

24 November 2021

The Manager

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

**Electronic Lodgement**

Attached is an announcement for release to the market.

Authorised for lodgement by:



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# **Morgans Technology Conference**

Andrew Skelton – CEO

24 November 2021


# Welcome to A2B – We Enable People to Access the Power of Mobility




A2B is a technology and payments company. We leverage our payments capabilities to provide integrated solutions to the Mobility industry.




Operating Model	✓	Mobility Services
	✓	Deliveries
	✓	SaaS Technology Offering
	✓	Proprietary Payment Stack
Business Characteristics	✓	Capital Light Model
	✓	Low Customer Concentration
	✓	Track record of Profitability
	✓	COVID Reopening Beneficiary




~40,000 vehicles leveraging A2B technologies




45 years of mobility innovation



innovation through 130 strong Technology team



A\$1bn fares processed/annum












830 staff across Australia, North America and Europe

Personal Transport & Rideshare









Transport Technology

Payments & Processors

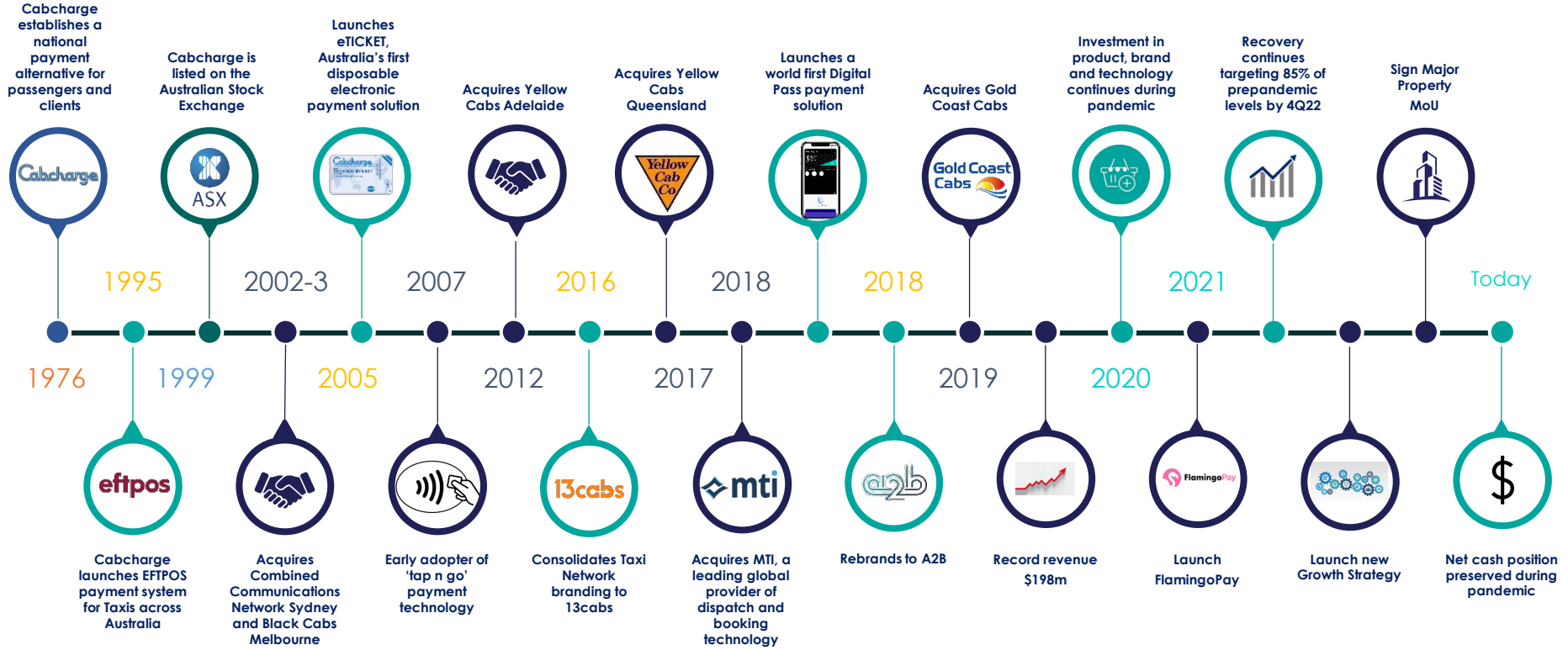
**Our Brands**

   	 	  
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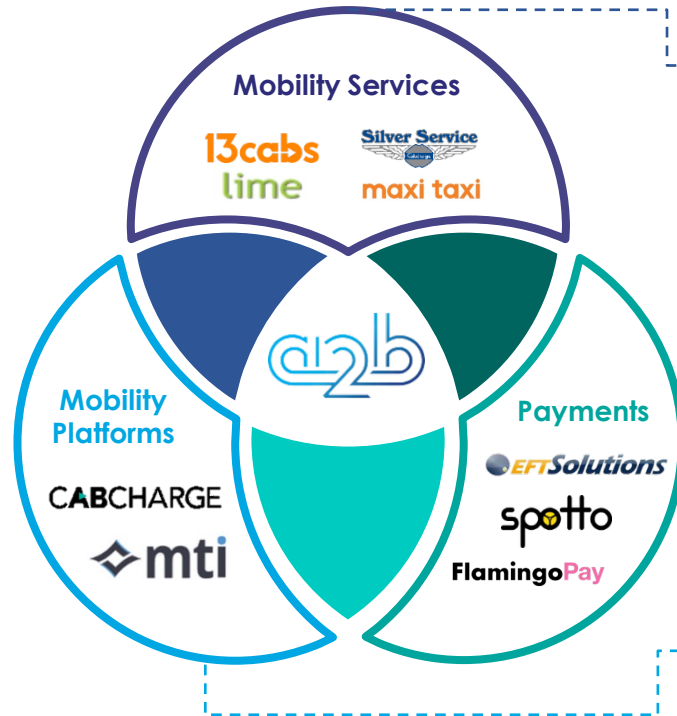
**Other key players**

# A2B at a Glance – Timeline



# Our Products and Services are an Integrated Ecosystem



## Cash generative | Market leadership

- Integrated 'one-stop-shop' Taxi network services.
- Earns monthly subscription fees from affiliated cars across the network – leading coverage in Australia.
- Tailored product offerings for different market segments with access to class leading booking, dispatch and payment solutions.
- Proving ground for innovations which are white-labelled for the Mobility Platforms and Payments businesses.

## Substantial payment terminal fleet | End-to-end payment processing

- Leader in mobility payment processing.
- Innovative payment software solutions across Personal Transport, retail, and banking sectors with clients such as AusPost, Woolworths and Westpac.
- Accept all payment types with direct acquiring relationships with multiple schemes.
- New market entrant to Australian Payment Aggregation market with differentiated offering for Small to Medium Businesses.

## Integrated bookings and payments | Global SaaS-based mobility management software

- World class integrated omni-channel software solution – specialist enterprise and customer facing solutions.
- Market leading features – Preferred Driver, Price Guarantee, hail to digital trip, API integrations, closed loop payments and AI driven route optimisation.
- In-house tech capabilities: Operations in Australia, New Zealand, USA, Canada, UK, Finland, Sweden, and Denmark.

# Our Business is Resilient

## Financial Flexibility



Bank facilities provide ample headroom to navigate remaining pandemic headwinds and implement our 4-year strategy.

## Robust Balance Sheet



A2B's strong balance sheet and disciplined approach to cash enabled continued investment in product and service upgrades while providing \$20m in support to affiliated Drivers and Operators in FY21.

## Economic Resilience



Of realised cost savings:

- \$24.6m activity driven
- \$8.1m indirect cost.

In addition \$4m in annualised savings has been identified for activation in 1H22.

## Asset Strength



A strong net asset position provides an additional layer of stability and underpins our whole of company valuation.

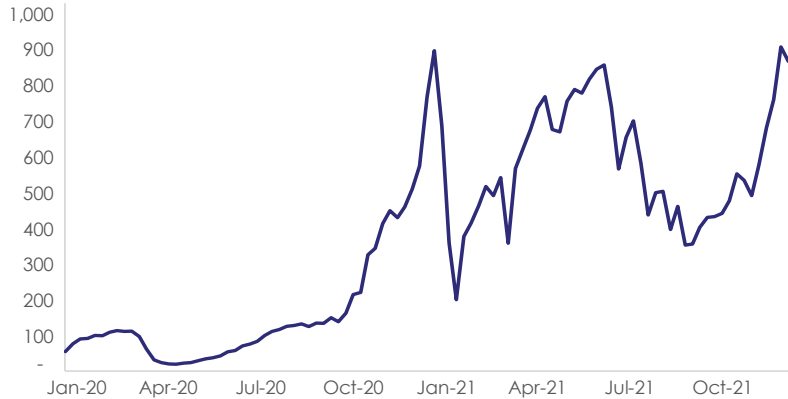
Recently entered an MoU to swap a site in Alexandria recently valued at \$57m for a purpose designed site worth an estimated \$135m.

# FY22 Update: Core is Leveraged to Reopening of the Economy

## 13cabs app

Strong re-bounce in card-not-present

Weekly 13cabs App Payments (\$000's)

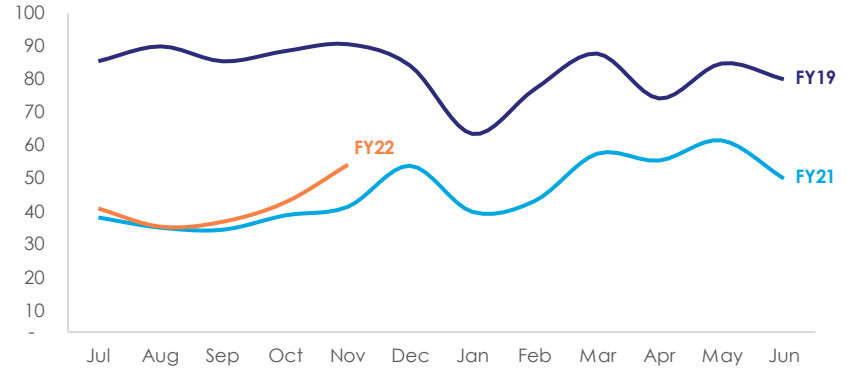


- App channel recovers quickly reaching **all time high**
- **18%** of 13cabs trips now paid in app
- **\$45m** current annualised run rate for app processing

## Total activity

Performance favourable YoY despite unfavourable external settings

Fares Processed (\$m)



- Moving forward external settings are favourable with:
  - 85.5%<sup>(1)</sup> of population double vaccinated (91.7% single dose)
  - International borders opening up
  - Unlikely to experience similar lockdowns as in FY21

Fares processed relative to FY19	Q1	Q2	Q3	Q4
FY21	39%	49%	60%	68%
FY22	41%			

Note: (1) as at 22 November 2021, Australian Government – Department of Health

# Significant Opportunities Available Through Shared Technologies

Under our new strategy A2B's technologies, scale and experience are leveraged to grow and win in new verticals and markets.

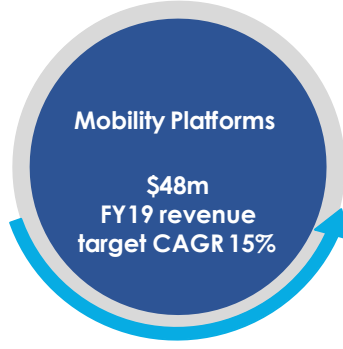


## RECOVER AND GROW OUR CORE



- Increase market share.
- Be the market leader for instant deliveries.
- Leverage scale to benefit all 13cabs stakeholders.

**Markets:** Australia  
**Market size:** \$0.5bn  
**Market share:** 22%, target 30-35%

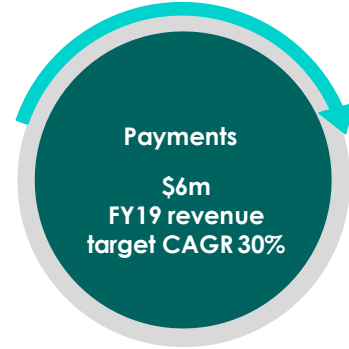


## INTERNATIONAL EXPANSION



- Establish single global scalable mobility platform.
- Grow ANZ and international market share.
- Transition to subscription and/or transaction based charging model.

**Markets:** ANZ, North America, Europe, UK  
**Market size:** \$1bn  
**Market share:** 4%, target 10-15%



## EXTEND CAPABILITIES



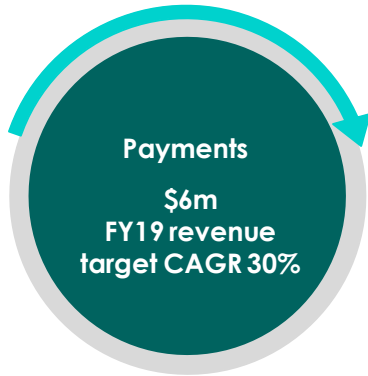
- Establish payments business serving AU market.
- Productise and sell our capabilities.
- Improve our capabilities to include CNP, POS integration and loyalty.

**Markets:** Australia  
**Market size:** \$4bn  
**Market share:** target 0.6%



# Expansion in Payments is an Extension of Existing Capabilities

A2B has a long experience delivering payment services for the taxi industry, and for several years has been providing payment software to banks and major retailers.



## EXISTING CAPABILITIES

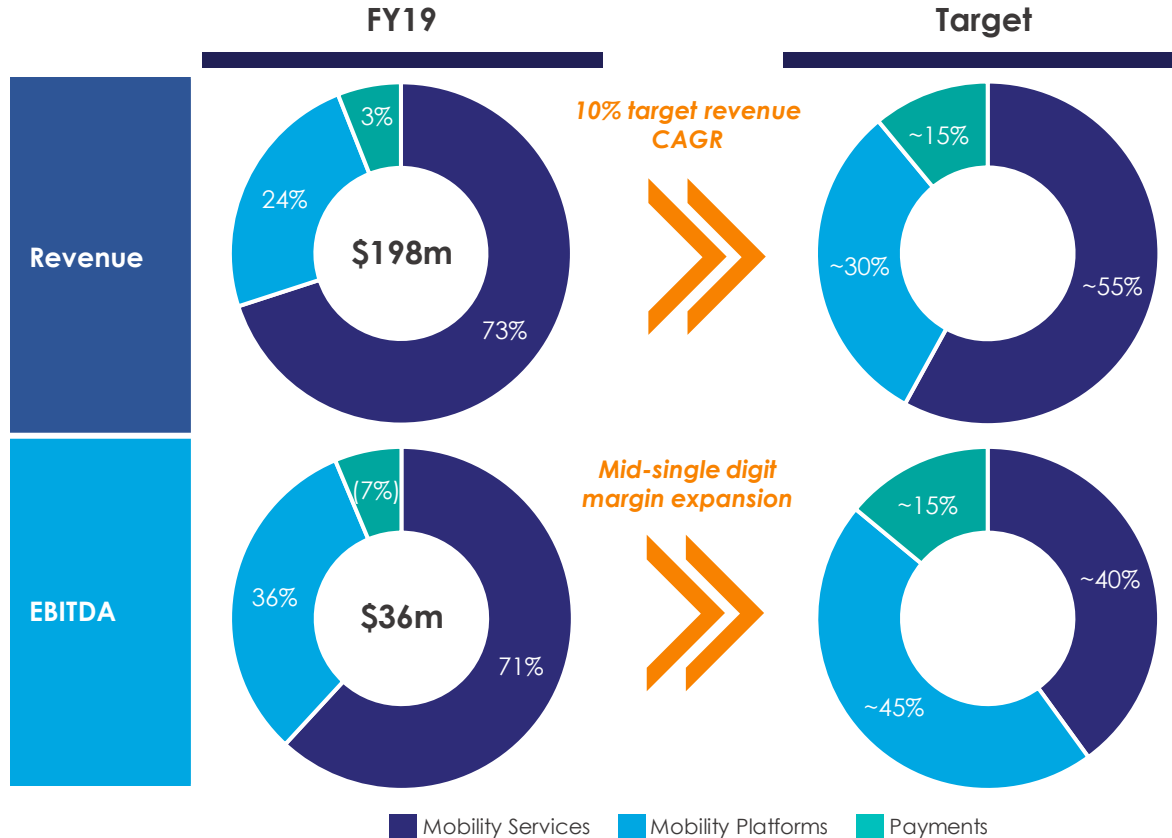
- 6th largest payment terminal fleet in Australia.
- Operate our own payment switch.
- Existing terminal management and logistics capabilities.
- Capabilities with merchant directed routing since it first became available.
- Existing fixed cost base to support mobility payments.
- We write our own payment terminal software.
- Card issuing and acquiring.

## PROGRESS

- 28 September 2021, announced our FlamingoPay go-to-market strategy.
- Our digital footprint is expanding with the launch of our social media presence and new website ([www.flamingopay.com.au](http://www.flamingopay.com.au)).
- Sales pipeline conversion metrics are improving week on week.
- We have onboarded our first batch of customers, using their new FlamingoPay payment terminals to process and settle transactions.
- Immediate plans are to leverage our positive sales conversion metrics to begin scaling up our customer acquisition efforts and to roll out FlamingoPay Plus features.



# Diversify Through Growth in New Geographies and Verticals



## Build on our core strengths.

Continued strength in Australian mobility sector to drive near term cash flow and profitable growth.

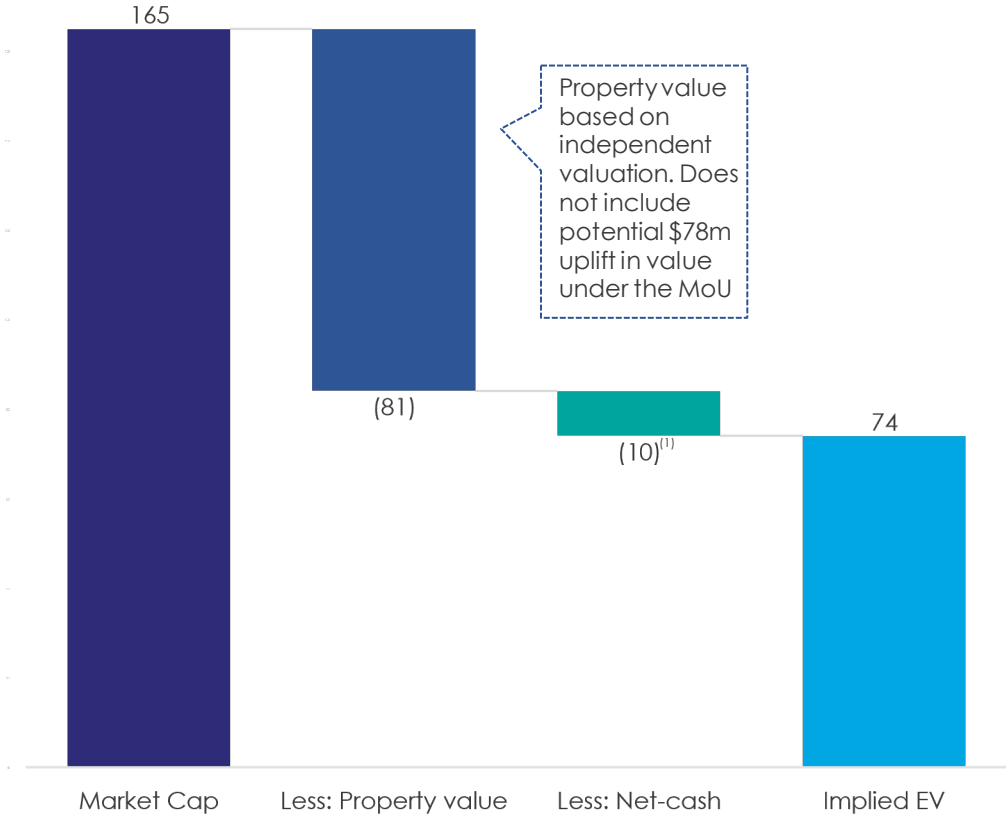
## Recycle technology and capabilities designed for taxi sector to a broader customer base.

Develop new growth channels as an outgrowth of our existing technology capabilities.

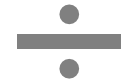
## Targeted capital investment.

Profitable growth a key focus area.

# Material Valuation Upside



**\$74m**



**\$36m**

**Implied Operating EV**

Based on share price as at 22 November 2021 and assuming adjustment for property value of \$81m.

**FY19 pre-pandemic EBITDA<sup>(2)</sup>**

**2.1x**

**Implied EV / EBITDA of Operating Business**

- Following a strategic review that concluded in 2017, A2B sold its non-core assets including some properties and retained 15,914 sqm of centrally located Business Park/Industrial property in Sydney and Melbourne.
- The retained properties have material upside, with valuation increasing by \$28m since 2018.
- The retained sites are strategically significant and assessed on their merits as demonstrated by the recent announcement on our Alexandria site.**

Note: (1) Net cash position as at 30 June 2021. (2) Excludes any adjustments for additional rent to determine a standalone operating EBITDA.

# Why Invest in A2B Now?

1

## **Pandemic resilient balance sheet.**

Proven track record of execution even in challenging situations.

2

## **Leveraged to economy re-opening.**

Positioned to bounce back and expand in the growing market for mobility and deliveries.

3

## **Clearly defined and tangible transformation strategy.**

Plan to unlock value from A2B's existing capabilities and diversify revenue.

4

## **Significant white space available.**

Expanding TAM to ~\$5.5b with further upside available via entry into new markets.

5

## **Whole of company approach.**

Strong net asset position and clearly defined value propositions of multiple operating segments.

