,208	733,673
Payments to suppliers, licensees and employees		(1,010,961)	(744,600)
Dividends received		-	167
Interest received		32	1
Finance costs paid		(1,728)	(1,014)
Income tax (paid) / received		(178)	5,529
Net cash provided by / (used in) operating activities	**31**	**10,373**	**(6,244)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(5,606)	(4,044)
Payments for development of intellectual property		(4,540)	(4,731)
Proceeds from sale of property		19,000	-
Proceeds from sale of plant and equipment		1,322	449
Government compensation for cancelling tradeable value of Taxi licences		1,630	-
Net cash provided by / (used in) investing activities		**11,806**	**(8,326)**
Cash flows from financing activities			
Proceeds from borrowings		5,000	17,347
Repayment of borrowings		(8,321)	(288)
Payment of lease liabilities		(1,489)	(2,021)
Dividends paid to non-controlling interest in subsidiaries		(191)	(83)
Net cash (used in) / provided by financing activities		**(5,001)**	**14,955**
Net increase in cash and cash equivalents		**17,178**	**385**
Cash and cash equivalents at 1 July		12,295	11,874
Effect of movements in exchange rate on cash held		68	36
Cash and cash equivalents at 30 June	**31**	**29,541**	**12,295**

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

Consolidated statement of changes in equity

For the year ended 30 June 2023

	Notes	Share capital $'000	Other reserves $'000	Profit reserves $'000	Retained losses $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2022		**138,325**	**2,016**	**18,823**	**(74,428)**	**1,404**	**86,140**
Total comprehensive income/(loss) for the period:							
Profit for the period		-	-		26,792	271	27,063
Other comprehensive income		-	88	-	-	-	88
Total comprehensive income for the period		**-**	**88**	**-**	**26,792**	**271**	**27,151**
Transactions with owners in their capacity as owners:							
Transfer to profits reserve		-	-	26,792	(26,792)	-	-
Share-based payments	34	-	1,126	-	-	-	1,126
Dividends to non-controlling interest in subsidiaries		**-**				(191)	(191)
		-	**1,126**	**26,792**	**(26,792)**	**(191)**	**935**
Balance at 30 June 2023		**138,325**	**3,230**	**45,615**	**(74,428)**	**1,484**	**114,226**
Balance at 1 July 2021		**138,325**	**959**	**18,823**	**(46,310)**	**1,187**	**112,984**
Total comprehensive income/(loss) for the period:							
(Loss)/profit for the period		-	-	-	(28,118)	300	(27,818)
Other comprehensive (loss)		-	(76)	-	-	-	(76)
Total comprehensive (loss)/income for the period		**-**	**(76)**	**-**	**(28,118)**	**300**	**(27,894)**
Transactions with owners in their capacity as owners:							
Share-based payments	34	-	1,133	-	-	-	1,133
Dividends to non-controlling interest in subsidiaries		**-**	**-**	**-**	-	(83)	(83)
		-	**1,133**	**-**	**-**	**(83)**	**1,050**
Balance at 30 June 2022		**138,325**	**2,016**	**18,823**	**(74,428)**	**1,404**	**86,140**

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

Notes to the consolidated financial statements

For the year ended 30 June 2023

1. Reporting entity

A2B Australia Limited (the **Company**) is a company domiciled in Australia. The address of the Company's registered office is 9-13 O'Riordan Street, Alexandria. The Consolidated Financial Statements as at and for the year ended 30 June 2023 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 2023 was involved in providing technology, booking, dispatch, 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 adopted by the Australian Accounting Standards Board (**AASB**) and the Corporations Act 2001. The Consolidated Financial statements comply with International Financial Reporting Standards (**IFRS**) adopted by the International Accounting Standards Board (**IASB**).

The Consolidated Financial Statements were authorised for issue by the Board of Directors on 22 August 2023.

Going concern

The financial report has been prepared on a going concern basis. During FY23, the Company returned to profitability, delivered on its 'Better Before Bigger" turnaround strategy and returned to a net cash position at 30 June 2023. The momentum gained in FY23 continued in the early months of FY24 and management is confident that budget targets for FY24 showing revenue and earnings growth are achievable with the Company experiencing continued profitable growth.

As of 30 June 2023, the Group had access to $29.5 million in liquidity and reported a net cash position of $13.9 million. This is an improvement of $20.5 million compared with last year. At 30 June 2023, the Group had access to a working capital facility of $15 million expiring in September 2024. This facility has been renegotiated in August 2023 and extended to September 2026.

Management has prepared cash flow forecast scenarios based on A2B's new strategic plan. The business is expected to continue improving its cash flow position through sustainable growth, supported by its recently implemented strategy and cost control initiatives. These cash flow forecasts demonstrate that the Group has sufficient cash and credit facilities to enable the Group to meet its obligations as they fall due.

Therefore, 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.

Interests in land and buildings

A2B's interests in land and buildings, excluding the properties held for sale, are accounted for under Property, Plant and Equipment and are measured at cost less accumulated depreciation and impairment losses. The book value of A2B's interest in land and buildings, relating to one property located in Melbourne, was $2.2 million as at 30 June 2023. Please refer to Note 10 for further information.

During FY23 the Company entered into contracts to sell both of its properties located in Alexandria, Sydney. The property at 9-13 Bourke Road settled on 29 May 2023 and the property located at 9-13 O'Riordan Street is expected to settle in December 2023. Refer to Note 9 for further information concerning assets held for sale.

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 for 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.

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 7 Trade and other receivables
Note 10 Property, plant and equipment
Note 11 Taxi plate licences
Note 12 Goodwill
Note 13 Intellectual property

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.

Change in classification

During the year ended 30 June 2023, the Group updated the classification of certain operating expenses to better reflect the nature of these expenses.

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

Restated financial statement disclosure	June 2022 $'000	Previous financial statement disclosure	June 2022 $'000
Direct mobility and payment related expenses		Other expenses	
Payment processing costs	(1,407)	Other expenses	(10,582)
School taxi and bus route services cost	(7,729)		
Other Taxi related costs	(1,446)		
	(10,582)		**(10,582)**

Refer to Note 5 for further details of direct mobility and payment related expenses.

New accounting standards

(a) New and amended accounting standards adopted by the Group

During the year, the Group has applied a number of new and revised accounting standards issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2022, as follows:

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments, including:

- Amendments to AASB 137 – Onerous Contracts – Cost of Fulfilling a Contract.
- Amendments to AASB 116 – Property, Plant and Equipment: Proceeds before Intended Use.
- Reference to the Conceptual Framework (Amendments to AASB 3).

Based on AASB 137 Provisions, Contingent Liabilities and Contingent Assets, the full cost approach was utilised and hence there was no impact on measurement of onerous contracts.

None of the above new and amended accounting standards have had a significant impact on the Group's consolidated financial statements.

(b) New accounting standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations are relevant to current operations. They are available for early adoption but have not been applied by the Group in this Financial Report.

- AASB 2020-1 and 2020-6 Classification of liabilities as current or non-current.
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates.
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.
- AASB 17 Insurance Contracts.
- AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts.
- AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 Comparative Information.
- AASB 2022-5 Amendments to AASB 16 Leases – Lease Liability in a Sale and Leaseback.

- AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards.
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants.
- AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements.
- AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules.

AASB 17 Insurance Contracts (AASB 17) will be first applicable to the Group for the financial year commencing 1 July 2023 and must be applied retrospectively. Insurance contracts are defined as contracts 'under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder'. AASB 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts.

Management is in the process of determining the impact and no material items have been identified to date.

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:

Payment processing revenue

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

Network subscription and Taxi plate licence income

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.

Other Taxi related services income

Other Taxi related services income is generated from the fit-out of vehicles as Taxis, and 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 on a straight-line basis over the time when services are rendered, whichever is applicable.

Courier service income

Courier service income was generated from providing courier dispatch services to Customers, of which revenue is recognised at the point in time when services are rendered. Revenue was also generated from subscriptions by courier agents, which was recognised over the period when the services are rendered. This business was sold in August 2022.

Insurance commission revenue

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

Hardware sales income

Sales of hardware are recognised at the 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 relate to the 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 taxi and bus route services revenue

School taxi and bus route services revenue is based on contracts for these services with Government departments. It is billed 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.

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 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

	2023 $'000	2022 $'000
Revenue from contracts with customers		
Payment processing revenue	35,350	25,707
Network subscription income	54,234	42,408
Brokered Taxi plate licence income	4,608	2,487
Owned Taxi plate licence income	461	125
Other Taxi related services income	1,895	1,747
Taxi operating income	6,718	9,483
Courier service revenue	315	3,149
Insurance commission revenue	1,094	917
Car and hardware sales income	8,626	5,711
School taxi and bus route services revenue	11,052	6,382
Taxi Subsidy Scheme revenue	3,620	3,986
Software consulting and licence income	5,442	5,291
Other	4,684	11,849
Total revenue from contracts with customers	**138,099**	**119,242**
Other revenue		
Interest on finance lease receivables and others	1,210	1610
Taxi equipment and terminal rental income	7,942	5,286
Total other revenue	**9,152**	**6,896**
Total revenue	**147,251**	**126,138**

For more information about receivables and contract liabilities from contracts with customers, refer to Notes 7 and 16, respectively.

No information is provided about remaining performance obligations at 30 June 2023 or at 30 June 2022 that have an original expected duration of one year or less, as allowed by AASB 15.

Other income

	2023 $'000	2022 $'000
Non-operating activities		
Government grants	215	2,496
Gain on disposal of property, plant and equipment	83	141
Net gain on property transactions	21,274	-
NSW taxi plate licence compensation - impairment reversal	1,622	-
Total other income	**23,194**	**2,637**

Government grants

In FY23 the Group recognised $215,000 (FY22 $2,378,000) income from Government grants. There were no new Government grants available to the Group in FY23.

Net gain on property transactions

Included in the gain on disposal of property, plant and equipment is the net gain from the sale of the Bourke Road, Alexandria property in May 2023 and the net gain from a land swap.

NSW taxi plate licence compensation – impairment reversal

The Company has recognised as other income the reversal of the impairment resulting from compensation received from the NSW Government to compensate owners of NSW taxi plate licences following legislative changes in FY23.

Total turnover

Total turnover in FY23 was $1,002 million (FY22 $733 million) and 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.

	2023 $'000	2022 $'000
Finance income		
Interest income	34	4
Total finance income	**34**	**4**

5. Direct mobility and payment related expenses

	2023 $'000	2022 $'000
Direct mobility and payment related expenses		
Payment processing costs	(6,982)	(5,098)
Brokered Taxi plate licence costs	(4,198)	(2,059)
Taxi operating expenses	(2,769)	(5,333)
School taxi and bus route services cost	(9,028)	(5,090)
Courier service expenses	(191)	(1,979)
Cost of cars and hardware sold	(7,756)	(5,507)
Other Taxi related costs	(5,096)	(6,676)
	(36,020)	**(31,742)**

Payment processing costs

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

Brokered taxi license plate costs

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

Taxi operating expenses

Taxi operating expenses are all running expenses related to operating A2B's owned fleet of taxis. This fleet makes up a small proportion (<5%) of all vehicles affiliated with A2B's network.

School taxi and bus route services cost

School taxi and bus route services costs are those expenses incurred in providing transport services contracted with Government departments.

Courier service expenses

Courier service expenses are all expenses incurred by the Group related to the provision of courier dispatch services. This business was sold in August 2022.

Cost of cars and hardware sold

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

Other Taxi related costs

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

6. 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

	2023 $'000	2022 $'000
Current income tax expense (benefit)		
Current year	7,592	(13,002)
Capital losses utilised	(6,597)	-
Adjustment for prior years	-	34
	995	(12,968)
Deferred tax expense		
Origination and reversal of temporary differences	976	1,296
Utilisation of previously unbooked tax losses	-	(228)
Origination and reversal of temporary differences	(776)	-
Total income tax expense (benefit)	**1,195**	**(11,900)**

Numeric reconciliation between tax expense and pre-tax profit

	2023 $'000	2022 $'000
Profit / (loss) before tax from continuing operations	28,258	(39,718)
Prima-facie income tax using the corporate tax rate of 30%	8,477	(11,915)
Effect of tax rates in foreign jurisdiction	(186)	(117)
Add tax effect of:		
Non-deductible depreciation	281	305
Other non-deductible items	102	60
Less tax effect of:		
Rebatable fully franked dividends	(106)	(39)
Capital losses utilised	(6,597)	-
Origination and reversal of temporary differences	(776)	-
Recognition of previously unbooked tax losses	-	(228)
Adjustment for prior years - tax payable	-	34
Income tax expense / (benefit)	**1,195**	**(11,900)**
Effective tax rate on pre-tax profit	**4.2%**	**30.0%**

Amounts recognised in other comprehensive income

	2023			2022		
	Before tax	Tax (expense) Benefit	Net of tax	Before tax	Tax (expense) Benefit	Net of tax
	$'000	$'000	$'000	$'000	$'000	$'000
Items which may be reclassified subsequently to profit or loss:						
Foreign exchange translation differences	(88)	-	(88)	76	-	76
	(88)	**-**	**(88)**	**76**	**-**	**76**

7. 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 specifically assessed the circumstances of individual customers in the current environment. A specific doubtful debt provision accounts for most of the Group's allowance for impairment as at 30 June 2023.

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.

	2023 $'000	2022 $'000
Current		
Trade receivables	37,184	55,216
Accumulated impairment losses	(3,551)	(6,937)
Finance lease receivables	3,907	3,356
Other receivables	8,222	8,619
	45,762	**60,254**
Non-current		
Finance lease receivables	5,598	5,303
	5,598	**5,303**
Movement in allowance for impairment		
Opening balance	(6,937)	(7,366)
Net remeasurement in allowance for impairment	(235)	(1,973)
Amount written off as uncollectable	3,621	2,402
Closing balance	**(3,551)**	**(6,937)**

Ageing of trade receivables

	2023			2022		
	Gross $'000	Impairment $'000	Net $'000	Gross $'000	Impairment $'000	Net $'000
Not past due	30,446	(187)	30,259	44,056	(411)	43,645
Past due 1 - 30 days	1,359	(42)	1,317	3,162	(352)	2,810
Past due 31 - 60 days	251	(84)	167	739	(489)	250
Past due 61 - 90 days	304	(73)	231	354	(293)	61
Past due over 90 days	4,824	(3,165)	1,659	6,905	(5,392)	1,513
	37,184	**(3,551)**	**33,633**	**55,216**	**(6,937)**	**48,279**

The Group's credit risk management policies are outlined in Note 32. There have been no changes to the credit risk management policies during the year.

Finance lease receivables

	2023			2022		
	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	4,713	806	3,907	4,080	724	3,356
Between one and five years	6,326	728	5,598	5,849	546	5,303
	11,039	**1,534**	**9,505**	**9,929**	**1,270**	**8,659**

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

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.

8. 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.

	2023 $'000	2022 $'000
Motor vehicles in transit	709	769
Parts, safety cameras and sundries - at cost	2,448	2,898
	3,157	**3,667**

In 2023, inventories of $9,708,000 (2022: $7,826,000) were recognised as an expense during the year and included in "cost of cars and hardware sold" and "other taxi related costs".

9. Assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell.

Once classified as held for sale, property, plant and equipment is no longer depreciated.

On 29 May 2023, settlement took place on the sale of the Company's property at 9-13 Bourke Road, Alexandria for $19.0 million. The net gain from the sale of this property is reflected in 'Other Income' in the Consolidated Statement of Comprehensive Income, refer to Note 3.

On 30 March 2023. the Group exchanged contracts for the sale of its property at 9-13 O'Riordan Street, Alexandria for $78 million. Settlement is expected in December 2023. Accordingly, the Group's interest in the O'Riordan Street property has been classified as an asset held for sale.

The sale prices for both Alexandria properties are in line with the independent valuation for the property undertaken by a registered qualified valuer in May 2022.

	2023 $'000	2022 $'000
Property, plant and equipment at cost	14,945	-
Accumulated depreciation	(4,507)	-
	10,438	**-**

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 12.

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 is 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.

Amounts disclosed below represent the fair value of the Group's interest in land and buildings that were not held for sale at 30 June 2023, 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 the 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.

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.

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

Following the completion of A2B's property portfolio review, the Board decided in July 2023 to also market its remaining Melbourne property. Further detail can be found in Note 35, Subsequent Events.

	Land & buildings $'000	Furniture, fittings, plant & equipment $'000	Eftpos equipment $'000	Total $'000
2023 year:				
Cost				
Opening balance	15,976	78,925	40,997	135,898
Additions	5,247	4,622	1,007	10,876
Disposals	(1,641)	(3,184)	-	(4,825)
Assets held for sale	(13,584)	(1,361)	-	(14,945)
Closing balance	5,998	79,002	42,004	127,004
Accumulated depreciation				
Opening balance	(5,976)	(67,111)	(39,138)	(112,225)
Depreciation expense	(580)	(4,169)	(1,002)	(5,751)
Disposals	751	2,444	-	3,195
Assets held for sale	4,254	253	-	4,507
Closing balance	(1,551)	(68,583)	(40,140)	(110,274)
Net book value				
Opening balance	10,000	11,814	1,859	23,673
Closing balance	**4,447**	**10,419**	**1,864**	**16,730**
2022 year:				
Cost				
Opening balance	16,292	78,045	44,568	138,905
Additions	262	3,640	142	4,044
Impairment	(578)	(2,265)	(3,713)	(6,556)
Disposals	-	(495)	-	(495)
Closing balance	15,976	78,925	40,997	135,898
Accumulated depreciation				
Opening balance	(5,636)	(62,379)	(37,901)	(105,916)
Depreciation expense	(610)	(6,359)	(1,810)	(8,779)
Impairment	270	1,483	573	2,326
Disposals	-	144	-	144
Closing balance	(5,976)	(67,111)	(39,138)	(112,225)
Net book value				
Opening balance	10,656	15,666	6,667	32,989
Closing balance	**10,000**	**11,814**	**1,859**	**23,673**

11. Taxi plate licences

Taxi and other licences acquired separately are reported at cost less accumulated amortisation and impairment losses. These assets are tested for impairment in accordance with the accounting policy.

Taxi plate licences which have indefinite useful lives are tested for impairment in accordance with the policy below.

Taxi plate licences with 10 or 50 year lives are amortised over their respective useful life. These taxi plate licences with a finite life are tested for impairment wherever there is any indication that the asset may be impaired.

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.

During FY23, the NSW Government announced a compensation scheme for owners of NSW taxi plate licences. The Company has previously impaired the value of NSW taxi licences. Following the compensation announcement, a reversal of prior year impairment losses totalling $1,630,000 has been recognised for those licences that the Company has received compensation for as at 30 June 2023. A corresponding disposal of the NSW taxi plate licences has also been recognised in FY23 to reflect the compensation received. Total compensation received by the Group was $1,630,000 with a net gain of $1,622,000 recognised in FY23. The net gain is reported in Other Income, refer to Note 3.

Composition and movement

	Indefinite life	Finite life 50 year renewable	10 year	Total
	$'000	$'000	$'000	$'000
2023 year:				
Cost				
Opening balance	1,311	2,195	3,356	6,862
Additions	-	-	-	-
Impairment reversal	1,630	-		1,630
Disposals	(1,637)	(1)	-	(1,638)
Closing balance	1,304	2,194	3,356	6,854
Accumulated amortisation				
Opening balance	-	(2,194)	(3,319)	(5,513)
Amortisation expense	-	-	-	-
Disposals	-	-	-	-
Closing balance	-	(2,194)	(3,319)	(5,513)
Net book value				
Opening balance	1,311	1	37	1,349
Closing balance	**1,304**	**-**	**37**	**1,341**
2022 year:				
Cost				
Opening balance	1,311	2,195	3,356	6,862
Additions	-	-	-	-
Disposals	-	-	-	-
Closing balance	1,311	2,195	3,356	6,862
Accumulated amortisation				
Opening balance	-	(2,194)	(3,319)	(5,513)
Amortisation expense	-	-	-	-
Disposals	-	-	-	-
Closing balance	-	(2,194)	(3,319)	(5,513)
Net book value				
Opening balance	1,311	1	37	1,349
Closing balance	**1,311**	**1**	**37**	**1,349**

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 no impairment charge was required (FY22 $Nil). To determine value-in-use, 5 scenarios of free cash flows have been prepared based on estimated Taxi plate licence income for the forthcoming year plus annual growth of between -20% to 5% for years 2 to 5 based on expected market conditions with weights of between 10% to 30% (FY22 between -20% to 5% for years 2 to 5 with weights of between 10% to 30%) and a long term growth rate of between -20% to 0% after 5 years (FY22 -20% to 0%). A post-tax discount rate of 12.5% (FY22 12.4%) was applied in determining the 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. An increase of 497 basis points in the post-tax discount rate would be required before an impairment of more than $10,000 is incurred.

12. Goodwill

Goodwill arising on the acquisition of a subsidiary is included in intangible assets. 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.

The two groups of cash generating units are B2C and B2B. There have been no changes to the CGUs during the year.

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 CGUs 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.

The impairment tests of the goodwill allocated to each CGU as per 30 June 2023 was based on base case scenario for the period FY24-FY28. The base case scenario was prepared based on a forecast EBITDA for the forthcoming year. For the base scenario, the assumed annual growth from FY24 - FY28 is 14.5% for B2C CGU and 14.6% for B2B CGU. The long-term terminal growth rate is 2.1% for both CGU's. A post-tax discount rate of 12.5% (FY22 12.4%) was applied in determining the 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.

The valuation of the B2C CGU assumes growth driven by an increased fleet and associated revenue. The recoverable amount of the B2C CGU currently exceeds its carrying value in the base case model by $94.8 million. This is based on a compound annual growth rate of 14.5% for EBITDA over the period from FY24 to FY28 terminal year.

The valuation of the B2B CGU assumes growth driven by an increase in fares processed and associated revenue. The recoverable amount of the B2B CGU currently exceeds its carrying value in the base case model by $31.2 million. This is based on a compound annual growth rate of 14.6% for EBITDA over the period from FY24 to FY28 terminal year.

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 B2C and B2B CGUs becoming equal to the recoverable amount.

For B2C, individual changes in key assumptions used in the base case model that would result in nil headroom would be a decrease to -10.0% in FY24-FY28 compound annual EBITDA growth rate, and an increase to 31.9% in the post-tax discount rate.

For B2B, individual changes in key assumptions used in the base case model that would result in nil headroom would be a decrease to -0.1% in FY24-FY28 compound annual EBITDA growth rate, and an increase to 23.5% in the post-tax discount rate.

	Goodwill allocated		**Impairment loss**	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
B2C	22,954	22,954	-	-
B2B	4,533	4,533	-	-
	27,487	**27,487**	**-**	**-**

	B2C $'000	**B2B $'000**	**Total $'000**
2023 year:			
Cost			
Opening balance	22,954	4,533	27,487
Additions through acquisition	-	-	-
Impairment loss	-	-	-
Closing balance	**22,954**	**4,533**	**27,487**
2022 year:			
Cost			
Opening balance	22,954	4,533	27,487
Additions through acquisition	-		-
Impairment loss	-		-
Closing balance	**22,954**	**4,533**	**27,487**

13. 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 table 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 received	• 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 12.

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 the 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 CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) 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 (CGU) 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 (CGU) 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
2023 year:							
Cost							
Opening balance	944	759	5,684	2,700	40,425	1,426	51,938
Additions - internally developed	-	-	-	-	-	4,564	4,564
Disposals	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-
Closing balance	944	759	5,684	2,700	40,425	5,990	56,502
Accumulated amortisation							
Opening balance	-	(759)	(4,832)	(1,935)	(31,690)	-	(39,216)
Amortisation expense	-	-	(398)	(540)	(2,880)	-	(3,818)
Disposals	-	-	-	-	-	-	-
Closing balance	-	(759)	(5,230)	(2,475)	(34,570)	-	(43,034)
Net book value							
Opening balance	944	-	852	765	8,735	1,426	12,722
Closing balance	**944**	**-**	**454**	**225**	**5,855**	**5,990**	**13,468**
2022 year:							
Cost							
Opening balance	944	759	5,684	2,700	44,503	2,551	57,141
Additions - internally developed	-	-	-	-	-	4,731	4,731
Impairment	-	-	-	-	(7,727)	(2,207)	(9,934)
Transfer	-	-	-	-	3,649	(3,649)	-
Closing balance	944	759	5,684	2,700	40,425	1,426	51,938
Accumulated depreciation							
Opening balance	-	(759)	(4,334)	(1,415)	(31,219)	-	(37,727)
Amortisation expense	-	-	(498)	(520)	(4,386)	-	(5,404)
Impairment	-	-	-	-	3,915	-	3,915
Closing balance	-	(759)	(4,832)	(1,935)	(31,690)	**-**	(39,216)
Net book value							
Opening balance	944	-	1,350	1,285	13,284	2,551	19,414
Closing balance	**944**	**-**	**852**	**765**	**8,735**	**1,426**	**12,722**

14. Net deferred tax assets

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 in 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. Unrecognised capital losses at 30 June 2023 are $Nil (FY22 $6,154,712 gross).

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

	Opening balance $'000	Charged to income $'000	Closing balance $'000
2023 year:			
Accumulated impairment losses - receivables	2,057	(1,046)	1,011
Financial assets (unlisted investment)	286	(4)	282
Employee entitlements	2,926	548	3,474
Accruals	519	81	600
Tax losses	17,121	(17,121)	-
Disposal of property	-	19,554	19,554
Prepayments	(524)	251	(273)
Intellectual property	(538)	-	(538)
Other taxable temporary differences	(1,340)	(30)	(1,370)
	20,507	**2,233**	**22,740**
2022 year:			
Accumulated impairment losses - receivables	2,100	(43)	2,057
Financial assets (unlisted investment)	286	-	286
Employee entitlements	3,188	(262)	2,926
Accruals	411	108	519
Tax losses	3,536	13,585	17,121
Prepayments	(369)	(155)	(524)
Intellectual property	(538)	-	(538)
Other taxable temporary differences	(396)	(944)	(1,340)
	8,218	**12,289**	**20,507**

15. 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.

	2023 $'000	2022 $'000
Unlisted investments		
Shares in other corporations	963	977
	963	**977**

16. 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 relate to the 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.

	2023 $'000	2022 $'000
Trade payables	11,913	10,222
Security deposits	7,375	7,092
Other payables and accruals	16,658	31,573
Contract liabilities	2,247	6,993
	38,193	**55,880**

17. 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 32.

Composition

	2023 $'000	2022 $'000
Unsecured loans	602	1,649
Bank borrowings	15,000	17,274
	15,602	**18,923**

Disclosure in the Consolidated Statement of Financial Position

	2023 $'000	2022 $'000
Current liability	602	1,649
Non-current liability	15,000	17,274
	15,602	**18,923**

Bank facilities

	2023 $'000	2022 $'000
Working capital facility	15,000	25,000
Multi option facility	1,600	4,500
Total facility	**16,600**	**29,500**
Amount used at 30 June	**15,000**	**17,274**
Amount unused at 30 June	**1,600**	**12,226**

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

At 30 June 2023, the bank working capital facility had a limit of $15,000,000 expiring in September 2024. Bank borrowings bear interest, the interest rates are calculated as BBSY plus margin on the drawn loan balance ranging between 2.95% and 5.19% in financial year 2023.

Post balance date the term of the working capital facility was extended to September 2026.

For more information about the Group's exposure to interest rate and liquidity risk, refer to Note 32.

18. 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 the 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 attached 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 leased property to its original condition exists.

Composition

	2023 $'000	2022 $'000
Employee benefit provisions		
Annual leave provision	4,115	4,094
Long service leave provision	3,141	3,035
Redundancy provision	983	1,500
Make good provision	598	751
	8,837	**9,380**

Disclosure in the Consolidated Statement of Financial Position

	2023 $'000	2022 $'000
Current provision		
Employee benefit provisions	7,442	7,840
Make good provision	138	272
Total current provision	**7,580**	**8,112**
Non-current provision		
Employee benefit provisions	798	789
Make good provision	459	479
Total non-current provision	**1,257**	**1,268**
Total provisions	**8,837**	**9,380**

Provision movement

	Annual leave $'000	Long service leave $'000	Redundancy $'000	Make good $'000	Total $'000
Balance at 1 July	4,094	3,035	1,500	751	**9,380**
Provisions made during the year	1,687	1,401	983	129	**4,200**
Provisions used during the year	(1,666)	(1,295)	(1,500)	(21)	**(4,482)**
Provisions reversed during the year	-	-	-	(261)	**(261)**
Balance at 30 June	**4,115**	**3,141**	**983**	**598**	**8,837**

Defined contribution superannuation funds

	2023 $'000	2022 $'000
Contributions to defined contribution superannuation funds	**5,060**	**5,298**

19. 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 the 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 (LTI) plans granted is recognised in the employee compensation reserve over the vesting period.

Composition and movement in issued capital (number of shares)

	2023 number	2022 number
Composition of issued capital		
Fully paid ordinary shares	**121,230,683**	121,230,683

Composition and movement in share capital (dollars)

	2023 $'000	2022 $'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 the 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 shareholder meetings. In the event of a wind 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.

Composition and movement in other reserves

	Foreign currency translation reserve $'000	Fair value reserve $'000	Employee compensation reserve $'000	Total $'000
2023 year:				
Opening balance	(83)	(667)	2,766	**2,016**
Foreign exchange translation differences, net of tax	88	-	-	**88**
Share-based payments	-	-	1,126	**1,126**
Closing balance	**5**	**(667)**	**3,892**	**3,230**
2022 year:				
Opening balance	(7)	(667)	1,633	**959**
Foreign exchange translation differences, net of tax	(76)	-	-	**(76)**
Share-based payments	-	-	1,133	**1,133**
Closing balance	**(83)**	**(667)**	**2,766**	**2,016**

20. Dividends

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

Reflecting the strength of A2B's operating performance and balance sheet, the Board has reinstated the Company's dividends, declaring a final FY23 fully franked dividend of $0.05 per share, scheduled for payment on 26 October 2023. The record date for the FY23 final dividend is 29 September 2023.

21. 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.

	2023	2022
Consolidated profit / (loss) attributable to owners of the Company (in thousands of AUD)	**26,792**	**(28,118)**
Weighted average number of fully paid ordinary shares outstanding during the year used in calculation of basic EPS (in thousands of shares)	**121,231**	**120,556**
Weighted average number of fully paid ordinary shares outstanding during the year used in calculation of diluted EPS (in thousands of shares)	**125,242**	**120,556**

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.

	2023	2022
Basic EPS	22.1 cents	(23.3 cents)
Diluted EPS	21.4 cents	(23.3 cents)

22. Dividend franking balance

	2023 $'000	2022 $'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	**27,338**	**27,232**

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

1. franking credits / (debits) that will arise from the payment/receipt of the current tax liabilities/receivables;
2. franking debits that will arise from the payment of dividends recognised as a liability at the year-end;
3. franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year-end; and
4. 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 (FY22 $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 $27,338,000 (FY22 $27,232,000) franking credits.

23. Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2023 the parent entity of the Group was A2B Australia Limited.

	2023 $'000	2022 $'000
Results of the parent entity		
Loss for the year	(18,898)	(19,523)
Total loss for the year	**(18,898)**	**(19,523)**
Financial position of the parent entity at year end		
Current assets	32,460	51,516
Non-current assets	226,890	250,795
Total assets	**259,350**	**302,311**
Current liabilities	30,107	34,202
Non-current liabilities	132,625	153,722
Total liabilities	**162,732**	**187,924**
Total equity of the parent entity comprising:		
Share capital	138,325	138,325
Reserves	3,385	2,256
Profits reserve	18,823	18,823
Retained losses	(63,915)	(45,017)
Total equity	**96,618**	**114,387**

Parent entity capital expenditure commitments and contingencies

At 30 June 2023, the parent entity has not made any capital expenditure commitments (2022 $Nil). For contingent liabilities as at 30 June 2023, 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 24.

24. 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 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 who are a party to the Deed is as follows:

	2023 $'000	**2022 $'000**
Revenue and other income	156,597	110,874
Expenses	(126,681)	(150,125)
Results from operating activities	**29,916**	**(39,251)**
Finance income	20	2
Finance costs	(3,433)	(1,131)
Profit / (loss) before income tax	**26,503**	**(40,380)**
Income tax (expense) / benefit	(609)	11,996
Profit / (loss) for the year	**25,894**	**(28,384)**
Retained losses at beginning of year	(69,638)	(41,254)
Profit / (loss) for the year	25,894	(28,384)
Transferred to profit reserve	(25,894)	-
Retained losses at end of year	**(69,638)**	**(69,638)**

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

	2023 $'000	2022 $'000
Current assets		
Cash and cash equivalents	26,006	8,695
Trade and other receivables	41,109	65,734
Inventories	2,763	3,342
Prepayments	3,153	2,927
Assets held for sale	10,438	-
Total current assets	**83,469**	**80,698**
Non-current assets		
Trade and other receivables	5,598	5,303
Property, plant and equipment	25,053	21,035
Taxi plate licences	1,303	1,311
Goodwill	26,838	26,838
Intellectual property	13,069	12,312
Right-of-use assets	3,711	5,921
Net deferred tax assets	22,452	20,217
Financial assets	2,596	2,596
Total non-current assets	**100,620**	**95,533**
Total assets	**184,089**	**176,231**
Current liabilities		
Trade and other payables	37,081	53,270
Loans and borrowings	602	1,649
Lease liabilities	1,102	1,446
Current tax liabilities	2,648	152
Deferred income	118	118
Provisions	6,970	6,714
Total current liabilities	**48,521**	**63,349**
Non-current liabilities		
Loans and borrowings	15,000	17,274
Lease liabilities	3,089	5,014
Deferred income	118	236
Provisions	1,209	1,226
Total non-current liabilities	**19,416**	**23,750**
Total liabilities	**67,937**	**87,099**
Net assets	**116,152**	**89,132**
Equity		
Share capital	138,325	138,325
Reserves	2,748	1,622
Profits reserve	44,717	18,823
Retained losses	(69,638)	(69,638)
Total equity attributable to equity holders of the Company	**116,152**	**89,132**

25. 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)

	2023 $	2022 $
Short-term employee benefits - salary, fees, non-cash benefits, cash bonus	2,622,083	2,656,584
Post-employment benefits - superannuation	108,622	180,013
Other long-term benefits	20,457	40,693
Termination benefits	143,750	1,277,768
Share-based payment expense	394,548	708,277
Incentive shares	607,377	424,623
	3,896,837	**5,287,958**

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.

26. Remuneration of auditors

	2023 $	2022 $
Audit and review of financial reports	491,815	453,000
Other services		
Auditors of the Company - KPMG Australia		
Taxation services	273,868	255,521
Other assurance services	25,157	-
	790,840	**708,521**

The increase in non-audit services provided by KMPG primarily relates to tax advice that supported the property transactions that were entered into during FY23.

27. Particulars relating to controlled entities

	Group interest % 2023	Group interest % 2022
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 NSW 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
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 (incorporated in NZ)*	100	100
Cabcharge North America Limited (incorporated in USA)	93	93
Manchester Taxi Division Limited (incorporated in UK)	100	100
Mobile Technologies International Limited (incorporated in UK)	100	100
Mobile Technologies International LLC (incorporated in USA)	100	100

Unless otherwise indicated, all Group companies are incorporated in Australia.

* Cabcharge NZ Limited was deregistered and removed from the NZ Companies Register on 3 August 2023.

The Group has lodged Form 6010 with ASIC for the deregistration of an additional 14 Australian entities in FY23. Confirmation from ASIC of deregistration is outstanding at the date of this report.

28. 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 2023 (FY22 $Nil).

29. Contingencies

The Group had no material contingent liabilities at 30 June 2023 (FY22 $Nil)

30. Right-of-use assets and Lease liabilities

The Group leases various offices and Taxitech workshops. The leases run typically for a fixed period of 1 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 is 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
2023 year:			
Balance at 1 July	6,517	-	6,517
Depreciation	(1,430)	-	(1,430)
Additions	351	-	351
Derecognition *	(1,315)	-	(1,315)
Balance at 30 June	**4,123**	**-**	**4,123**
2022 year:			
Balance at 1 July	12,716	-	12,716
Depreciation	(1,994)	-	(1,994)
Additions	459	-	459
Derecognition *	(4,664)	-	(4,664)
Balance at 30 June	**6,517**	**-**	**6,517**

* Derecognition of the right-of-use assets during 2022 and 2023 is a result of lease re-assessment

Lease liabilities

Contractual undiscounted cash flows	2023 $'000	2022 $'000
One year or less	1,478	2,006
From one to five years	3,766	5,377
Over five years	97	789
Total undiscounted lease liabilities	**5,341**	**8,172**
Current	1,195	1,556
Non-current	3,453	5,530
Total lease liabilities	**4,648**	**7,086**

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 the 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

	2023 $'000	2022 $'000
Interest on lease liabilities	314	359
Depreciation	1,430	1,993
Expenses relating to variable lease payments not included in lease liabilities	267	410

Amounts recognised in the Consolidated Statement of Cash Flows

	2023 $'000	2022 $'000
Total cash outflow for leases	1,803	2,380

31. 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

	2023 $'000	2022 $'000
Profit / (loss) for the year	27,063	(27,818)
Adjustment for non-cash items:		
Depreciation and amortisation	10,999	16,177
Property, plant and equipment impairment charges	-	4,230
Capitalised development costs impairment charges	-	6,019
Net gain on disposal of property, plant and equipment	(21,357)	(97)
Share-based payments	1,126	1,133
Impairment reversal	(1,622)	-
Other non cash items	(595)	(118)
Changes in assets and liabilities, net of the effects of purchase of subsidiaries:		
Change in trade and other debtors	14,119	(14,789)
Change in inventories	510	(396)
Change in creditors and accruals	(19,741)	16,226
Change in provisions	(682)	(436)
Change in income taxes payable	2,786	5,914
Change in deferred tax balances	(2,233)	(12,289)
Net cash from (used in) operating activities	**10,373**	**(6,244)**

Reconciliation of liabilities arising from financing activities

	Interest bearing loans $'000	Lease liabilities $'000	Total liabilities from financing activities $'000
2023 year:			
Balance at 1 July	18,923	7,086	26,009
Net cash flows	(3,321)	(1,489)	(4,810)
Lease net additions, derecognition and remeasure	-	(949)	(949)
Balance at 30 June	**15,602**	**4,648**	**20,250**
2022 year:			
Balance at 1 July	1,864	13,316	15,180
Net cash flows	17,059	(2,021)	15,038
Lease net additions, derecognition and remeasure	-	(4,209)	(4,209)
Balance at 30 June	**18,923**	**7,086**	**26,009**

Cash and cash equivalents

	2023 $'000	2022 $'000
Cash on hand and at bank	29,541	12,295
Balance as per Consolidated Statement of Cash Flows	**29,541**	**12,295**

Restricted cash

There was no restricted cash at 30 June 2023 (2022 $Nil) which relates to current bank facilities. At 30 June 2023, $9.4 million is being held in escrow being the deposit for the sale of the O'Riordan Steet property.

32. Financial instruments and financial risk management

Overview

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the 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.

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 in financial assets recognised in the consolidated statement of comprehensive income were as follows:

	2023 $'000	2022 $'000
Impairment loss on trade receivables arising from contracts with customers	(235)	(1,973)
	(235)	**(1,973)**

a) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. 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 and other 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).

The Group has established an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables and similar investments. The allowance for trade and other receivables is the estimated irrecoverable amounts from billings. The main component of this allowance is a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets

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 it 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 cashflows $'000	6 months or less $'000	6 to 12 months $'000	1 to 2 years $'000	2 to 5 years $'000
2023 year:						
Contract liabilities, trade and other payables	38,193	38,193	38,193	-	-	-
Loans and borrowings	15,602	17,159	991	389	15,779	-
	53,795	**55,352**	**39,184**	**389**	**15,779**	**-**
2022 year:						
Contract liabilities, trade and other payables	55,880	55,880	55,880	-	-	-
Loans and borrowings	18,923	20,056	1,932	283	17,841	-
	74,803	75,936	57,812	283	17,841	**-**

Typically the Group ensures that it has sufficient cash on demand and available liquidity 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 Note 17.

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:

	2023 $'000	2022 $'000
Fixed rate instruments		
Financial assets - finance lease receivables	9,505	8,659
Financial liabilities - lease liabilities	(4,648)	(7,086)
	4,857	**1,573**
Variable rate instruments		
Financial assets - cash and cash equivalents	29,541	12,295
Financial liabilities - loans and borrowings	(15,602)	(18,923)
	13,939	**(6,628)**

As at 30 June 2023, the carrying value of financial assets and liabilities in 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:

	2023	2022
Loans and borrowings	2.95% to 5.19%	1.5% to 3.28%
Finance lease receivables	8% to 12%	8% to 11%

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.

The fair value hierarchy of the investments is provided below:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2023				
Unlisted equity instruments	-	-	963	**963**
30 June 2022				
Unlisted equity instruments	-	-	977	**977**

The valuation techniques and significant unobservable inputs used to determine the fair value of these unlisted equity investments at 30 June 2023 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 2023, 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 2022.

	Profit or loss	
	100 bp increase	**100 bp decrease**
	$'000	**$'000**
2023	(156)	156
2022	(189)	189

33. 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.

Identification of reportable segments

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

The Group previously operated under three operating segments comprising of Mobility Services, Mobility Platforms and Payments. In financial year 2023, the Group was simplified into two operating segments comprising B2C (Business to Consumer) and B2B (Business to Business). Each segment represents a strategic business unit that offers different products and operates in different markets. Comparative numbers have been restated to reflect this change.

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

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

Segment description

Reportable segments under AASB 8 Operating Segments are as follows:

Reportable segment	Principal activities
B2C	Provides taxi network services to taxi operators, drivers, taxi license owners and passengers nationally in Australia. These services include taxi booking services, vehicle financing and insurance, full taxi fit-outs and repairs, driver training and education as well as instant local deliveries. B2C operates through a variety of brands including 13cabs, Silver Service and Maxi Taxi. The majority of revenue comes from network subscriptions that are charged monthly while revenue from related and ancillary services are generated as and when the services are provided (e.g. car sales income, interest on finance lease receivables and others, insurance commission revenue or taxi equipment and terminal rental income not included in subscriptions).
B2B	Provides services to taxi networks, independent operators, corporate clients and governments both nationally and internationally. These services include integrated booking, payment and dispatch technologies, corporate travel solutions, consulting, licensing and other services. B2B operates through a variety of brands including Cabcharge, Spotto, Giraffe and Mobile Technologies International (MTI). 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. Spotto and Giraffe represent our handheld offering for taxi and hire car drivers. The current pricing model attracts a service fee based on the value of transactions processed and/or a terminal rental fee. MTI provides a SaaS booking, dispatch, payment, contact centre and vehicle monitoring platform. MTI earns SaaS style subscription revenue from vehicles accessing its technologies, income from bespoke software development, and fees from project management, which are recorded under software consulting and licence income. MTI operates throughout Australia, New Zealand, North America, Europe and the United Kingdom.

Analysis by segment

	B2C $'000	B2B $'000	Unallocated/ Eliminations[1] $'000	Consolidated $'000
June 2023:				
External segment revenue and other income	88,024	59,306	23,115	170,445
Intersegment revenue and other income	2,552	1,756	(4,308)	-
Total segment revenue and other income	**90,576**	**61,062**	**18,807**	**170,445**
Underlying EBITDA	**10,989**	**9,094**	**-**	**20,083**
June 2022[2]:				
External segment revenue and other income	86,487	40,711	1,577	128,775
Intersegment revenue and other income	69	3,251	(3,320)	-
Total segment revenue and other income	**86,556**	**43,962**	**(1,743)**	**128,775**
Underlying EBITDA	**(10,013)**	**(1,996)**	**2,566**	**(9,443)**

1. Unallocated/Eliminations represents unallocated corporate costs, Government subsidies (including JobKeeper), gain on property transactions and consolidation elimination entries.

2. June 2022 values have been adjusted to reflect the changes made to segments and in the calculation of underlying EBITDA in June 2023.

Reconciliation of underlying EBITDA to statutory results from operating activities

	2023 $'000	2022[1] $'000
Underlying EBITDA	**20,083**	**(9,443)**
Items not included in Underlying Profit Before Tax:		
Net gain on property transactions	21,274	-
NSW taxi plate licence compensation, impairment reversal	1,622	-
Impairments and asset write-offs	-	(9,750)
Termination and restructuring	(2,007)	(5,580)
AASB16 depreciation, other items	1,789	2,450
Total items not included in underlying EBITDA	22,678	(12,880)
Depreciation and amortisation expenses	(10,999)	(16,177)
Results from operating activities	**31,762**	**(38,500)**

1. 2022 values have been adjusted to reflect the changes made in the calculation of underlying EBITDA in 2023.

Segment assets and liabilities have not been disclosed as these

are not reported to the CODM and are not used by the CODM to assess performance and to make resource allocation decisions.

Geographical information

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

Through its MTI and ManTax subsidiaries. the Group operates in other geographic segments including North America, Europe and the United Kingdom. These foreign subsidiaries contributed $7.2 million in revenue (FY22 $5.9 million) and non-current assets of $0.6 million (FY22 $0.6 million) to the Group’s Consolidated Statements.

34. Share-based payment – Long term incentive

The Group has provided Long Term Incentive (LTI) awards to the KMP 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 $1,125,901 (FY22 $1,132,899).

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
2023 year						
Performance Rights granted to Key Management Personnel and senior management on 1 September 2022	200,000	Share price	Trinomial Lattice methodology	$0.76	30 June 2026	1 July 2022 to 30 June 2026
	200,000	Share price		$0.60		
	200,000	Share price		$0.46		
Total number of Rights	**600,000**					
2022 year						
Incentive shares granted to Executive Chairman on 28 April 2022	400,000	Service	Monte Carlo simulation	$1.29	30 September 2022	N/A
	200,000	Service			31 March 2023	
	200,000	Service			1 July 2023	
Performance Rights granted to Executive Chairman on 28 April 2022	500,000	Share price	Monte Carlo simulation	$1.02	30 June 2026	28 April 2022 to 30 June 2026
	500,000	Share price		$0.87		
	500,000	Share price		$0.74		
Total number of Rights and Incentive Shares	**2,300,000**					
2021 year						
Rights granted to CEO and key management personnel on 19 November 2020	666,667	Absolute Total Shareholder Return (market condition)*	Monte Carlo simulation	$0.68	15 September 2023	1 July 2020 to 30 June 2023
	444,444	Relative Total Shareholder Return (non-market condition)*	Monte Carlo simulation	$0.69		
Total number of Rights	**1,111,111**					

* Details of the operation of LTI awards are outlined in the Remuneration Report from page 22 to 36.

Key assumptions

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

	2023 1 September 2022	2022 28 April 2022
Share price at grant date	$1.17	$1.29
Expected life	3.8 years	3 years
Expected volatility	45%-55%	37%
Dividend yield	0.00%	0.00%
Risk-free interest rate	3.26%	2.68%

Reconciliation

The reconciliation of outstanding rights is shown in the following table:

	Number of Rights	
Performance Rights reconciliation	**2023**	**2022**
Rights outstanding as at 1 July	4,412,850	3,178,743
Rights granted	600,000	2,300,000
Rights forfeited	-	-
Rights lapsed	(2,542,479)	(1,065,893)
Rights exercised	-	-
Rights outstanding as at 30 June	2,470,371	4,412,850
Rights exercisable as at 30 June	-	-

35. Subsequent events

Dividends

In August 2023 the Board declared to pay a final fully franked dividend of $0.05 per share for FY23 with a record date of 29 September 2023 and a payment date of 26 October 2023.

Property sale

Following completion of the A2B property portfolio review, the Board resolved in July 2023 to sell its remaining property located in Melbourne at Downing Street, Oakleigh. Marketing activities commenced in July 2023.

Directors' Declaration

1) In the opinion of the directors of A2B Australia Limited (the 'Company'):

    a) the Consolidated Financial Statements and notes that are set out on pages 38 to 89 and the Remuneration Report in the Directors' Report, set out on pages 22 to 36, are in accordance with the *Corporations Act 2001*, including:

        i) giving a true and fair view of the consolidated entity's financial position at 30 June 2023 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 will be able to pay its debts as and when they become due and payable.

2) There are reasonable grounds to believe that the Company and the controlled entities identified in Note 24 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.

3) The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Executive Chairman and Chief Financial Officer for the financial year ended 30 June 2023.

4) The directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors

Mark Bayliss
Executive Chairman
22 August 2023

Brent Cubis
Director
22 August 2023

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 2023 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 2023
- 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
- 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 (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.

KPMG

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, 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 2023 ($ 27.5 million)

Refer to Note 12: Goodwill in the Financial Report

The key audit matter	How the matter was addressed in our audit
The valuation of Goodwill is considered a key audit matter due to the size of the balance and the significant audit effort 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 when processing payments; and • Estimation uncertainty on the ongoing recovery of the CGUs in the Group from changing customer behaviours following the COVID-19 global pandemic. 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.	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 checked the forecast cash flows in the Group's value in use model to the Board approved FY24 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 challenged the Group's forecast cash flow and growth rate assumptions in light of the 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 the 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. • 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.

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

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.

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's ability to continue as a going concern. 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 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.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of A2B Australia Limited for the year ended 30 June 2023, 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 24 to 36 of the Directors' report for the year ended 30 June 2023.

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

KPMG

KPMG

Cameron Slapp
Partner
Sydney
22 August 2023

Shareholder Information

The information below was prepared as at 8 August 2023.

20 largest shareholders

	Holder	Number of shares held	% issued capital
1	CITICORP NOMINEES PTY LIMITED	29,548,443	24.37
2	PALM BEACH NOMINEES PTY LIMITED	13,189,434	10.88
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,716,677	8.84
4	COMFORTDELGRO CORPORATION LIMITED	8,980,676	7.41
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	6,605,830	5.45
6	PRUDENTIAL NOMINEES PTY LTD	3,900,000	3.22
7	BNP PARIBAS NOMS PTY LTD	3,648,451	3.01
8	BOND STREET CUSTODIANS LIMITED	2,669,112	2.20
9	SWAN TAXIS PTY LTD	2,631,004	2.17
10	NATIONAL EXCHANGE PTY LTD	2,000,000	1.65
10	PORTMAN TRADING PTY LTD	2,000,000	1.65
11	UBS NOMINEES PTY LTD	1,364,203	1.13
12	J S R T PTY LTD	1,188,000	0.98
13	T MITCHELL PTY LTD	1,160,818	0.96
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSI EDA	1,136,376	0.94
15	MARK BAYLISS	800,000	0.66
16	AKAT INVESTMENTS PTY LIMITED	650,000	0.54
17	NEWECONOMY COM AU NOMINEES PTY LIMITED	528,307	0.44
18	MS FABY CHONG	525,487	0.43
19	MR RONALD ALFRED BRIERLEY	500,000	0.41
19	BARADNIL PTY LIMITED	500,000	0.41
20	BNP PARIBAS NOMINEES PTY LTD	476,447	0.39
	Total	**94,719,265**	**78.13**

Substantial shareholders

Holder	Number of shares held	% issued capital
Spheria Asset Management	20,800,367	17.16
Sandon Capital	13,189,424	10.87
Investors Mutual	13,082,423	10.79
ComfortDelGro Corporation Limited	11,611,680	9.58
Pinnacle Investments Management Group Limited	7,607,688	6.28
Edgbaston Investment Partners	6,347,465	5.24

Information included in the substantial shareholders table is sourced from substantial shareholder notices of the register that the Company' maintains in accordance with section 672DA of the Corporations Act 2001, in each case as at 8 August 2023.

Spread of shareholders

Size of holding	Number of holders	Number of shares held	% of issued capital
1 to 1000	1,396	731,459	0.60
1001 to 5000	1,299	3,421,884	2.82
5001 to 10000	380	2,676,902	2.21
10001 to 100000	458	12,678,984	10.46
100001 and Over	60	101,721,454	83.91
Total	**3,135**	**121,230,683**	**100**

The number of security investors holding less than a marketable parcel of securities is 540 and they hold 66,090 securities.

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.

Annual General Meeting

The 2023 Annual General Meeting of the shareholders of A2B Australia Limited will be held at 11am on Thursday, 16 November 2023 in The Gold Melting Room, The Mint, 10 Macquarie Street, Sydney.

Full details provided in the Notice of Meeting.

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Howard Edelman

Auditor

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