

### Update to Scheme – Release of Scheme Booklet

A2B Australia Limited (**A2B**) refers to its announcement released to the ASX on 21 February 2024 in relation to the proposed scheme of arrangement under which ComfortDelGro Corporation Australia Pty Ltd (**CDC**), a wholly-owned subsidiary of ComfortDelGro Corporation Limited (**CDG**), proposes to acquire (via CDC Private Mobility Pty Ltd) 100% of the shares in A2B that CDG and each subsidiary of CDG does not already own for \$1.45 cash consideration per share (**Scheme**), and the orders made by the Supreme Court of New South Wales (**Court**) that A2B convene a meeting of A2B Shareholders to consider and vote on the Scheme (**Scheme Meeting**) and approving the distribution of an explanatory statement providing information about the Scheme and notice convening the Scheme Meeting (**Scheme Booklet**) to A2B Shareholders.<sup>1</sup>

#### Details of the Scheme Meeting

The Scheme Meeting will be held at The Mint, 10 Macquarie Street, Sydney NSW 2000 on 25 March 2024, commencing at 9.00am (Sydney time). A2B Shareholders and their proxies, attorneys or corporate representatives will be entitled to attend the Scheme Meeting.

All registered A2B Shareholders as at 7.00pm (Sydney time) on 23 March 2024 (other than the Excluded Shareholders) will be entitled to vote on the resolution to approve the Scheme at the Scheme Meeting. CDC Group Members will not vote at the Scheme Meeting.

A2B Shareholders (other than Excluded Shareholders) are encouraged to vote by attending the Scheme Meeting in person or by attorney or corporate representative, or alternatively, by completing and ensuring that the proxy appointment in the proxy form accompanying the Scheme Booklet is returned by 9.00am (Sydney time) Saturday, 23 March 2024.

#### Release of Scheme Booklet

A2B is pleased to announce that the Australian Securities and Investments Commission has registered the Scheme Booklet. This follows orders made by the Court today approving the Scheme Meeting and the distribution of the Scheme Booklet to A2B Shareholders, also as announced by A2B today.

A copy of the Scheme Booklet, including the Independent Expert's Report and the notice of Scheme Meeting, will be emailed or posted to A2B Shareholders. A copy of the Scheme Booklet and proxy form is also attached to this announcement.

A2B Shareholders who have elected to receive all shareholder communications electronically will receive an email that will contain instructions on how to view and download a copy of the Scheme Booklet and how to lodge their proxies for the Scheme Meeting. The Scheme Booklet can be downloaded from A2B's website at [www.a2baustralia.com/investor-center/asx/](http://www.a2baustralia.com/investor-center/asx/).

A2B Shareholders should read the Scheme Booklet in its entirety before deciding whether to vote in favour of the Scheme.

#### Independent Expert's conclusion

The Scheme Booklet contains a copy of the Independent Expert's Report prepared by Lonergan Edwards & Associates Limited (**Independent Expert**).

Capitalised terms used, but not defined, in this announcement have the meanings given to them in the scheme implementation agreement released to the ASX by A2B on 22 December 2023.

The Independent Expert has concluded that the Scheme is fair and reasonable, and therefore, in the best interest of A2B Shareholders (other than Excluded Shareholders) in the absence of a Superior Proposal. The Independent Expert has assessed the value of an A2B Share on a controlling interest basis to be in the range of \$1.30 to \$1.54. The Scheme Consideration of \$1.45 per Scheme Share falls within this range.

The Independent Expert's conclusions should be read in context with the full Independent Expert's Report and the Scheme Booklet.

### **A2B Board recommendation**

The A2B Board continues to unanimously recommend that A2B Shareholders (other than Excluded Shareholders) vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of A2B Shareholders (other than Excluded Shareholders).

Each A2B Director intends to vote the A2B Shares they hold or the voting rights attached to A2B Shares that they control, and will direct any A2B proxies placed at their discretion (other than by an Excluded Shareholder), in favour of the Scheme subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of A2B Shareholders (other than Excluded Shareholders) and in the absence of a Superior Proposal.

### **Indicative Scheme timetable and update on Conditions Precedent**

If the requisite majorities of A2B Shareholders (other than Excluded Shareholders) approve the Scheme at the Scheme Meeting, and all other applicable Conditions Precedent to the implementation of the Scheme (other than the Conditions Precedent relating to final Court approval and lodgement of the Court orders with ASIC) are satisfied (or, if applicable, waived) A2B will apply to the Court for orders approving the Scheme.

The key events and the expected timing in relation to the approval and implementation of the Scheme are set out in the table below.

<b>EVENT</b>	<b>EXPECTED DATE</b>
<b>Despatch of the Scheme Booklet</b>	Friday, 23 February 2024
<b>Scheme Meeting</b>	9.00am (Sydney time) on Monday, 25 March 2024
<b>Second Court hearing</b> Orders sought to approve the Scheme	3.00pm (Sydney time) on Thursday, 28 March 2024
<b>Effective Date</b> A2B lodges Court orders with ASIC and Scheme becomes Effective Last day of trading in A2B Shares on the ASX	Tuesday, 2 April 2024
<b>Record Date</b> Date for determining entitlement to Scheme Consideration	7.00pm (Sydney time) on Thursday, 4 April 2024

**EVENT****EXPECTED DATE****Implementation Date**

Thursday, 11 April 2024

All A2B Shares (other than those held by Excluded Shareholders) are transferred to CDC Private Mobility Pty Ltd and the Scheme Consideration is paid to Scheme Participants

All dates in the timetable above are indicative only and are subject to the Court approval process and the satisfaction (or, where applicable, waiver) of the applicable Conditions Precedent to the implementation of the Scheme. In particular, implementation of the Scheme is subject to receipt of ACCC clearance in respect of the Scheme (as described in detail in the Scheme Booklet), and the timing of receipt of ACCC clearance and satisfaction of that condition may cause the indicative dates in the timetable above to change.

As of the date of this announcement, ACCC clearance remains outstanding. The Scheme is conditional on ACCC clearance being obtained before 8.00am on the Second Court Date. An update as to the status of the Conditions Precedent will be provided at the Scheme Meeting.

A2B will announce any changes to the above timetable to the ASX as required.

**Further information**

For further information, A2B Shareholders should contact the A2B Shareholder Information Line on 1300 408 784 (within Australia) and +61 2 8072 1489 (outside Australia) between 8.30am and 8.00pm (Sydney time), Monday to Friday (excluding public holidays).

- ENDS -

*Authorised for lodgement by the Board of A2B Australia Limited.*

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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/>.

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## Scheme Booklet

In relation to an all-cash proposal from ComfortDelGro Corporation Australia Pty Ltd (ABN 84 002 072 004) (**CDC**), a wholly-owned subsidiary of ComfortDelGro Corporation Limited (UEN 200300002K) (**CDG**), to acquire all of the ordinary shares in the capital of A2B Australia Limited (ABN 99 001 958 390) (**A2B**) for \$1.45 cash consideration per A2B Share held by Eligible A2B Shareholders via CDC's wholly-owned subsidiary and nominee, CDC Private Mobility Pty Ltd (ACN 674 449 640) (**CDC Sub**), by way of a scheme of arrangement between A2B and Eligible A2B Shareholders.

# VOTE IN FAVOUR

Your Directors unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of Eligible A2B Shareholders.

**This is an important document and requires your immediate attention.** You should read it carefully and in its entirety before deciding whether or not to vote in favour of the Scheme.

If you are in doubt as to what you should do, you should consult your broker or financial, taxation, legal or other professional adviser.

If, after reading this Scheme Booklet, you have any questions in relation to this Scheme Booklet or the Scheme, you should contact the A2B Shareholder Information Line on 1300 408 784 (within Australia) and +61 2 8072 1489 (outside Australia) between 8.30am and 8.00pm (Sydney time), Monday to Friday (excluding public holidays).

This Scheme Booklet has been sent to you because you are shown in the Register as holding A2B Shares. If you have recently sold all your A2B Shares, please disregard this Scheme Booklet.



Financial Adviser

Legal Adviser

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# Important notices

## General

This Scheme Booklet is important and requires your immediate attention. You should read this Scheme Booklet carefully and in its entirety before deciding whether or not to vote in favour of the Scheme at the Scheme Meeting.

## Purpose of Scheme Booklet

The purpose of this Scheme Booklet is to explain the terms of the Scheme and the manner in which the Scheme will be considered and implemented (if approved by the Requisite Majority of Eligible A2B Shareholders and the Court and all other Conditions Precedent are satisfied (or alternatively waived, in the case of certain Conditions Precedent that are capable of being waived)) and to provide such information as is prescribed or otherwise material to the decision of Eligible A2B Shareholders whether or not to approve the Scheme. This Scheme Booklet includes the explanatory statement required to be sent to A2B Shareholders under Part 5.1 of the Corporations Act in relation to the Scheme.

This Scheme Booklet does not constitute or contain an offer to A2B Shareholders, or a solicitation of an offer from A2B Shareholders, in any jurisdiction. This Scheme Booklet is not a disclosure document required by Chapter 6D of the Corporations Act. Subsection 708(17) of the Corporations Act provides that Chapter 6D of the Corporations Act does not apply in relation to arrangements under Part 5.1 of the Corporations Act approved at a meeting held as a result of an order under subsection 411(1). Instead, A2B Shareholders asked to vote on an arrangement at such a meeting must be provided with an explanatory statement as referred to above.

## Responsibility for information

The A2B Information has been prepared by A2B and is the responsibility of A2B. None of CDG, CDC, and CDC Sub or their respective directors, officers, employees, contractors or advisers assume any responsibility for the accuracy or completeness of the A2B Information.

The CDC Information has been provided by CDC and CDC Sub and is the responsibility of CDC and CDC Sub. None of A2B or its directors, officers, employees, contractors or advisers assume any responsibility for the accuracy or completeness of the CDC Information.

The Independent Expert has prepared the Independent Expert's Report (as set out in Annexure A) and takes responsibility for that report. None of A2B, CDG, CDC, and CDC Sub or any of their respective directors, officers, employees, contractors or advisers assume any responsibility for the accuracy or completeness of the Independent Expert's Report.

KPMG has reviewed section 6 as prepared by A2B. Subject to section 7.7, none of A2B, CDG, CDC, and CDC Sub or any of their respective directors, officers, employees, contractors or advisers assume any responsibility for the accuracy or

completeness of section 6, except, in the case of A2B, in relation to the information which it has provided to KPMG.

## ASIC and ASX

A copy of this Scheme Booklet was provided to ASIC under subsection 411(2) of the Corporations Act and registered by ASIC under subsection 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with subsection 411(2) of the Corporations Act. ASIC has been requested to provide a statement, in accordance with subsection 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Second Court Hearing. Neither ASIC nor its officers take any responsibility for the contents of this Scheme Booklet.

A copy of this Scheme Booklet has been provided to the ASX for its review under the Listing Rules. Neither the ASX nor its officers take any responsibility for the contents of this Scheme Booklet.

## Important notice associated with Court orders under subsection 411(1) of the Corporations Act

The fact that under subsection 411(1) of the Corporations Act the Court has ordered that a meeting be convened and has approved the explanatory statement required to accompany the Notice of Scheme Meeting does not mean that the Court:

- has formed any view as to the merits of the proposed scheme or as to how A2B Shareholders should vote (on this matter A2B Shareholders must reach their own decision); or
- has prepared, or is responsible for the content of, the explanatory statement.

## Notice of Scheme Meeting

The Notice of Scheme Meeting is set out in Annexure D.

## Notice of Second Court Hearing and if any A2B Shareholder wishes to oppose the Scheme

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the vote at the Scheme Meeting. Any A2B Shareholder may appear at the Second Court Hearing, expected to be held at 3.00pm on 28 March 2024 at the Supreme Court of New South Wales, Law Courts Building, 184 Phillip Street, Sydney NSW 2000.

Any A2B Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on A2B a notice of appearance in the prescribed form together with any affidavit that the A2B Shareholder proposes to rely on. The notice of appearance and affidavit must be served on A2B at the address for service

at least one day before the date fixed for the Second Court Hearing.

The address for service is: c/o King & Wood Mallesons, Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000, Attention: Mark Vanderneut. The notice of appearance and affidavit must also be sent by email to [mark.vanderneut@au.kwm.com](mailto:mark.vanderneut@au.kwm.com).

## Future matters and intentions

Certain statements in this Scheme Booklet relate to the future. These statements may not be based on historical facts, and they involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of A2B to be materially different from future results, performance or achievements expressed or implied by those statements. Such risks, uncertainties, assumptions and other important factors include, among other things, general economic conditions, exchange rates, interest rates, the regulatory environment, competitive pressures, selling price and market demand. These forward-looking statements and information are based on numerous assumptions regarding present and future business strategies, and the environment in which A2B will operate in the future, including anticipated costs and the ability to achieve objectives and strategies.

Forward-looking statements generally may be identified by the use of forward-looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', or other similar words. Similarly, statements that describe the objectives, plans, goals, intentions or expectations of A2B are or may be forward-looking statements. These statements only reflect views held as at the Last Practicable Date.

Other than as required by law neither A2B, CDG, CDC, and CDC Sub nor any other person gives any representation, assurance or guarantee that the events expressed or implied in any forward-looking statements in this Scheme Booklet will actually occur. You are cautioned about relying on any such forward-looking statements in this Scheme Booklet. Additionally, statements of the intentions of CDG, CDC and CDC Sub reflect CDG, CDC and CDC Sub's present intentions as at the Last Practicable Date and may be subject to change.

All subsequent written and oral forward-looking statements attributable to A2B, CDG, CDC or CDC Sub, or any person acting on their behalf, are qualified by this cautionary statement.

Subject to any continuing obligations under law or the Listing Rules, A2B, CDG, CDC, and CDC Sub do not give any undertaking to update or revise any forward-looking statements or information after the Last Practicable Date to reflect any change in expectations in relation to those statements or information or any change in events, conditions or circumstance on which any such statement is based.

## No investment advice

This information and the recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice and has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any A2B Shareholder or any other person. This Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to the Scheme or your A2B Shares. Before making an investment decision in relation to the Scheme or your A2B Shares, including any decision to vote for or against the Scheme, you should consider, with or without the assistance of a financial adviser, whether that decision is appropriate in light of your particular investment needs, objectives, and financial and taxation situation. If you are in doubt as to what you should do, you should consult your broker or financial, taxation, legal or other professional adviser before making any investment decision in relation to the Scheme or your A2B Shares.

## A2B Shareholders outside Australia

This Scheme Booklet complies with the disclosure requirements applicable in Australia, which may be different to those in other countries. Accordingly, the release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in those other jurisdictions, and persons outside Australia who come into possession of this Scheme Booklet should seek advice on, and observe, any applicable restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

No action has been taken to register or qualify this Scheme Booklet or any aspect of the Transaction in any jurisdiction outside of Australia.

A2B Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

## Financial information

Financial information in this Scheme Booklet has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, and also complies with the International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board. It is presented in an abbreviated form and does not contain all the disclosures usually provided in an annual report prepared in accordance with the Corporations Act.

## Taxation effect of the Transaction on Scheme Participants

Section 6 provides a general outline of the Australian income tax, capital gains tax, GST and stamp duty consequences for A2B Shareholders who dispose of their A2B Shares to CDC Sub in accordance with the Scheme. It does not purport to be a complete analysis or to identify all potential tax consequences nor is it intended to replace the need for specialist tax advice in respect of the particular circumstances of individual A2B Shareholders.

If you are subject to taxation outside Australia, you should also consult your own tax adviser as to the applicable tax consequences of the Scheme in the relevant jurisdiction.

## Privacy

A2B, CDG, CDC, CDC Sub and A2B's Share Registry may collect personal information in the process of implementing the Scheme. The personal information may include the names, addresses, contact details and security holdings of A2B Shareholders and the names of persons appointed by A2B Shareholders as proxies, attorneys or corporate representatives at the Scheme Meeting. The collection of some of this personal information is required or authorised by the Corporations Act.

The primary purpose of collecting this personal information is to assist A2B in the conduct of the Scheme Meeting and to enable the Scheme to be implemented by A2B in the manner described in this Scheme Booklet. The personal information may be disclosed to A2B's Share Registry, print and mail service providers, authorised securities brokers and any other service provider to the extent necessary to effect the Scheme. Some of these recipients are likely to be located in overseas countries, including Singapore.

If the information outlined above is not collected, A2B may be hindered in, or prevented from, conducting the Scheme Meeting and implementing the Scheme.

A2B Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. You should contact A2B's Share Registry on 1300 554 474 (within Australia) and +61 1300 554 474 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday (excluding public holidays) if you wish to exercise these rights.

If you appoint a named person to act as your proxy, attorney or corporate representative, you should ensure that they are informed of the matters outlined above.

## A2B, CDC and CDG websites

The content of A2B, CDC and CDG's respective websites do not form part of this Scheme Booklet and A2B Shareholders should not rely on their content.

Any references in this Scheme Booklet to a website is a textual reference for information only and no information in any website forms part of this Scheme Booklet.

## Questions

A2B has established the A2B Shareholder Information Line which you should call if you have any questions or require further information. The telephone number is 1300 408 784 (within Australia) and +61 2 8072 1489 (outside Australia). The A2B Shareholder Information Line is open between 8.30am and 8.00pm (Sydney time) Monday to Friday (excluding public holidays).

If you are in doubt as to what you should do, you should consult your broker or financial, taxation, legal or other professional adviser before making any decision in relation to the Scheme.

## Supplementary information

In certain circumstances, A2B may provide additional disclosure to A2B Shareholders in relation to the Scheme after the date of this Scheme Booklet. To the extent applicable, A2B Shareholders should have regard to any such supplemental information in determining how to vote in relation to the Scheme.

## Interpretation

Capitalised terms and certain abbreviations used in this Scheme Booklet have the meanings set out in the glossary in section 8.1. The documents reproduced in the Annexures to this Scheme Booklet may have their own defined terms, which are sometimes different from those in the glossary.

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Last Practicable Date. A number of figures, amounts, percentages, estimates, calculations and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, any discrepancies between totals in tables or financial statements, or in calculations, graphs or charts are due to rounding.

Unless the contrary intention appears, all references to dollars, \$, A\$, cents and ¢ is to Australian currency, and all references to S\$ is to Singaporean currency.

All information set out in this Scheme Booklet (including financial and operational information) is current as at the Last Practicable Date, unless otherwise indicated.

Unless the contrary intention appears, all references to dates and times are to Sydney, New South Wales, Australia dates and times.

All dates and times relating to the implementation of the Scheme referred to in this Scheme Booklet are subject to change.

## Date

This Scheme Booklet is dated 21 February 2024.

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# Key dates

<b>9.00am on 23 March 2024</b>	Latest time and date for receipt of proxy forms for the Scheme Meeting
<b>7.00pm on 23 March 2024</b>	Time and date for determining eligibility to vote at the Scheme Meeting
<b>9.00am on 25 March 2024</b>	Scheme Meeting to be held at The Mint, 10 Macquarie Street, Sydney NSW 2000 for Eligible A2B Shareholders to vote on the Scheme

## If the Scheme is approved by Eligible A2B Shareholders

<b>3.00pm on 28 March 2024</b>	Court hearing for approval of the Scheme ( <b>Second Court Hearing</b> )
<b>2 April 2024</b>	<p><b>Effective Date</b></p> <p>Court order is lodged with ASIC and announced to ASX.</p> <p>Expected last day of trading in A2B Shares - A2B intends to apply to ASX for A2B Shares to be suspended from official quotation on the ASX from close of trading.</p>

## If the Scheme is approved by the Court and becomes Effective

<b>7.00pm on 4 April 2024</b>	<b>Record Date</b> (for determining entitlement to receive the Scheme Consideration under the Scheme)
<b>11 April 2024</b>	<p>Implementation of the Scheme (<b>Implementation Date</b>)</p> <p>Payment of the Scheme Consideration</p> <p>Transfer of Scheme Shares to CDC Sub</p>

All dates following the date of the Scheme Meeting are indicative only and, among other things, are subject to all necessary approvals from the Court and other Regulatory Authorities. Any changes to the above timetable (which may include an earlier or later Second Court Hearing) will be announced through ASX.

All references to time and dates in this Scheme Booklet are references to Sydney, New South Wales, Australia time.



# Letter from the Executive Chairman of A2B



## Dear A2B Shareholder,

On behalf of the Board of Directors of A2B Australia Limited (**A2B**), I am pleased to provide you with this Scheme Booklet, which contains important information for your consideration about the proposed \$1.45 per share cash acquisition by CDC Private Mobility Pty Ltd (ACN 674 449 640) (**CDC Sub**), a wholly-owned subsidiary of ComfortDelGro Corporation Australia Pty Ltd (**CDC**) and an indirect wholly-owned subsidiary of ComfortDelGro Corporation Limited (**CDG**), under which it is proposed that CDC Sub would acquire 100% of the A2B Shares that CDG and each Subsidiary of CDG (together the **CDG Group**) does not already own by way of a scheme of arrangement (**Proposed Transaction**).

The A2B Board has unanimously concluded that the Scheme represents an outstanding outcome for all our stakeholders: A2B Shareholders, team members, over 12,000 drivers, and business partners. It realises the substantial value created for our Shareholders. At the same time, CDC's leading public and personalised transport services, coupled with industry expertise and experience, will enable A2B to accelerate growth for our customers, drivers and team members.

**If the Proposed Transaction proceeds, you will receive \$1.45 cash for each of your A2B Shares and A2B will be delisted from the ASX**

This Scheme Booklet sets out information about the Proposed Transaction which will assist you in making your determination as to how to vote at the Scheme Meeting. I encourage you to read this Scheme Booklet carefully and in its entirety and to participate in this significant transaction for A2B by voting on the Scheme at the Scheme Meeting.

## Completion of property sale process underpinned fully franked dividend and culminated in the Proposed Transaction

A2B completed the sale of 9-13 O'Riordan Street, Alexandria (New South Wales) on 22 December 2023, for total cash consideration of \$78 million, including the deposit previously paid. In total, \$105 million was raised from the sale of A2B's property portfolio.

The net proceeds of this sale, combined with the proceeds from the settlement of A2B's Oakleigh (Victoria) property announced on 8 December 2023, enabled the A2B Board to declare a fully franked dividend of \$0.60 per A2B Share on 22 December 2023 (**Dividend**),<sup>1</sup> exceeding previous guidance. The franking credits attaching to the Dividend represent an additional \$0.25 value per A2B Share for Shareholders who can fully utilise them.<sup>2</sup>

The Proposed Transaction represents the culmination of A2B's "Better Before Bigger" turnaround strategy adopted in July 2022 by A2B's refreshed Board and new management team.

## Proposed Transaction

On 22 December 2023, in addition to the property sale completion and Dividend, A2B also announced that it had entered into a Scheme Implementation Agreement with CDC and CDG under which, subject to the satisfaction or waiver of a number of Conditions Precedent, CDC has agreed (directly or through a nominee) to acquire all of the issued shares in A2B held by A2B Shareholders that the CDG Group does not already own, by way of scheme of arrangement between A2B and Eligible A2B Shareholders. Eligible A2B Shareholders are A2B Shareholders that are not an Excluded Shareholder.

## Scheme Consideration

If the Scheme is implemented, Scheme Participants will receive \$1.45 per A2B Share in cash (**Scheme Consideration**). The Scheme Consideration of \$1.45 per A2B Share, which excludes the Dividend,<sup>3</sup> values A2B's issued equity (on a fully diluted basis) at \$182 million.

The Scheme Consideration of \$1.45 per A2B Share represents a 31% premium to the 3-month volume weighted average price on 21 December 2023 of \$1.11, after adjusting for the Dividend,<sup>4</sup> and a 3% premium to the 1-day volume weighted average price on the Last Practicable Date of \$1.41. Your Directors consider it appropriate to compare the Scheme Consideration against an adjusted share price (that is the actual share price reduced by \$0.60, being the value of the Dividend) as in your Directors' view, the trading price of A2B Shares would have reflected the value of the property at 9-13 O'Riordan Street, Alexandria, which sale was announced to the ASX prior to 21 December 2023. That value has subsequently been distributed to A2B Shareholders by way of the Dividend.

1 The Dividend was paid by A2B on 30 January 2024.

2 In assessing the value to them of the Dividend, A2B Shareholders should seek professional taxation advice as to whether or not the receipt of the Dividend and any entitlement to a tax offset in respect to the franking credits attached to the Dividend is beneficial to them in their own individual circumstances. Refer to section 6 for further information.

3 The Dividend was paid by A2B on 30 January 2024.

4 3-month volume weighted average price of \$1.71 on 21 December 2023, adjusted for the \$0.60 Dividend.

**Your Directors unanimously recommend that you vote in favour of the Scheme, and intend to vote all A2B Shares held or controlled by them in favour of the Scheme**

Your Directors unanimously consider the Scheme is in the best interests of Eligible A2B Shareholders and unanimously recommend that Eligible A2B Shareholders vote in favour of the Scheme, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Eligible A2B Shareholders and in the absence of a Superior Proposal.

Subject to those same qualifications, each of your Directors intends to vote the A2B Shares that they hold or the voting rights attached to A2B Shares that they control, and will direct any A2B proxies placed at their discretion (other than by an Excluded Shareholder) in favour of the Scheme. As at the Last Practicable Date, your Directors hold approximately 2,013,429 A2B Shares, representing approximately 1.64% of A2B Shares on issue.<sup>5</sup> When considering the recommendation of your Directors to vote in favour of the Scheme, A2B Shareholders should have regard to the personal interests of your Directors. Despite their interest in the outcome of the Scheme, your Directors consider that, given the importance of the Scheme, it is important and appropriate for them to make a recommendation on the Scheme given their role in A2B.

In forming their recommendation, your Directors have carefully considered the adequacy of the Scheme Consideration, the conditions to the Scheme, its expected advantages, potential disadvantages and risks. Your Directors have compared these considerations against the other options available to A2B, including standalone value creation from the execution of A2B's existing strategy. These matters are discussed further in section 1.

In summary, the reasons for your Directors' unanimous recommendation that Eligible A2B Shareholders vote in favour of the Scheme include the following:

- the Scheme Consideration represents an attractive premium over recent trading prices of A2B Shares;
- the Scheme provides Eligible A2B Shareholders with the opportunity to achieve certain cash value for their investment in A2B;
- the Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Eligible A2B Shareholders, in the absence of a Superior Proposal;
- no Superior Proposal has emerged as at the date of this Scheme Booklet;
- if the Scheme does not proceed and no other proposal emerges, the price of A2B Shares is expected to fall; and
- no brokerage will be payable by Eligible A2B Shareholders on the transfer of A2B Shares under the Scheme.

There are also reasons why you may choose to vote against the Scheme, which are set out in section 1.2.

Further information to assist you in determining whether to vote in favour of or against the Scheme is set out in section 1.3.

Certain risks related to holding A2B Shares and the Scheme are set out in section 4.9.

Your Directors unanimously believe that the benefits of the Scheme outweigh its potential disadvantages and risks.

**Independent Expert**

Your Directors' unanimous recommendation is also supported by the conclusion of the Independent Expert, who was appointed by A2B to opine on whether the Scheme is in the best interests of Eligible A2B Shareholders.

**The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Eligible A2B Shareholders**, in the absence of a Superior Proposal. The Independent Expert's conclusion should be read together with the full Independent Expert's Report set out at Annexure A.

**Scheme Meeting**

At the Scheme Meeting, Eligible A2B Shareholders will be asked to approve the Scheme. For the Scheme to proceed, votes "in favour of" the Scheme must be received from a Requisite Majority of Eligible A2B Shareholders. The Requisite Majority is:

- more than 50% of Eligible A2B Shareholders who are present and voting either in person or by proxy, attorney or, in the case of corporate shareholders, by corporate representative (**Headcount Test**);<sup>6</sup> and
- at least 75% of the total number of votes cast on the resolution to approve the Scheme by Eligible A2B Shareholders who are present and voting either in person or by proxy, attorney, or in the case of corporate shareholders, by corporate representative.

I encourage you to participate in this significant transaction for A2B by voting for the Scheme at the Scheme Meeting.

The Scheme Meeting will be held at 9.00am on 25 March 2024. A2B Shareholders and their authorised proxies, attorneys and corporate representatives can attend the Scheme Meeting in person at The Mint, 10 Macquarie Street, Sydney NSW 2000.

If you are registered as an A2B Shareholder on the Register at 7.00pm on 23 March 2024 and you are not an Excluded Shareholder, you will be entitled to vote at the Scheme Meeting. Further information on how to participate, ask questions and vote at the Scheme Meeting is set out in the Notice of Scheme Meeting set out in Annexure D.

**Further information**

Please read the Scheme Booklet carefully and in its entirety. It will assist you in making an informed decision about how to vote. We also recommend that you seek independent financial, taxation and legal advice before making any decision in relation to the Scheme or your A2B Shares.

If, after reading this Scheme Booklet, you have any questions in relation to this Scheme Booklet or the Scheme, you should contact the A2B Shareholder Information Line on 1300 408 784 (within Australia) or +61 +61 2 8072 1489 (outside Australia) between 8.30am and 8.00pm (Sydney time), Monday to Friday (excluding public holidays).

On behalf of the A2B Board, I commend the Scheme to you and would like to take this opportunity once again to thank you for your support of A2B.

Yours sincerely,

**Mark Bayliss**  
Executive Chairman

5 The interests of your Directors, the number and description of A2B Shares and A2B Employee Share Rights held by or on behalf of them and the payments they will receive connected with or conditional on the Scheme, are set out in sections 7.2 and 7.3, including the 1,000,000 unvested A2B Employee Share Rights held by Mark Bayliss (Executive Chairman) and the additional payment that will be made to him in consideration for his role in leading the turnaround at A2B, including his critical role in the sale of A2B's properties located at 9-13 O'Riordan Street, Alexandria (New South Wales) and Oakleigh (Victoria). As set out in section 7.3(c), the vesting of the A2B Employee Share Rights will be accelerated as a result of the Scheme.

6 The Court has a statutory discretion to disregard the Headcount Test for the purpose of the Scheme Meeting. A2B reserves the right to apply to the Court at the Second Court Hearing to approve the Scheme even if the Headcount Test is not satisfied.

# Key information about the Scheme

## What is the Scheme?

The Scheme is a scheme of arrangement between A2B and Eligible A2B Shareholders. If the Scheme becomes Effective, CDC Sub will acquire all A2B Shares on issue that the CDG Group does not already own, and A2B will become a wholly-owned subsidiary of CDC Sub.

A “scheme of arrangement” is a statutory procedure that can be used to enable one company to acquire another company. It requires a vote in favour of the Scheme by a Requisite Majority of Eligible A2B Shareholders at a meeting of Eligible A2B Shareholders, as well as Court approval. As at the Last Practicable Date, CDG Group has a Relevant Interest in 11,611,680 A2B Shares, being 9.44% of A2B Shares on issue. Excluded Shareholders will not vote at the Scheme Meeting.

If you are an Eligible A2B Shareholder on the Record Date you will receive the Scheme Consideration, being \$1.45 per A2B Share in cash.

**The resolution to approve the Scheme must be passed by Eligible A2B Shareholders by the Requisite Majority being:**

- **a majority in number (more than 50%) of Eligible A2B Shareholders who are present and voting either in person or by proxy, attorney or, in the case of corporate shareholders, by corporate representative (Headcount Test);<sup>7</sup> and**
- **at least 75% of the total number of votes cast on the resolution to approve the Scheme by Eligible A2B Shareholders who are present and voting either in person or by proxy, attorney, or in the case of corporate shareholders, by corporate representative.**

The Scheme is also subject to the satisfaction or waiver of the Conditions Precedent summarised in section 3.4 and set out in full in clause 3.1 of the Scheme Implementation Agreement, and approval by the Court.

The terms of the Scheme are set out in full in Annexure B.

## What should I do?

You should read this Scheme Booklet carefully and in its entirety and then vote by attending the Scheme Meeting or by appointing a proxy, attorney or, in the case of corporate shareholders, by appointing a corporate representative to vote on your behalf.

Answers to various frequently asked questions are set out in section 2. If you have any additional questions in relation to this Scheme Booklet or the Scheme you should consult your broker or financial, taxation, legal or other professional adviser or contact the A2B Shareholder Information Line on 1300 408 784 (within Australia) and +61 2 8072 1489 (outside Australia) between 8.30am and 8.00pm (Sydney time), Monday to Friday (excluding public holidays).

## What are the conditions to the Scheme?

The implementation of the Scheme is subject to a number of Conditions Precedent as set out in the Scheme Implementation Agreement. As at the Last Practicable Date, implementation of the Scheme remains conditional on each of the Conditions Precedent set out in section 7.11(b).

As at the Last Practicable Date, A2B is not aware of any circumstances which would cause the Conditions Precedent not to be satisfied. An update as to the status of the Conditions Precedent will be provided at the Scheme Meeting.

## How do I vote?

### Am I entitled to vote?

Unless you are an Excluded Shareholder, if you are registered on the Register at 7.00pm on 23 March 2024 as an A2B Shareholder, you will be entitled to vote on the resolution to approve the Scheme at the Scheme Meeting. Registrable transmission applications or transfers registered after this time will not be recognised in determining entitlements to vote at the Scheme Meeting.

If A2B Shares are jointly held, only one of the joint Eligible A2B Shareholders is entitled to vote. If more than one joint A2B Shareholder votes, only the vote of the Eligible A2B Shareholder whose name appears first on the Register will be counted.

### How do I vote in person?

To vote in person at the Scheme Meeting, Eligible A2B Shareholders must attend the Scheme Meeting to be held at The Mint, 10 Macquarie Street, Sydney NSW 2000 on 25 March 2024 commencing at 9.00am.

An Eligible A2B Shareholder who wishes to attend and vote at the Scheme Meeting in person will be admitted to the Scheme Meeting and given a voting card upon disclosure of their name and address at the point of entry.

Persons who are attending as an attorney should bring the original or a certified copy of the power of attorney under which they were appointed to the Scheme Meeting, unless it has already been noted by A2B.

Persons who are attending as a corporate representative for a corporate shareholder must bring evidence of their appointment. The appointment must comply with section 250D of the Corporations Act. An authorised corporate representative will be admitted to the Scheme Meeting and given a voting card upon providing written evidence of their appointment (including any authority under which it is signed), their name and address and the identity of their appointer, at the point of entry to the Scheme Meeting.

<sup>7</sup> The Court has a statutory discretion to disregard the Headcount Test for the purpose of the Scheme Meeting. A2B reserves the right to apply to the Court at the Second Court Hearing to approve the Scheme even if the Headcount Test is not satisfied.

## How do I vote by proxy?

Your personalised proxy form for the Scheme Meeting accompanies this Scheme Booklet. Information setting out how you may vote by proxy is contained in the Notice of Scheme Meeting at Annexure D. If your proxy form is signed by an attorney or corporate representative, you must also enclose the authority under which the proxy form is signed (or a certified copy of the authority). Details of the requirements for these authorities are contained in the Notice of Scheme Meeting at Annexure D.

Proxy forms (and any authority appointing an attorney or corporate representative) must be lodged as follows:

- **Sent by post** to A2B's Share Registry at:
  - A2B Australia Limited
  - c/- Link Market Services Limited
  - Locked Bag A14
  - Sydney South NSW 1235
  - Australia
- **By hand** delivery during business hours (Monday to Friday (excluding public holidays), 9.00am to 5.00pm) to A2B's Share Registry at:
  - Link Market Services Limited
  - Parramatta Square
  - Level 22, Tower 6, 10 Darcy Street
  - Parramatta NSW 2150
  - Australia

or

  - Level 12, 680 George Street
  - Sydney NSW 2000
  - Australia
- **Faxed** to A2B's Share Registry on +61 2 9287 0309
- **Lodged online** by visiting <https://investorcentre.linkgroup.com>

Completed proxy forms, together with any power of attorney or corporate representative appointment, or a certified copy of it, under which the proxy and voting form is signed, must be received no later than 9.00am on 23 March 2024 (48 hours prior to commencement of the Scheme Meeting). Proxy forms received after this time will be invalid.

A proxy will be admitted to the Scheme Meeting and given a voting card upon providing written evidence of their name and address at the point of entry to the Scheme Meeting. The sending of a proxy form will not preclude an Eligible A2B Shareholder from attending in person and voting at the Scheme Meeting. However, if that Eligible A2B Shareholder attends the Scheme Meeting and votes, their proxy's right to vote will be suspended.

## What is your Directors' recommendation?

Your Directors unanimously consider the Scheme is in the best interests of Eligible A2B Shareholders and unanimously recommend that Eligible A2B Shareholders vote in favour of the Scheme, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Eligible A2B Shareholders and in the absence of a Superior Proposal.

In forming their recommendation, your Directors have carefully considered the adequacy of the Scheme Consideration, the conditions to the Scheme, its expected advantages, potential disadvantages and risks. Your Directors have compared these considerations against the other options available to A2B, including standalone value creation from the execution of A2B's existing strategy. These matters are discussed further in section 1.

The interests of your Directors, the number and description of A2B Shares and A2B Employee Share Rights held by or on behalf of them and the payments they will receive connected with or conditional on the Scheme, are set out in sections 7.2 and 7.3, including the 1,000,000 unvested A2B Employee Share Rights held by Mark Bayliss (Executive Chairman) and the additional payment that will be made to him in consideration for his role in leading the turnaround at A2B, including his critical role in the sale of A2B's properties located at 9-13 O'Riordan Street, Alexandria (New South Wales) and Oakleigh (Victoria). As set out in section 7.3(c), the vesting of the A2B Employee Share Rights will be accelerated as a result of the Scheme. When considering the recommendation of your Directors to vote in favour of the Scheme, A2B Shareholders should have regard to the personal interests of your Directors. Despite their interest in the outcome of the Scheme, your Directors consider that, given the importance of the Scheme, it is important and appropriate for them to make a recommendation on the Scheme given their role in A2B.

Each of your Directors intends to vote the A2B Shares that they hold or the voting rights attached to A2B Shares that they control, and will direct any A2B proxies placed at their discretion (other than by an Excluded Shareholder), in favour of the Scheme subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Eligible A2B Shareholders and in the absence of a Superior Proposal.<sup>8</sup>

Excluded Shareholders will not vote at the Scheme Meeting. A confirmatory statement to that effect is made by CDG, CDC and CDC Sub in section 5.

If a Superior Proposal emerges or the Independent Expert changes its conclusion that the Scheme is in the best interests of Eligible A2B Shareholders, your Directors will carefully reconsider the Scheme and advise you of their recommendation.

<sup>8</sup> As at the Last Practicable Date, the A2B Directors hold or have control over the voting rights attached to the following marketable securities of A2B: Mark Bayliss – 1,800,000 A2B Shares and 1,000,000 A2B Employee Share Rights; Brent Cubis – Nil A2B Shares; Jennifer Horrigan – 102,122 A2B Shares; and Clifford Rosenberg – 111,307 A2B Shares. In aggregate, those A2B Shares represents 1.64% of the A2B Shares on issue. Refer to section 7.2 for further information.

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# Matters relevant to your vote on the Scheme

## Reasons to vote for the Scheme

The Scheme has a number of advantages and disadvantages which may affect A2B Shareholders in different ways, depending on their individual circumstances. A2B Shareholders should seek professional advice on their particular circumstances, as appropriate, before voting on the Scheme.

- ✓ **The Scheme Consideration represents an attractive premium over recent trading prices of A2B Shares**
- ✓ **The Scheme provides Eligible A2B Shareholders with the opportunity to achieve certain cash value for their investment in A2B**
- ✓ **The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Eligible A2B Shareholders, in the absence of a Superior Proposal**
- ✓ **No Superior Proposal has emerged as at the date of this Scheme Booklet**
- ✓ **If the Scheme does not proceed and no other proposal emerges, the price of A2B Shares is expected to fall**
- ✓ **No brokerage will be payable by Eligible A2B Shareholders on the transfer of A2B Shares under the Scheme**

Reasons to vote for the Scheme are discussed in more detail in section 1.1.

## Reasons not to vote for the Scheme

- ✗ **You may disagree with your Directors' recommendation and the Independent Expert's conclusion and believe that the Scheme is not in the best interests of Eligible A2B Shareholders**
- ✗ **You may prefer to realise the potential value of your A2B investment over the long-term, and you may consider that the Scheme does not capture A2B's long term potential**
- ✗ **You may believe there is potential for a Superior Proposal to be received in the foreseeable future (noting that no Superior Proposal has been received as at the date of this Scheme Booklet)**
- ✗ **The taxation implications of the Scheme may not suit your financial position**
- ✗ **You may believe it is in your best interests to maintain your current investment and risk profile**

Reasons why you may not want to vote for the Scheme are discussed in more detail in section 1.2.

## 1.1 Reasons to vote for the Scheme

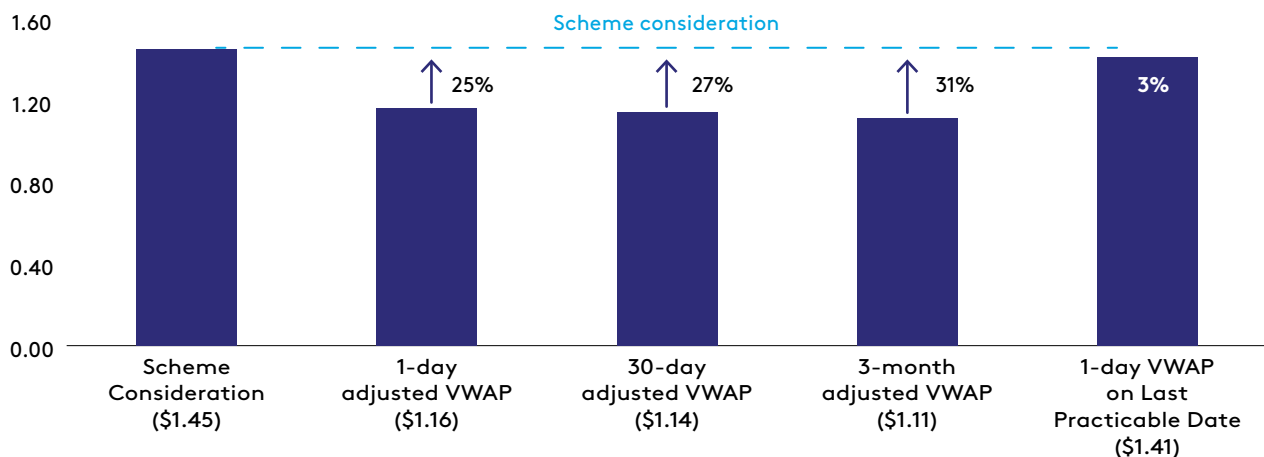
### (a) The Scheme Consideration represents an attractive premium over recent trading prices of A2B Shares

The Scheme Consideration of \$1.45 per A2B Share, excluding the Dividend,<sup>9</sup> represents a significant premium over trading prices of A2B Shares on the ASX prior to the announcement of the Scheme on 22 December 2023. In comparing the Scheme Consideration of \$1.45 per A2B Share, the cash value of the Dividend is subtracted from the comparison metrics. Therefore, the Scheme Consideration represents:<sup>10</sup>

- a 31% premium to the 3-month adjusted volume weighted average price on 21 December 2023 of \$1.11;
- a 27% premium to the 30-day adjusted volume weighted average price on 21 December 2023 of \$1.14;
- a 25% premium to the 1-day adjusted volume weighted average price on 21 December 2023 of \$1.16; and
- a 3% premium to the 1-day volume weighted average price on the Last Practicable Date of \$1.41.

The graph below shows the premium of the Scheme Consideration versus A2B Share price trading benchmarks on 21 December 2023 (with the cash value of the Dividend subtracted). Your Directors consider it appropriate to compare the Scheme Consideration against an adjusted share price (that is the actual share price reduced by \$0.60, being the value of the Dividend) as in your Directors' view, the trading price of A2B Shares would have reflected the value of the property at 9-13 O'Riordan Street, Alexandria, which sale was announced to the ASX prior to 21 December 2023. That value has subsequently been distributed to A2B Shareholders by way of the Dividend.

**Figure 1. Scheme Consideration versus A2B Share price trading benchmarks on 21 December 2023 (with the cash value of the Dividend subtracted) and on Last Practicable Date**



Source: IRESS as at 21 December 2023 (being the last trading day prior to A2B announcing that it had entered into the Scheme Implementation Agreement with CDC and CDG) and as at Last Practicable Date.

<sup>9</sup> The Dividend was paid by A2B on 30 January 2024.

<sup>10</sup> Relevant prices of A2B Share adjusted for \$0.60 Dividend.

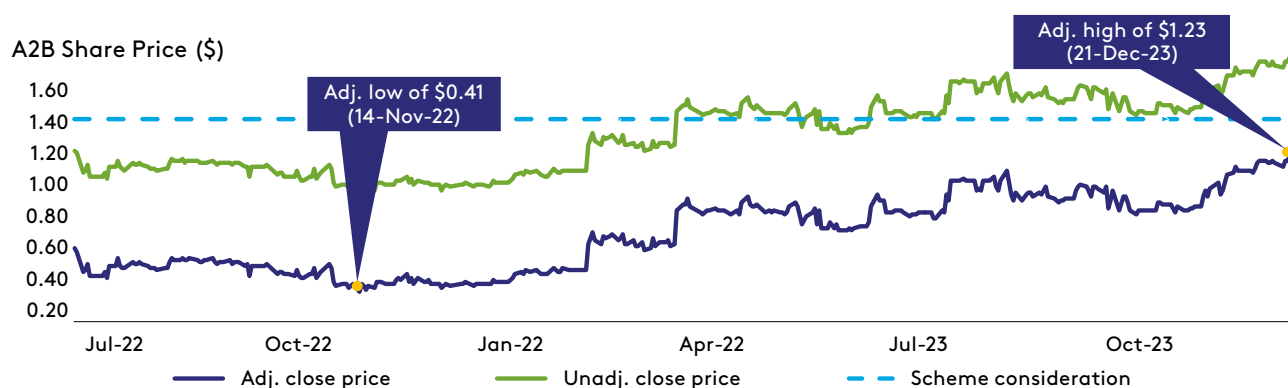
**(b) The Scheme provides Eligible A2B Shareholders with the opportunity to achieve certain cash value for their investment in A2B**

The Scheme Consideration of \$1.45 cash per A2B Share provides Eligible A2B Shareholders with certainty of value for their investment in A2B (subject to the Scheme being implemented) in the near term, which may not be achieved if the Scheme does not proceed. Furthermore, CDC's offer for A2B is an all-cash offer, providing a high level of certainty in terms of value and timing, particularly in the context of current volatile market conditions.

The certainty of this cash payment should be compared with the risks and uncertainties of remaining an A2B Shareholder, which include the risks relating to A2B as set out in section 4.9.

The graph below shows the closing price of A2B Shares for the period from 14 July 2022, the day the turnaround strategy was announced, and 21 December 2023, being the last trading day prior to A2B announcing that it had entered into the Scheme Implementation Agreement with CDC and CDG (both on an unadjusted basis and adjusted by subtracting \$0.60 (being the cash value of the Dividend) from the relevant closing price). Your Directors note the Scheme Consideration is higher than A2B's Share price low and high (adjusted for the cash value of the Dividend) over the period from 14 July 2022 to 21 December 2023. Your Directors consider it appropriate to compare the Scheme Consideration against an adjusted share price (that is the actual share price reduced by \$0.60, being the value of the Dividend) as in your Directors' view, the trading price of A2B Shares would have reflected the value of the property at 9-13 O'Riordan Street, Alexandria, which sale was announced to the ASX prior to 21 December 2023. That value has subsequently been distributed to A2B Shareholders by way of the Dividend.

**Figure 2. A2B Share price trading (both on an unadjusted basis and adjusted by subtracting \$0.60 (being the cash value of the Dividend) from the relevant closing price)**



Source: IRESS as at 21 December 2023 (being the last trading day prior to A2B announcing that it had entered into the Scheme Implementation Agreement with CDC and CDG).

**(c) The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Eligible A2B Shareholders, in the absence of a Superior Proposal**

The A2B Board appointed the Independent Expert to prepare an Independent Expert's Report, including an opinion as to whether the Scheme is in the best interests of Eligible A2B Shareholders.

The Independent Expert has stated the following:

*"In our opinion, the Scheme is fair and reasonable and in the best interests of A2B Shareholders in the absence of a superior proposal. We have formed this opinion for the reasons set out below."*

*"We have assessed the value of A2B shares on a 100% controlling interest basis at \$1.30 to \$1.54 per share".*

*"Pursuant to RG 111 a scheme is "fair" if the value of the scheme consideration is equal to or greater than the value of the securities the subject of the scheme."*

*"As the Scheme Consideration lies within our assessed valuation range for A2B shares on a 100% controlling interest basis, in our opinion, the Scheme Consideration is "fair" to A2B Shareholders when assessed in accordance with the guidelines set out in RG 111."*

*"Pursuant to RG 111, a transaction is reasonable if it is fair. Accordingly, in our opinion, the Scheme is also "reasonable"."*

A complete copy of the Independent Expert's Report is set out in Annexure A and your Directors encourage you to read this report in full.

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**(d) No Superior Proposal has emerged as at the date of this Scheme Booklet**

Since A2B's announcement on 22 December 2023 that it had entered into the Scheme Implementation Agreement with CDC and CDG, no Superior Proposal has been received and the A2B Board is not otherwise aware of any Superior Proposal.

You should note that A2B has agreed to certain exclusivity and break fee arrangements in favour of CDC in the Scheme Implementation Agreement. These provisions do not mean that an alternative proposal cannot be made by a third party and do not prevent the A2B Board from responding to a Competing Transaction (which was not solicited, invited, encouraged or initiated by A2B in contravention of the Scheme Implementation Agreement) provided that the A2B Board has determined, in good faith that:

- after reasonable consultation with its financial and legal advisers, such a Competing Transaction is a Superior Proposal; and
- after receiving written legal advice from its external legal advisers that failing to respond to such a Competing Transaction would, or would be reasonably likely to, constitute a breach of the A2B Board's fiduciary or statutory obligations.

If a Competing Transaction emerges, A2B is required to notify CDC under the Scheme Implementation Agreement and, to the extent the A2B Board considers it to be a Superior Proposal, provide CDC with an opportunity to match or exceed that Superior Proposal.

Your Directors will notify A2B Shareholders if a Superior Proposal is received before the Scheme Meeting.

**(e) If the Scheme does not proceed and no other proposal emerges, the price of A2B Shares is expected to fall**

Over the period from 14 July 2022, the day the turnaround strategy was announced, and 21 December 2023, being the last trading day prior to A2B announcing that it had entered into the Scheme Implementation Agreement with CDC and CDG, the closing prices of A2B Shares on the ASX were between a low of \$0.41 and high of \$1.23 (adjusted for the cash value of the Dividend). The highest closing price of A2B Shares on the ASX since 22 December 2023 was \$1.55 as at 28 December 2023 which was before the ex-dividend date of 12 January 2024 (adjusted for the cash value of the Dividend).

If the Scheme is not implemented, A2B Shares will continue to remain quoted on the ASX and will continue to be subject to market volatility, including general stock market movements and the general economic conditions and the demand for listed securities. As such, if the Scheme is not implemented, your Directors believe that there is a risk that the price of A2B Shares is likely to fall, at least in the short term, if no Superior Proposal emerges.

**(f) No brokerage will be payable by Eligible A2B Shareholders on the transfer of A2B Shares under the Scheme**

Eligible A2B Shareholders will not incur any brokerage on the transfer of A2B Shares to CDC Sub under the Scheme.

It is possible that brokerage may be incurred (and potentially GST on those charges) if A2B Shareholders transfer A2B Shares other than under the Scheme.

## 1.2 Reasons not to vote for the Scheme

### (a) You may disagree with your Directors' recommendation and the Independent Expert's conclusion and believe that the Scheme is not in the best interests of Eligible A2B Shareholders

Despite the unanimous recommendation of your Directors to vote in favour of the Scheme<sup>11</sup> and the conclusion of the Independent Expert that the Scheme is fair and reasonable and therefore in the best interest of Eligible A2B Shareholders, you may believe that the Scheme is not in your best interest.

There is no obligation to follow the recommendation of your Directors or to agree with the opinion of the Independent Expert.

### (b) You may prefer to realise the potential value of your A2B investment over the long-term, and you may consider that the Scheme does not capture A2B's long term potential

You may consider that A2B's long-term potential is not captured by the consideration payable under the Scheme which, if implemented, will result in you no longer being an A2B Shareholder unless you are an Excluded Shareholder. This will mean that you will not participate in the future performance of A2B, including any benefits that may result from being an A2B Shareholder. If the Scheme is implemented, Eligible A2B Shareholders will not retain any exposure to A2B's assets or have the potential to share in the value that could be generated by A2B in the future. However, as with all investments in securities, there can be no guarantee as to A2B's future performance if it remains an independent ASX-listed entity.

### (c) You may believe there is potential for a Superior Proposal to be received in the foreseeable future (noting that no Superior Proposal has been received as at the date of this Scheme Booklet)

You may consider that a Superior Proposal could emerge in the future. As at the date of this Scheme Booklet, your Directors have not received or otherwise been made aware of any Superior Proposal. Your Directors' view is that a Superior Proposal is unlikely to emerge prior to the Scheme Meeting.

You should note that A2B has agreed to certain exclusivity and break fee arrangements in favour of CDC in the Scheme Implementation Agreement. These provisions do not mean that an alternative proposal cannot be made by a third party and do not prevent the A2B Board from responding to a Competing Transaction (which was not solicited, invited, encouraged or initiated by A2B in contravention of the Scheme Implementation Agreement) provided that the A2B Board has determined, in good faith that:

- after reasonable consultation with its financial and legal advisers, such a Competing Transaction is a Superior Proposal; and
- after receiving written legal advice from its external legal advisers that failing to respond to such a Competing Transaction would, or would be reasonably likely to, constitute a breach of the A2B Board's fiduciary or statutory obligations.

If a Competing Transaction emerges, A2B is required to notify CDC under the Scheme Implementation Agreement and, to the extent the A2B Board considers it to be a Superior Proposal, provide CDC with an opportunity to match or exceed that Superior Proposal.

Your Directors will notify A2B Shareholders if a Superior Proposal is received before the Scheme Meeting.

### (d) The tax implications of the Scheme may not suit your financial position

If the Scheme proceeds, it will potentially result in Australian taxation consequences (including Australian income tax consequences) for you, which may arise earlier than may otherwise be the case. You should read the general outline of the taxation implications for A2B Shareholders in relation to the Scheme in section 6. You should seek your own professional advice regarding the taxation implications relevant to you.

### (e) You may believe it is in your best interests to maintain your current investment and risk profile

You may prefer to keep your A2B Shares to preserve your investment in a publicly listed company with the specific characteristics of A2B in terms of industry, operational profile, size, capital structure and potential future dividend stream. You may consider that it would be difficult to identify and invest in alternative investments that have a similar profile to A2B and you may incur transaction costs in undertaking any such new investments.

<sup>11</sup> The interests of your Directors, the number and description of A2B Shares and A2B Employee Share Rights held by or on behalf of them and the payments they will receive connected with or conditional on the Scheme, are set out in sections 7.2 and 7.3, including the 1,000,000 unvested A2B Employee Share Rights held by Mark Bayliss (Executive Chairman) and the additional payment that will be made to him in consideration for his role in leading the turnaround at A2B, including his critical role in the sale of A2B's properties located at 9-13 O'Riordan Street, Alexandria (New South Wales) and Oakleigh (Victoria). As set out in section 7.3(c), the vesting of the A2B Employee Share Rights will be accelerated as a result of the Scheme.

## 1.3 Other relevant considerations

### (a) The Scheme is subject to Conditions Precedent

In addition to the need to obtain Eligible A2B Shareholder approval by the Requisite Majority and Court approval, the implementation of the Scheme is subject to a number of Conditions Precedent. The Conditions Precedent are summarised in section 7.11(b) and set out in full in clause 3.1 of the Scheme Implementation Agreement.

All these Conditions Precedent need to be satisfied (or alternatively waived, in the case of certain Conditions Precedent that are capable of being waived) in order for the Scheme to proceed.

Your Directors have reviewed these Conditions Precedent and do not consider them to be unduly onerous or inconsistent with market practice for a transaction of this nature.

As at the Last Practicable Date, A2B is not aware of any circumstances which would cause the Conditions Precedent not to be satisfied. An update as to the status of the Conditions Precedent will be provided at the Scheme Meeting.

### (b) The Scheme may be implemented even if you vote against it

You should be aware that even if you do not vote, or vote against the Scheme, the Scheme may still be implemented if it is approved by the Requisite Majority of Eligible A2B Shareholders and the Court, and if all of the other Conditions Precedent are satisfied (or alternatively waived, in the case of certain Conditions Precedent that are capable of being waived). If this occurs, your A2B Shares will be transferred to CDC Sub and you will receive \$1.45 cash per A2B Share held on the Record Date even though you did not vote on, or voted against, the Scheme.<sup>12</sup>

### (c) Costs

A2B has incurred significant costs in responding to CDC's proposal to acquire all of the A2B Shares on issue and negotiating that proposal to the point that it is capable of being submitted to Eligible A2B Shareholders as a scheme of arrangement for their consideration. These costs include negotiating the Scheme Implementation Agreement, retaining professional advisers (including financial, legal and tax advisers), facilitating CDG Group's access to due diligence, engaging of the Independent Expert, considering regulatory matters and preparing this Scheme Booklet.

If the Scheme is implemented, these costs will effectively be met by CDG as the ultimate controller of A2B following implementation of the Scheme. If the Scheme is not implemented and if no Superior Proposal emerges and is implemented, A2B expects to incur total external costs of approximately \$1.2 million which will be paid in FY24.

### (d) Break fee

A fee of \$1,820,000 (excluding GST) (known as a "break fee") is payable by A2B to CDC if the Scheme does not proceed because certain events occur, which include:

- a Competing Transaction is announced during the Exclusivity Period and, within 12 months after the announcement of such Competing Transaction (or variation), that person or another person:
  - completes a Competing Transaction of a kind by which such person:
    - acquires control of A2B;
    - directly or indirectly acquires, obtains a right to acquire, or otherwise obtains an economic interest in all or a substantial part or a material part of the assets of or business conducted by the A2B Group; or
    - otherwise acquires or merges (including by a reverse takeover bid or dual listed company structure) with A2B; or
  - otherwise directly or indirectly acquires an interest or Relevant Interest in or becomes the holder of 50% or more of the A2B Shares (other than as custodian, nominee or bare trustee) under a transaction that is or has become wholly unconditional;
- the Scheme does not proceed because any A2B Director fails to recommend or withdraws their recommendation except where the Independent Expert concludes that the Scheme is not in the best interests of Eligible A2B Shareholders where the reason such conclusion has been reached is not the existence or announcement of a Competing Transaction;
- CDC has terminated the Scheme Implementation Agreement for a material breach by A2B; and
- CDC has terminated the Scheme Implementation Agreement as a result of an A2B Prescribed Event or a Material Adverse Effect occurring.

However, this break fee is not payable simply because the Scheme is not approved by the Requisite Majority of Eligible A2B Shareholders.

See section 7.11(g) for more details.

<sup>12</sup> Excluded Shareholders are not entitled to receive the Scheme Consideration.

## (e) Implications if the Scheme does not proceed

If the Scheme is not approved by a Requisite Majority of Eligible A2B Shareholders at the Scheme Meeting or the Scheme is not approved by the Court, or if any of the other Conditions Precedent are not satisfied (or alternatively waived, in the case of certain Conditions Precedent that are capable of being waived) by 31 July 2024 (or such other date as is agreed in writing by CDC and A2B), the Scheme will not proceed. In those circumstances:

- A2B Shareholders will retain their A2B Shares and, in doing so, will continue to have the benefits of their current A2B investment and to be exposed to the risks of holding their A2B Shares (see section 4.9 in respect of risks relating to an investment in A2B);
- A2B Shareholders will not receive the Scheme Consideration;
- a break fee of \$1,820,000 (excluding GST) may be payable by A2B to CDC under certain circumstances. However, this break fee is not payable simply because the Scheme is not approved by the Requisite Majority of Eligible A2B Shareholders; and
- A2B will continue as a standalone company listed on the ASX.

In the absence of a Superior Proposal, there is a risk that A2B Shareholders may not be able to realise a price for all of their A2B Shares (at least in the short term) comparable to the price that they would receive under the Scheme.

Before the Scheme Meeting, A2B estimates that it will have incurred or committed transaction costs of approximately \$1.2 million in relation to the Scheme. Those costs will be payable by A2B regardless of whether or not the Scheme is approved and becomes Effective. If the Scheme is implemented, these costs will effectively be met by CDG as the ultimate controller of A2B following implementation of the Scheme.

If the Scheme does not proceed you will retain your A2B Shares. Your Directors intend to continue to operate A2B as a listed public company carrying on the business of, among other things, supplying personal transport services and technologies under the leadership of the current senior management. The A2B Board has not formed any plans to make any significant changes to the business of A2B, redeploy any of its operating assets or change or affect the future employment of the present employees of A2B. If the Scheme does not proceed, A2B Shareholders will continue to be exposed to future risks and potential benefits associated with A2B's business, rather than realising certain value for their A2B Shares in a certain timeframe.

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# Frequently asked questions

This section 2 answers some frequently asked questions relating to the Scheme. It is not intended to address all relevant issues for A2B Shareholders. This section 2 should be read together with all other parts of this Scheme Booklet.

Question	Answer	More information
<b>Overview of the Scheme</b>		
<b>Why have I received, or why am I eligible to receive or access, this Scheme Booklet?</b>	<p>You have received or are eligible to receive or access this Scheme Booklet because you are shown in the Register as an A2B Shareholder and Eligible A2B Shareholders are being asked to vote on the Scheme which, if approved, will result in CDC Sub acquiring all of the A2B Shares on issue.</p> <p>This Scheme Booklet is intended to help you to decide how to vote on the resolution which needs to be passed at the Scheme Meeting to allow the Scheme to be implemented.</p> <p>If you have sold all of your A2B Shares, please disregard this Scheme Booklet as you will not be entitled to vote at the Scheme Meeting.</p>	<b>Section 3.7</b>
<b>What is the Scheme?</b>	<p>The Scheme is a scheme of arrangement between A2B and Eligible A2B Shareholders. If the Scheme becomes Effective, CDC Sub will acquire all A2B Shares and A2B will become a wholly-owned subsidiary of CDC Sub.</p> <p>Excluded Shareholders are excluded from the Scheme and will not vote at the Scheme Meeting.</p> <p>A “scheme of arrangement” is a statutory procedure in the Corporations Act that can be used to enable one company to acquire another company. It requires a vote in favour of the Scheme by a Requisite Majority of Eligible A2B Shareholders at a meeting of Eligible A2B Shareholders, and Court approval.</p>	<b>Section 3</b> <b>The terms of the Scheme are set out in full in Annexure B</b>
<b>Who is CDC Sub?</b>	<p>CDC Sub is a newly incorporated Australian proprietary company established for the purpose of acquiring all of the Scheme Shares under the Scheme. CDC Sub was incorporated on 24 January 2024 and is a direct wholly-owned subsidiary of CDC and an indirect wholly-owned subsidiary of CDG.</p> <p>CDC has nominated CDC Sub in accordance with clause 2.4 of the Scheme Implementation Agreement to acquire the Scheme Shares under the Scheme.</p>	<b>Section 5</b>
<b>Who is CDC?</b>	<p>CDC is a wholly-owned subsidiary of CDG, providing essential transport services to both metropolitan and regional communities across New South Wales, Victoria, the Australian Capital Territory, the Northern Territory, Queensland and Western Australia. CDC has operated in Australia since 2005 and has grown steadily to be one of Australia’s largest bus operators. CDC also manages CDG’s taxi business in Western Australia under the Swan Taxis brand, an outdoor advertising business and non-emergency patient transport services.</p> <p>In Australia, CDC employs more than 4,800 individuals, transporting millions of customers every year using a fleet of more than 4,000 vehicles.</p> <p>Further information on CDC and its operations is available on its website at <a href="https://comfortdelgro.com.au/">https://comfortdelgro.com.au/</a>.</p>	<b>Section 5</b>
<b>Who is CDG?</b>	<p>CDG is a leading land transport company, established in March 2003 through the merger of 2 land transport companies – Comfort Group Ltd and DelGro Corporation Ltd. CDG is headquartered in Singapore and operates across 78 locations in 7 countries including Australia, the United Kingdom, New Zealand, China, Ireland and Malaysia. CDG operates a global fleet of 34,000 vehicles and has more than 22,500 employees.</p> <p>CDG’s business segments consist of:</p> <ul style="list-style-type: none"> <li>• public transport: public buses, public rail and scheduled buses;</li> <li>• taxi and private hire: taxi rental, private hire vehicle rental, platform services, engineering services and fuel sales;</li> <li>• other private transport: private buses, non-emergency patient transport and corporate vehicle leasing;</li> <li>• inspection and testing services: vehicle and non-vehicle inspection; and</li> <li>• other segments: driving centres, bus stations, insurance, media, logistics and electric vehicle charging.</li> </ul> <p>CDG is listed on the Singapore Exchange (SGX:C52) and had a market capitalisation of S\$3,053.7 million (A\$3,479.6 million) <sup>13</sup> as at the Last Practicable Date. In the last twelve months up to and including 30 September 2023, CDG generated revenue of S\$3,836.1 million (A\$4,371.1 million) and EBITDA of S\$595.8 million (A\$678.9 million).</p> <p>Further information on CDG and its operations is available on its website at <a href="https://www.comfortdelgro.com/">https://www.comfortdelgro.com/</a>.</p>	<b>Section 5</b>

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13 Based on an exchange rate of A\$1.0000:S\$0.8776 as at the Last Practicable Date.

Question	Answer	More information
<b>What are CDG Group's intentions regarding A2B?</b>	If the Scheme is implemented, it is the current intention of CDG, CDC and CDC Sub to operate the business of A2B substantially in its current form. CDG, CDC and CDC Sub's current plans envisage that A2B will be part of CDC's Australian business and CDG's taxi business in Western Australia will be integrated with A2B's operations. CDG, CDC and CDC Sub will collaborate with A2B's key management personnel to optimise the integration process without disrupting the ongoing operations. If the Scheme is implemented, CDG, CDC and CDC Sub will procure that A2B applies to the ASX to be removed from the official list of the ASX after implementation of the Scheme and A2B will be converted to a proprietary company limited by shares.	<a href="#">Section 5</a>
<b>Does CDG Group have a Relevant Interest in any A2B Shares?</b>	As at the Last Practicable Date, CDG Group has a Relevant Interest in 11,611,680 A2B Shares, being 9.44% of A2B Shares on issue. CDG Group Members (including CDC Sub) are Excluded Shareholders and will not vote at the Scheme Meeting.	<a href="#">Section 5</a>
<b>What are the recommendations and intentions of the A2B Directors?</b>		
<b>What do your Directors recommend?</b>	<p>Your Directors unanimously consider that the Scheme is in the best interests of Eligible A2B Shareholders and recommend that you vote in favour of the Scheme, subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Eligible A2B Shareholders and in the absence of a Superior Proposal.</p> <p>In forming their recommendation, your Directors have carefully considered the adequacy of the Scheme Consideration, the conditions to the Scheme, its expected advantages, potential disadvantages and risks. Your Directors have compared these considerations against the other options available to A2B, including standalone value creation from the execution of A2B's existing strategy. These matters are discussed further in section 1.</p> <p>The interests of your Directors, the number and description of A2B Shares and A2B Employee Share Rights held by or on behalf of them and the payments they will receive connected with or conditional on the Scheme, are set out in sections 7.2 and 7.3, including the 1,000,000 unvested A2B Employee Share Rights held by Mark Bayliss (Executive Chairman) and the additional payment that will be made to him in consideration for his role in leading the turnaround at A2B, including his critical role in the sale of A2B's properties located at 9-13 O'Riordan Street, Alexandria (New South Wales) and Oakleigh (Victoria). As set out in section 7.3(c), the vesting of the A2B Employee Share Rights will be accelerated as a result of the Scheme. When considering the recommendation of your Directors to vote in favour of the Scheme, A2B Shareholders should have regard to the personal interests of your Directors. Despite their interest in the outcome of the Scheme, your Directors consider that, given the importance of the Scheme, it is important and appropriate for them to make a recommendation on the Scheme given their role in A2B.</p>	<a href="#">Section 1 sets out reasons to vote for or against the Scheme</a>
<b>How do your Directors intend to vote?</b>	Each of your Directors intends to vote the A2B Shares that they hold or the voting rights attached to A2B Shares that they control, and will direct any A2B proxies placed at their discretion (other than by an Excluded Shareholder), in favour of the Scheme subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Eligible A2B Shareholders and in the absence of a Superior Proposal. <sup>14</sup>	<a href="#">Section 7.2</a>
<b>What is the Independent Expert's conclusion?</b>	<p>The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Eligible A2B Shareholders, in the absence of a Superior Proposal.</p> <p>The Independent Expert has assessed the value of a A2B Share on a controlling interest basis to be in the range of <b>\$1.30 to \$1.54</b>. The Scheme Consideration of \$1.45 per A2B Share falls within this range.</p>	<a href="#">A complete copy of the Independent Expert's Report is set out in Annexure A</a>

<sup>14</sup> As at the Last Practicable Date, the A2B Directors hold or have control over the voting rights attached to the following marketable securities of A2B: Mark Bayliss – 1,800,000 A2B Shares and 1,000,000 A2B Employee Share Rights; Brent Cubis – Nil A2B Shares; Jennifer Horrigan – 102,122 A2B Shares; and Clifford Rosenberg – 111,307 A2B Shares. In aggregate, those A2B Shares represents 1.64% of the A2B ordinary Shares on issue. Refer to section 7.2 for further information.

Question	Answer	More information
<b>What are the prospects of receiving a Superior Proposal?</b>	<p>Since the Scheme was announced, no Superior Proposal has emerged. Given the time that has elapsed since entry into the Scheme Implementation Agreement was announced on 22 December 2023, your Directors' view is that a Superior Proposal is unlikely to emerge prior to the Scheme Meeting.</p> <p>You should note that A2B agreed to certain exclusivity and break fee arrangements in favour of CDC in the Scheme Implementation Agreement. These provisions do not mean that an alternative proposal cannot be made by a third party and do not prevent the A2B Board from responding to a Competing Transaction (which was not solicited, invited, encouraged or initiated by A2B in contravention of the Scheme Implementation Agreement) provided that the A2B Board has determined, in good faith that:</p> <ul style="list-style-type: none"> <li>• after reasonable consultation with its financial and legal advisers, such a Competing Transaction is a Superior Proposal; and</li> <li>• after receiving written legal advice from its external legal advisers that failing to respond to such a Competing Transaction would, or would be reasonably likely to, constitute a breach of the A2B Board's fiduciary or statutory obligations.</li> </ul> <p>If a Competing Transaction emerges, A2B is required to notify CDC under the Scheme Implementation Agreement and, to the extent the A2B Board considers it to be a Superior Proposal, provide CDC with an opportunity to match or exceed that Superior Proposal.</p> <p>Your Directors will notify A2B Shareholders if a Superior Proposal is received before the Scheme Meeting.</p>	Sections, 7.11(f) and 7.11(g)
<b>What should I do?</b>	You should read this Scheme Booklet carefully and in its entirety and then vote by attending the Scheme Meeting or by appointing a proxy, attorney or, in the case of corporate shareholders, by corporate representative to vote on your behalf.	Sections 3.6 and 3.7
<b>What will I receive under the Scheme?</b>		
<b>What will I receive if the Scheme becomes Effective?</b>	If the Scheme is approved and implemented and you remain an Eligible A2B Shareholder on the Record Date, you will receive the Scheme Consideration for each A2B Share you hold on the Record Date, being \$1.45 cash.	Section 3.2
<b>When will I receive the Scheme Consideration?</b>	If you hold A2B Shares on the Record Date (and you are not an Excluded Shareholder), you will be paid your Scheme Consideration on the Implementation Date (currently expected to be 11 April 2024).	Section 3.2
<b>How will I be paid?</b>	<p>Payments will be made in Australian currency to each Scheme Participant by A2B (in its absolute discretion):</p> <ul style="list-style-type: none"> <li>• paying, or procuring the payment, of the relevant amount in dollars by electronic means into the bank account nominated by the Eligible A2B Shareholder, where the Eligible A2B Shareholder has made a valid election prior to the Record Date in accordance with the requirements of A2B's Share Registry to receive dividend payments from A2B to that bank account;</li> <li>• paying, or procuring the payment, of the relevant amount in dollars by electronic means to a bank account nominated by the Eligible A2B Shareholder by an appropriate authority from the Eligible A2B Shareholder to A2B; or</li> <li>• despatching, or procuring the despatch of, a cheque drawn on an Australian bank for the relevant amount in dollars to the Eligible A2B Shareholder by pre-paid ordinary post (or, if the address of the Eligible A2B Shareholder in the Register is outside Australia, by pre-paid airmail post) to their address recorded in the Register on the Record Date.</li> </ul>	Section 3.2
<b>What will I receive if the Scheme is not approved by the Requisite Majority at the Scheme Meeting?</b>	If the Scheme is not approved by the Requisite Majority, you will retain A2B Shares and will not receive the Scheme Consideration.	Not applicable
<b>How is CDC Sub funding the Scheme Consideration?</b>	<p>The Scheme Consideration will be paid wholly in cash.</p> <p>CDG intends to fund the aggregate Scheme Consideration payable by CDC Sub from CDG Group's existing reserves. As at 30 September 2023, CDG Group held S\$849.9 million (A\$968.4 million)<sup>15</sup> in cash. Although the amount of reserves may vary from time to time, it is anticipated that in aggregate these amounts will materially exceed the aggregate Scheme Consideration at all times until the Implementation Date.</p>	Section 5

<sup>15</sup> Based on an exchange rate of A\$1.0000:S\$0.8776 as at the Last Practicable Date.



Question	Answer	More information
<b>What are the tax consequences of the Scheme?</b>	<p>Section 6 provides a general outline of the Australian income tax, capital gains tax and stamp duty consequences for Scheme Participants who dispose of their A2B Shares in accordance with the Scheme. You should not rely on those general descriptions as advice for your own affairs.</p> <p>You should consult with your own tax adviser regarding the tax consequences of disposing of your A2B Shares in accordance with the Scheme in light of current tax laws and your particular circumstances.</p>	<a href="#">Section 6</a>
<b>Will I have to pay brokerage fees or stamp duty?</b>	No brokerage fees or stamp duty will be payable by A2B Shareholders on the transfer of A2B Shares under the Scheme.	<a href="#">Sections 1.1(f) and 6.4</a>
<b>Voting to approve the Scheme</b>		
<b>When and where will the Scheme Meeting be held?</b>	The Scheme Meeting will be held at The Mint, 10 Macquarie Street, Sydney NSW 2000 on 25 March 2024 commencing at 9.00am.	<a href="#">Annexure D</a>
<b>What will Eligible A2B Shareholders be asked to vote on at the Scheme Meeting?</b>	At the Scheme Meeting, Eligible A2B Shareholders will be asked to vote on whether to approve the Scheme.	<a href="#">Annexure D</a>
<b>Am I entitled to vote at the Scheme Meeting?</b>	If you are registered as an A2B Shareholder on the Register at 7.00pm on 23 March 2024 and you are not an Excluded Shareholder, you will be entitled to vote at the Scheme Meeting.	<a href="#">Section 3.7</a>
<b>What vote is required to approve the Scheme?</b>	<p>For the Scheme to proceed, votes “in favour of” the resolution to approve the Scheme at the Scheme Meeting must be received from a Requisite Majority of Eligible A2B Shareholders. A Requisite Majority is, in relation to the resolution to be put to Eligible A2B Shareholders at the Scheme Meeting:</p> <ul style="list-style-type: none"> <li>a majority in number (more than 50%) of Eligible A2B Shareholders, who are present and voting either in person or by proxy, attorney or, in the case of corporate shareholders, by corporate representative (<b>Headcount Test</b>);<sup>16</sup> and</li> <li>at least 75% of the total number of votes cast on the resolution to approve the Scheme by Eligible A2B Shareholders, who are present and voting either in person or by proxy, attorney, or in the case of corporate shareholders, by corporate representative.</li> </ul> <p>It is also necessary for the Court to approve the Scheme before it can become Effective.</p>	<a href="#">Section 3.3</a>
<b>What choices do I have as an Eligible A2B Shareholder?</b>	<p>As an Eligible A2B Shareholder you have the following choices:<sup>17</sup></p> <ul style="list-style-type: none"> <li>you can vote in person or by proxy, attorney or, in the case of corporate shareholders, by corporate representative at the Scheme Meeting;</li> <li>you can elect not to vote at the Scheme Meeting;</li> <li>you can sell A2B Shares on the ASX. If you sell A2B Shares on the ASX you may incur brokerage costs. If the Scheme becomes Effective, A2B Shares will cease trading on the ASX at close of trading on the Effective Date (expected to be 2 April 2024). Accordingly, you can sell A2B Shares at any time before the close of trading on the Effective Date. Normal brokerage and other expenses on sale may be incurred; or</li> <li>do nothing.</li> </ul> <p>If you do nothing and the Scheme is implemented, your A2B Shares will be transferred to CDC Sub and you will receive \$1.45 cash per A2B Share held on the Record Date.<sup>18</sup></p>	<a href="#">Section 3.5</a>

<sup>16</sup> The Court has a statutory discretion to disregard the Headcount Test for the purpose of the Scheme Meeting. A2B reserves the right to apply to the Court at the Second Court Hearing to approve the Scheme even if the Headcount Test is not satisfied.

<sup>17</sup> Excluded Shareholders are not entitled to vote at the Scheme Meeting.

<sup>18</sup> Excluded Shareholders are not entitled to receive the Scheme Consideration.

Question	Answer	More information
<b>Should I vote?</b>	Voting is not compulsory. However, your Directors believe that the Scheme is important to A2B Shareholders and your Directors unanimously recommend that you vote in favour of the Scheme subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Eligible A2B Shareholders and in the absence of a Superior Proposal. <sup>19</sup>	<a href="#">Section 1.1</a>
<b>How do I vote?</b>	<p>You may vote in person by attending the Scheme Meeting to be held at The Mint, 10 Macquarie Street, Sydney NSW 2000 on 25 March 2024, commencing at 9.00am. Alternatively, you may vote by completing and lodging the proxy form that is enclosed with this Scheme Booklet. The proxy form can be lodged in person, by mail, by fax or lodged online by visiting <a href="https://investorcentre.linkgroup.com">https://investorcentre.linkgroup.com</a>.</p> <p>You can also vote by appointing a corporate representative (if you are a corporate shareholder) or an attorney.</p> <p>Full details of how to vote and how to lodge a proxy form, corporate representative appointment or power of attorney are set out in the Notice of Scheme Meeting in Annexure D.</p>	<a href="#">Section 3.6 and Annexure D</a>
<b>How do I appoint a proxy?</b>	Eligible A2B Shareholders can appoint a proxy to vote on their behalf at the Scheme Meeting by following the instructions contained in the proxy form that accompanies this Scheme Booklet. Proxies must be received by A2B's Share Registry by 9.00am on 23 March 2024 to be valid for the Scheme Meeting (at least 48 hours prior to commencement of the Scheme Meeting). Proxy forms received after this time will be invalid.	<a href="#">Section 3.6 and Annexure D</a>
<b>How do I ask questions before the Scheme Meeting?</b>	<p>We encourage A2B Shareholders to submit questions in advance of the Scheme Meeting online by logging onto your A2B Share Registry holding account and navigating to the voting section at <a href="https://investorcentre.linkgroup.com">https://investorcentre.linkgroup.com</a>.</p> <p>A2B Shareholders who have not elected to receive all their communications electronically and have therefore received a paper copy question form, may also ask a question by completing and returning that question form in the enclosed reply paid envelope.</p> <p>To enable sufficient time for questions raised in advance to be considered and responded to in sufficient detail at the Scheme Meeting, A2B requests that questions be received as early as possible but they must be received no later than 9.00am on 23 March 2024.</p>	<a href="#">Section 3.18</a>
<b>How do I ask questions at the Scheme Meeting?</b>	<p>A2B Shareholders and proxyholders can ask questions during the Scheme Meeting by attending the Scheme Meeting in person.</p> <p>Questions should be stated clearly and should be relevant to the business of the Scheme Meeting, including matters directly relating to the Scheme.</p> <p>No questions should be asked at the Scheme Meeting regarding personal matters or those that are commercial in confidence.</p>	<a href="#">Section 3.18</a>
<b>How can I vote if I can't attend the Scheme Meeting?</b>	If you are unable to attend the Scheme Meeting you are able to vote by proxy, by following the instructions contained in the Notice of Scheme Meeting at Annexure D and completing the proxy form that accompanies this Scheme Booklet. The proxy form must be received by A2B's Share Registry by no later than 9.00am on 23 March 2024 (at least 48 hours prior to commencement of the Scheme Meeting).	<a href="#">Section 3.6 and Annexure D</a>
<b>What happens if I do not vote, or I vote against the Scheme?</b>	<p>Even if you do not vote, or vote against the Scheme, the Scheme may still be approved and implemented. If the Scheme is approved and implemented and you remain an Eligible A2B Shareholder on the Record Date, CDC Sub will acquire all of the A2B Shares on issue and you will receive the Scheme Consideration for A2B Shares even if you did not vote or you voted against the Scheme.</p> <p>The Scheme may not be approved at the Scheme Meeting. If this occurs the Scheme will not proceed, you will not receive the Scheme Consideration and you will remain an A2B Shareholder.</p>	<a href="#">Section 1.3(b)</a>

<sup>19</sup> The interests of your Directors, the number and description of A2B Shares and A2B Employee Share Rights held by or on behalf of them and the payments they will receive connected with or conditional on the Scheme, are set out in sections 7.2 and 7.3, including the 1,000,000 unvested A2B Employee Share Right held by Mark Bayliss (Executive Chairman) and the additional payment that will be made to him in consideration for his role in leading the turnaround at A2B, including his critical role in the sale of A2B's properties located at 9-13 O'Riordan Street, Alexandria (New South Wales) and Oakleigh (Victoria). As set out in section 7.3(c), the vesting of the A2B Employee Share Rights will be accelerated as a result of the Scheme. When considering the recommendation of your Directors to vote in favour of the Scheme, A2B Shareholders should have regard to the personal interests of your Directors. Despite their interest in the outcome of the Scheme, your Directors consider that, given the importance of the Scheme, it is important and appropriate for them to make a recommendation on the Scheme given their role in A2B.

Question	Answer	More information
<p><b>What happens if the Scheme is not approved at the Scheme Meeting or is not approved by the Court or if any of the other Conditions Precedent are not satisfied or waived?</b></p>	<p>If the Scheme is not approved by a Requisite Majority of Eligible A2B Shareholders at the Scheme Meeting or the Scheme is not approved by the Court, or any of the other Conditions Precedent are not satisfied (or alternatively waived, in the case of certain Conditions Precedent that are capable of being waived) by 31 July 2024 (or such other date as is agreed in writing by CDC and A2B), the Scheme will not proceed.</p> <p>In those circumstances:</p> <ul style="list-style-type: none"> <li>• A2B Shareholders will retain their A2B Shares and, in doing so, will continue to have the benefits of their current A2B investment and to be exposed to the risks of holding their A2B Shares (see section 4.9 in respect of risks relating to an investment in A2B);</li> <li>• Eligible A2B Shareholders will not receive the Scheme Consideration;</li> <li>• a break fee of \$1,820,000 (excluding GST) may be payable by A2B to CDC under certain circumstances. However, this break fee is not payable simply because the Scheme is not approved by the Requisite Majority of Eligible A2B Shareholders; and</li> <li>• A2B will continue as a standalone company listed on the ASX.</li> </ul> <p>In the absence of a Superior Proposal, there is a risk that A2B Shareholders may not be able to realise a price for all of their A2B Shares (at least in the short term) comparable to the price that they would receive under the Scheme.</p> <p>Before the Scheme Meeting, A2B estimates that it will have incurred or committed transaction costs of approximately \$1.2 million in relation to the Scheme. Those costs will be payable by A2B regardless of whether or not the Scheme is approved and becomes Effective. If the Scheme is implemented, these costs will effectively be met by CDG as the ultimate controller of A2B following implementation of the Scheme.</p> <p>If the Scheme does not proceed you will retain your A2B Shares. Your Directors intend to continue to operate A2B as a listed public company carrying on the business of, among other things, supplying personal transport services and technologies under the leadership of the current senior management. The A2B Board has not formed any plans to make any significant changes to the business of A2B, redeploy any of its operating assets or change or affect the future employment of the present employees of A2B. If the Scheme does not proceed, A2B Shareholders will continue to be exposed to future risks and potential benefits associated with A2B's business rather than realising certain value for their A2B Shares in a certain timeframe.</p>	<p><b>Sections 1.1(e), 1.3(d) and 1.3(e)</b></p>
<p><b>When will the result of the Scheme Meeting be known?</b></p>	<p>The results of the Scheme Meeting will be available shortly after the conclusion of the Scheme Meeting and will be announced to the ASX once available.</p>	<p><b>Section 3.3</b></p>
<p><b>Other questions</b></p>		
<p><b>Can I keep my A2B Shares?</b></p>	<p>If the Scheme is implemented, CDC Sub will acquire all of the A2B Shares on issue. This will happen even if you did not vote or you voted against the Scheme.</p>	<p><b>Section 1.3(b)</b></p>
<p><b>Can I sell my A2B Shares now?</b></p>	<p>You can sell your A2B Shares at any time before close of trading on the ASX on the Effective Date, at the then prevailing market price (which may vary from the value of the Scheme Consideration).</p> <p>If the Scheme becomes Effective, A2B intends to apply to the ASX for A2B Shares to be suspended from official quotation on the ASX from close of trading on the Effective Date (which is currently expected to be 2 April 2024). You will not be able to sell your A2B Shares after this time.</p> <p>If you sell your A2B Shares before the Effective Date you:</p> <ul style="list-style-type: none"> <li>• will receive the proceeds from the sale of your A2B Shares sooner than you would receive payment under the Scheme (noting that your sale proceeds may vary from the Scheme Consideration);</li> <li>• may incur a brokerage charge if you sell your A2B Shares on market; and</li> <li>• will not be able to participate in the Scheme or a Superior Proposal, if one emerges.</li> </ul>	<p><b>Section 3.5</b></p>
<p><b>What happens if a Competing Transaction emerges?</b></p>	<p>If a proposal for a Competing Transaction is received, your Directors will carefully consider whether it is a Superior Proposal and advise you of any change to their recommendation.</p> <p>In accordance with the Scheme Implementation Agreement, A2B must notify CDC if any Competing Transaction emerges and CDC has a right to match any Competing Transaction that your Directors determine is a Superior Proposal.</p>	<p><b>Section 1.1(d)</b></p>

Question	Answer	More information
<b>Are any other approvals required?</b>	<p>The Scheme must be approved by the Court in addition to being approved by a Requisite Majority of Eligible A2B Shareholders. If the Scheme is approved by a Requisite Majority of Eligible A2B Shareholders at the Scheme Meeting, A2B will apply to the Court for approval of the Scheme. The Court hearing is expected to be held on 28 March 2024 (although this may change). Further details of the approval process are set out in section 3.</p> <p>Implementation of the Scheme is subject to certain regulatory approvals as summarised in section 7.11(b).</p>	<a href="#">Section 7</a>
<b>Is the Scheme subject to any conditions?</b>	<p>Implementation of the Scheme is subject to a number of conditions summarised in section 7.11(b) and set out in full in the Scheme Implementation Agreement.</p>	<a href="#">Section 7.11(b)</a>
<b>Do I need to do or sign anything to transfer my A2B Shares?</b>	<p>No. If the Scheme becomes Effective, A2B will automatically have authority to sign a transfer document on behalf of Scheme Participants, who will then be paid the Scheme Consideration as set out above.</p> <p>You should be aware that if the Scheme becomes Effective and you are a Scheme Participant you will warrant to CDC Sub, and be deemed to have authorised A2B to warrant to CDC Sub on your behalf, that:</p> <ul style="list-style-type: none"> <li>• all of your A2B Shares (including any rights and entitlements attaching to those shares) are fully paid and free from all Encumbrances or any other third party interest or restriction on transfer of any kind; and</li> <li>• you have full power and capacity to sell and to transfer your A2B Shares to CDC Sub under the Scheme.</li> </ul> <p>You should ensure that these warranties can be given by you as at the Implementation Date.</p>	<a href="#">Sections 3.3 and 3.14</a>
<b>What if I have further questions about the Scheme?</b>	<p>If you have any further questions about the Scheme please call the A2B Shareholder Information Line on 1300 408 784 (within Australia) or +61 2 8072 1489 (outside Australia) between 8.30am and 8.00pm, Monday to Friday (excluding public holidays).</p> <p>For information about your individual financial or taxation circumstance please consult your broker or financial, legal, taxation or other professional adviser.</p>	<a href="#">Not applicable</a>

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# Details of the Scheme

## 3.1 Background to the Scheme

On 22 December 2023, A2B announced that it had entered into a Scheme Implementation Agreement with CDC and CDG under which, subject to the satisfaction or waiver of a number of Conditions Precedent, CDC has agreed (directly or through a nominee) to acquire all of the issued shares in A2B held by A2B Shareholders that the CDG Group does not already own, by way of scheme of arrangement between A2B and Eligible A2B Shareholders under Part 5.1 of the Corporations Act. A summary of the key terms of the Scheme Implementation Agreement is set out in section 7.11.

## 3.2 Payment of Scheme Consideration

If the Scheme is implemented, each Scheme Participant will receive \$1.45 per share in cash consideration from CDC Sub (Scheme Consideration). You will be paid the Scheme Consideration in respect of each A2B Share held by you as at the Record Date. Payment will be made to you on the Implementation Date (which is currently expected to be 11 April 2024).

Payments will be made in Australian currency to each Scheme Participant by A2B (in its absolute discretion):

- a) paying, or procuring the payment, of the relevant amount in dollars by electronic means to a bank account nominated by the Eligible A2B Shareholder, where the Eligible A2B Shareholder has made a valid election prior to the Record Date in accordance with the requirements of A2B's Share Registry to receive dividend payments from A2B to that bank account;
- b) paying, or procuring the payment, of the relevant amount in dollars by electronic means to a bank account nominated by the Eligible A2B Shareholder by an appropriate authority from the Eligible A2B Shareholder to A2B; or
- c) despatching, or procuring the despatch of, a cheque drawn on an Australian bank for the relevant amount in dollars to the Eligible A2B Shareholder by pre-paid ordinary post (or, if the address of the Eligible A2B Shareholder in the Register is outside Australia, by pre-paid airmail post) to their address recorded in the Register on the Record Date.

If a Scheme Participant does not have a registered address and no bank account has been nominated or a deposit into such account is rejected or refunded (or a cheque issued has been cancelled), payments owed to the relevant Scheme Participant will be held by A2B until claimed or applied under the relevant laws dealing with unclaimed money.

If you are an Eligible A2B Shareholder, you should ensure that your personal contact details and banking instructions are up to date. You can review your shareholder information by contacting A2B's Share Registry on 1300 554 474 (within Australia) and +61 1300 554 474 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday (excluding public holidays).

## 3.3 Key steps to implement the Scheme

The key steps to implement the Scheme are as follows:

- a) Eligible A2B Shareholders will vote on whether to approve the Scheme at the Scheme Meeting. Each Eligible A2B Shareholder who is registered on the Register at 7.00pm on 23 March 2024 is entitled to vote at the Scheme Meeting. Excluded Shareholders will not vote at the Scheme Meeting. A confirmatory statement to that effect is made by CDG, CDC and CDC Sub in section 5.
- b) If the Scheme is approved by the Requisite Majority of Eligible A2B Shareholders at the Scheme Meeting, A2B will apply to the Court to approve the Scheme on the Second Court Date (expected to be 28 March 2024). Section 3.8 contains details on this procedure. The Corporations Act and the relevant Court rules provide a procedure for A2B Shareholders to oppose the approval by the Court of the Scheme.
- c) If the Court approves the Scheme, and if all other Conditions Precedent to the Scheme are satisfied (or alternatively waived, in the case of certain Conditions Precedent that are capable of being waived), A2B will lodge with ASIC an office copy of the Court order approving the Scheme. A2B expects to lodge this with ASIC on 2 April 2024. The Scheme becomes Effective once the Court order is lodged with ASIC.
- d) It is expected that with effect from close of trading on the Business Day on which the office copy of the Court order is lodged with ASIC (being the Effective Date), A2B Shares will be suspended from trading on the ASX.
- e) Eligible A2B Shareholders will be entitled to receive the Scheme Consideration under the Scheme if they are registered as the holders of A2B Shares at 7.00pm on the Record Date. The Record Date is currently expected to be 4 April 2024.
- f) No later than 2 Business Days before the Implementation Date, CDC Sub is required to deposit (or procure the deposit of) the aggregate amount of the Scheme Consideration into the Trust Account.
- g) On the Implementation Date:
  - i) A2B will pay the Scheme Consideration to each Scheme Participant by cheque or direct credit; and
  - ii) all the Scheme Shares, and all the rights and entitlements attaching them as at the Implementation Date, will be transferred to CDC Sub.
- h) After the Scheme has been implemented A2B will apply for termination of the official quotation of A2B Shares on the ASX and to have itself removed from the official list of the ASX.

### 3.4 Conditions to the Scheme

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The Scheme will not become Effective and you will not receive the Scheme Consideration unless all of the Conditions Precedent to the Scheme are satisfied (or alternatively waived, in the case of certain Conditions Precedent that are capable of being waived) in accordance with the Scheme Implementation Agreement.

The Conditions Precedent to the Scheme are summarised in section 7.11(b) and are set out in full in clause 3.1 of the Scheme Implementation Agreement. These include approval by the Court and Eligible A2B Shareholders, ACCC Clearance and the Independent Expert continuing to conclude that the Scheme is in the best interests of Eligible A2B Shareholders.

As at the Last Practicable Date, A2B is not aware of any circumstances which would cause the Conditions Precedent not to be satisfied.

### 3.5 Your choices as an Eligible A2B Shareholder

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As an Eligible A2B Shareholder you have the following choices:<sup>20</sup>

- a) you can vote in person or by proxy, attorney or, in the case of corporate shareholders, by corporate representative at the Scheme Meeting;
- b) you can elect not to vote at the Scheme Meeting; or
- c) you can sell A2B Shares on the ASX. If you sell A2B Shares on the ASX you may incur brokerage costs. If the Scheme becomes Effective, A2B Shares will cease trading on the ASX at close of trading on the Effective Date (expected to be 2 April 2024). Accordingly, you can sell A2B Shares at any time before the close of trading on the Effective Date. Normal brokerage and other expenses on sale may be incurred.

### 3.6 How to vote

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Eligible A2B Shareholders can vote in either of the following ways:

- a) by attending the Scheme Meeting and voting in person; or
- b) by proxy, attorney or, in the case of corporate shareholders, by corporate representative to attend and vote on their behalf.

See pages 6-7 for full details on how to vote.

### 3.7 Eligibility to vote

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The time for determining eligibility to vote at the Scheme Meeting is 7.00pm on 23 March 2024. Only those Eligible A2B Shareholders entered on the Register at that time will be entitled to vote at the Scheme Meeting.

Excluded Shareholders will not vote at the Scheme Meeting. A confirmatory statement to that effect is made by CDG, CDC and CDC Sub in section 5.

### 3.8 Court approval

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On 21 February 2024, the Court made orders that the Scheme Meeting be convened and that this Scheme Booklet be despatched to A2B Shareholders. Those orders do not constitute an endorsement of, or any other expression of opinion on, the Scheme or this Scheme Booklet.

A2B will apply to the Court for orders approving the Scheme if the Scheme is approved by the Requisite Majority of Eligible A2B Shareholders at the Scheme Meeting. The Court has discretion as to whether to grant the orders approving the Scheme, even if the Scheme is approved by the Requisite Majority of Eligible A2B Shareholders.

Each A2B Shareholder and, with the Court's permission, any other interested person has the right to appear at the Second Court Hearing.

The Corporations Act and the Supreme Court (Corporations) Rules 1999 provide a procedure for A2B Shareholders to oppose the approval by the Court of the Scheme. If you wish to oppose the approval of the Scheme at the Second Court Hearing you may do so by filing with the Court and serving on A2B a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on A2B at the address for service at least one day before the date fixed for the Second Court Hearing. With leave of the Court, you may also oppose the approval of the Scheme by appearing at the Second Court Hearing and applying to raise any objections you may have at the hearing. A2B should be notified in advance of an intention to object.

The address for service is: c/o King & Wood Mallesons, Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000, Attention: Mark Vanderneut, copy to: [mark.vanderneut@au.kwm.com](mailto:mark.vanderneut@au.kwm.com).

The date for the Second Court Hearing is currently scheduled to be 28 March 2024, though an earlier or later date may be sought. Any change to this date will be announced through the ASX.

<sup>20</sup> Excluded Shareholders are not entitled to vote at the Scheme Meeting.

## 3.9 Determination of persons entitled to the Scheme Consideration

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To establish the identity of the Scheme Participants entitled to receive the Scheme Consideration, dealings in A2B Shares will only be recognised by A2B if:

- a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Register as the holder of the relevant A2B Shares on or before 7.00pm on the Record Date; and
- b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before 7.00pm on the Record Date at the place where the Register is kept.

## 3.10 Record Date

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Those Eligible A2B Shareholders on the Register on the Record Date, being 7.00pm on the second Business Day following the Effective Date or such other date as agreed in writing by CDC and A2B, will be entitled to receive the Scheme Consideration in respect of the A2B Shares they hold as at the Record Date.

## 3.11 Register

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A2B must register, or cause to be registered, any registrable transmission applications or transfers of the A2B Shares received on or before 7.00pm on the Record Date.

For the purposes of determining entitlements under the Scheme, A2B will not accept for registration or recognise any transmission, application or transfer in respect of A2B Shares received after the Record Date (except a transfer to CDC Sub pursuant to the Scheme and any subsequent transfer by CDC Sub or its successors in title).

## 3.12 No disposals after Effective Date

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If the Scheme becomes Effective, you may not dispose of or purport or agree to dispose of any A2B Shares or any interest in them after the Effective Date in any way except as set out in the Scheme. Any such disposal will be void and of no legal effect whatsoever, and any attempt to do so will have no effect and A2B is entitled to disregard any such disposal, purported disposal or agreement.

## 3.13 Maintenance of the Register

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For the purpose of determining entitlements to the Scheme Consideration, A2B will maintain the Register until the Scheme Consideration has been paid to the Scheme Participants and CDC Sub has been entered in the Register as the holder of all the A2B Shares. The Register in this form will solely determine entitlements to the Scheme Consideration.

## 3.14 Deemed warranty on transfer of A2B Shares to CDC Sub

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Under the terms of the Scheme each Scheme Participant warrants to CDC Sub and is deemed to have authorised A2B as their agent and attorney to warrant to CDC Sub that:

- a) all of their A2B Shares (including all rights and entitlements attaching to them) will, as at the Implementation Date, be fully paid and free from all Encumbrances or any third party interest or restrictions on transfer of any kind; and
- b) they have full power and capacity to sell to and to transfer their A2B Shares (including any rights and entitlements attaching to them) to CDC Sub under the Scheme.

You should ensure that these warranties can be given by you as at the Implementation Date.



### 3.15 Deed Poll

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On 19 February 2024, CDG, CDC, and CDC Sub executed the Deed Poll under which CDC Sub agreed, subject to the Scheme becoming Effective, to pay the aggregate Scheme Consideration payable to Scheme Participants into the Trust Account no later than 2 Business Days before the Implementation Date. A summary of the key terms of the Deed Poll is set out in section 7.12. A copy of the Deed Poll is also set out in Annexure C.

### 3.16 Suspension of trading

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A2B will apply to the ASX for suspension of trading in A2B Shares on the ASX after close of trading on the Effective Date. Following final implementation of the Scheme, A2B will request the ASX to remove it from the official list of the ASX.

### 3.17 Taxation implications

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A general guide to the taxation implications of the Scheme for A2B Shareholders is set out in section 6. This guide is expressed in general terms and is not intended to provide taxation advice in respect of the particular circumstances of any A2B Shareholder. You should seek and rely on your own independent tax advice in relation to your particular circumstances.

### 3.18 Questions in relation to Scheme

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If you have any further questions about the Scheme, please call the A2B Shareholder Information Line 1300 408 784 (within Australia) or +61 2 8072 1489 (outside Australia) between 8.30am and 8.00pm, Monday to Friday (excluding public holidays).

A2B Shareholders and proxyholders can ask questions during the Scheme Meeting. Questions should be stated clearly and should be relevant to the business of the Scheme Meeting, including matters directly relating to the Scheme. No questions should be asked at the Scheme Meeting regarding personal matters or those that are commercial in confidence.

For information about your individual financial or taxation circumstance please consult your broker or financial, legal, taxation or other professional adviser.

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# Information about A2B

## 4.1 Background

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A2B is a leading player in the personal transport sector and is a provider of taxi payment solutions and taxi dispatch services in Australia, operating across all states and territories. As at 31 December 2023, A2B had approximately 8,000 vehicles affiliated with its network, and 600 employees.

For the half year ended 31 December 2023, A2B reported revenue of \$81.3 million, underlying EBITDA<sup>21</sup> of \$13.8 million and statutory net profit after tax of \$51.1 million.

As at the Last Practicable Date, A2B has on issue 122,985,271 A2B Shares and 2,500,000 A2B Employee Share Rights (see sections 7.3(c) and 7.4 for more information).

## 4.2 Corporate history

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A2B was founded in 1976 as Cabcharge Australia Limited and admitted to the official list of the ASX in 1999 (ASX:A2B) with the business name changing to A2B Australia Limited in November 2018 to create room for its strengthening brands.

## 4.3 Overview of operations

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A2B comprises of two main operating segments, including business-to-consumer (**B2C**) and business-to-business (**B2B**).

The B2C segment provides taxi network and transport services to taxi operators and independent drivers, taxi licence owners and passengers nationally in Australia. A2B has built a large customer base through its B2C segment with more than 12,000 active drivers as at 31 December 2023 and approximately 8,000 affiliated vehicles across a variety of brands including 13cabs, Silver Service and Maxi Taxi. The majority of revenue generated from the B2C segment is derived from monthly subscription fees, A2B's largest revenue stream, collected from affiliated vehicles in the network.

The B2B segment provides taxi payment and dispatch services through the MTI, Cabcharge and Spotto brands. This segment forms the second largest revenue stream for A2B.

## 4.4 A2B strategic framework from "BETTER TO BEST"

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A2B's strategy heading into FY24, is about moving from "BETTER TO BEST", and is aimed at delivering sustainable growth and a further enhanced culture. This strategy ties into A2B's vision, which is to be the leading provider of personalised transportation services and solutions, committed to the success of its customers, people and stakeholders.

A2B's scale, highly recognised brands, consistent quality offering and proven value proposition to drivers and passengers provide a strong platform for the successful implementation of its "BETTER TO BEST" growth strategy which includes the following three pillars:

- Improve profitability
- Grow core business
- Expand into new markets

<sup>21</sup> Underlying EBITDA is a non-IFRS measure to provide greater understanding of the business performance of the group and aims to remove the effect of significant items. During the period, significant items include +\$62.3m in net gain in relation to the property transaction and +\$0.9m in taxi license plate compensation received from the NSW Government.

## 4.5 The A2B Board and senior management team

### (a) The A2B Board

Your Directors as at the date of this Scheme Booklet are:

- Mr Mark Bayliss (Executive Chairman);
- Mr Brent Cubis (Independent Non-Executive Director);
- Ms Jennifer Horrigan (Independent Non-Executive Director); and
- Mr Clifford Rosenberg (Independent Non-Executive Director).

The biographies of the A2B Directors as at the date of this Scheme Booklet are as follows.

<p><b>Mr Mark Bayliss</b></p> <p><b>Executive Chairman</b></p>	<p>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 the 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 CFO of Australian Discount Retail and CFO of Fairfax Media Limited.</p> <p>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.</p>
<p><b>Mr Brent Cubis</b></p> <p><b>Independent Non-Executive Director</b></p>	<p>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.</p> <p>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.</p>
<p><b>Ms Jennifer Horrigan</b></p> <p><b>Independent Non-Executive Director</b></p>	<p>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 COO 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 Dexus Funds Management Limited, Dexus Investment Services Pty Limited and Yarra Funds Management Limited.</p> <p>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.</p>
<p><b>Mr Clifford Rosenberg</b></p> <p><b>Independent Non-Executive Director</b></p>	<p>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 Johannesburg Stock Exchange listed Bid Corporation and the 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 &amp; New Zealand for LinkedIn (2009-2017), Managing Director of Yahoo! Australia &amp; New Zealand (2003-2006).</p> <p>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.</p>

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## (b) Senior management team

Brief profiles of the key members of A2B's management team as at the date of this Scheme Booklet are as follows.

<p><b>Mr Mark Bayliss</b></p> <p><b>Executive Chairman</b></p>	<p>See biography above at section 4.5(a).</p>
<p><b>Mr Ton van Hoof</b></p> <p><b>Chief Financial Officer</b></p>	<p>Ton was appointed as CFO in May 2018. Ton joined A2B in October 2015 and was Group Financial Controller from April 2017 until his appointment as CFO. Ton has held a number of finance roles in both listed and privately owned organisations within the personal transport, aviation, and market research sectors. His previous roles include Senior Controller at Martinair Holland N.V. and more recently Group Financial Controller Asia Pacific and Africa at IRI. Ton has a strong track record in leading finance transformation and integration initiatives across various regions, as well as experience in technical finance, treasury, strategy, and M&amp;A transactions.</p> <p>Ton holds a Bachelor of Business Administration from Fontys University Eindhoven, a Master of International Business from Macquarie University and is a member of the Institute of Chartered Accountants in Australia and New Zealand.</p>
<p><b>Mrs Olivia Barry</b></p> <p><b>Chief Operating Officer 13cabs</b></p>	<p>Olivia was appointed COO of 13cabs in May 2022 and is accountable for all 13cabs driver and operator related activity, communications, processes, training, offers, marketing, recruitment and retention. From November 2022, Olivia is also accountable for A2B Corporate Transport including Cabcharge, Specialised Mobility (including TSS), and 13cabs Corporate businesses. Olivia has been with 13cabs since 2019 and has previously held Director roles across a variety of companies including The Big Group, United Recruitment and the Spottless Group.</p> <p>Olivia has a Bachelor of Business Administration (B.B.A.) focused in Human Resources Development from RMIT University.</p>
<p><b>Mr Gary Becus</b></p> <p><b>Chief Operating Officer Mobility Platform and Payments</b></p>	<p>Gary was appointed COO Mobility Platform and Payments in 2022. Previously, Gary led the B2B and Payment Services division after joining A2B in April 2021. Gary is responsible for taking our mobility platform and payments products and services to market. This encompasses strategy, sales, marketing, and customer service for MTL and our taxi payment processing solutions MTL, FAREWAY plus, Spotto, Giraffe, and Card Not Present payments. Gary previously held a variety of Vice President and Director roles at MasterCard for over 12 years and Carlson Marketing.</p> <p>Gary has a Bachelor in Marketing from the University of Western Sydney.</p>
<p><b>Mr Howard Edelman</b></p> <p><b>Group General Counsel and Company Secretary</b></p>	<p>Howard Edelman joined A2B in January 2023 and brings almost 30 years of corporate and commercial experience across various industries, including technology, financial services, manufacturing, infrastructure and retail.</p> <p>Howard joins A2B having 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 held senior roles with AustralianSuper and Super Retail Group and worked for the law firms Skadden Arps and Allens, specialising in corporate law.</p> <p>Howard is admitted to practice law in NSW and New York, USA and has a Juris Doctorate from Brooklyn Law School and a Bachelor of Arts from Hamilton College. Howard is a Director and General Counsel for the Australia Association of Corporate Counsel (ACC) and is President of ACC NSW.</p>

If the Scheme does not proceed, the current senior management of A2B will remain. If the Scheme is implemented, the intentions of CDG, CDC and CDC Sub in relation to A2B employees generally is set out in section 5.4(c).

## 4.6 Historical financial information

This section sets out historical financial information about A2B for 1H24, FY23 and FY22. The financial information in this section is a summary only and is prepared for the purpose of this Scheme Booklet. It does not contain all the disclosures, presentations, statements or comparatives that are usually provided in the annual report prepared in accordance with the Corporations Act. A2B considers that for the purposes of this Scheme Booklet the historical financial information presented in an abbreviated form is more meaningful to A2B Shareholders.

The information has been extracted from the financial reports of A2B for 1H24, FY23 and FY22. The financial reports of A2B for FY23 and FY22 have been audited. The financial report of A2B for 1H24 has been reviewed, but not audited.

The financial information has not been subject to further review by an independent accountant.

## (a) Basis of preparation

The historical financial information of A2B presented in this Scheme Booklet has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards and is presented on a stand-alone basis, and accordingly, does not reflect any impact of the implementation of the Scheme.

## (b) Consolidated statement of profit and loss

Below is a summary of A2B's consolidated income statements for the periods ending 1H24, FY23 and FY22.

	1H24 \$'000	FY23 \$'000	FY22 \$'000
Revenue	81,323	147,251	126,138
Other income	63,299	23,194	2,637
	<b>144,622</b>	<b>170,445</b>	<b>128,775</b>
Direct mobility and payment related expenses	(17,974)	(36,020)	(31,742)
Employee benefits expenses	(29,374)	(61,128)	(66,729)
Advertising and marketing expenses	(2,279)	(2,746)	(11,221)
Technology and communications expenses	(7,461)	(12,235)	(11,288)
Depreciation and amortisation expenses	(5,777)	(10,999)	(16,177)
Impairment charges	-	-	(10,249)
Other expenses	(9,610)	(15,555)	(19,869)
<b>Results from operating activities</b>	<b>72,146</b>	<b>31,762</b>	<b>(38,500)</b>
Finance income	205	34	4
Finance costs	(849)	(3,538)	(1,222)
<b>Net finance costs</b>	<b>(644)</b>	<b>(3,504)</b>	<b>(1,218)</b>
<b>Profit/(loss) before income tax</b>	<b>71,502</b>	<b>28,258</b>	<b>(39,718)</b>
Income tax (expense)/benefit	(20,443)	(1,195)	11,900
<b>Profit/(loss) for the period</b>	<b>51,060</b>	<b>27,063</b>	<b>(27,818)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences, net of tax	(86)	88	(76)
<b>Other comprehensive income/(loss) for the period, net of income tax</b>	<b>(86)</b>	<b>88</b>	<b>(76)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>50,974</b>	<b>27,151</b>	<b>(27,894)</b>
<b>Attributable to:</b>			
Owners of the Company	50,961	26,792	(28,118)
Non-controlling interest	99	271	300
<b>Total profit/(loss) for the period</b>	<b>51,060</b>	<b>27,063</b>	<b>(27,818)</b>
Owners of the Company	50,875	26,880	(28,194)
Non-controlling interest	99	271	300
<b>Total comprehensive income/(loss) for the period</b>	<b>50,974</b>	<b>27,151</b>	<b>(27,894)</b>
<b>Earnings per share:</b>			
Basic earnings per share	41.4 cents	22.1 cents	(23.3 cents)
Diluted earnings per share	41.4 cents	21.4 cents	(23.3 cents)

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### (c) Consolidated statement of financial position

Below is a summary of A2B's consolidated statement of financial position for the periods ending 1H24, FY23 and FY22.

	1H24 \$'000	FY23 \$'000	FY22 \$'000
<b>Current assets</b>			
Cash and cash equivalents	95,807	29,541	12,295
Trade and other receivables	41,468	45,762	60,254
Inventories	2,562	3,157	3,667
Prepayments	2,472	3,490	3,322
Assets held for sale	- <sup>22</sup>	10,438	-
<b>Total current assets</b>	<b>142,309</b>	<b>92,388</b>	<b>79,538</b>
<b>Non-current assets</b>			
Trade and other receivables	4,582	5,598	5,303
Property, plant and equipment	13,134	16,730	23,673
Taxi plate licences	1,341	1,341	1,349
Goodwill	27,487	27,487	27,487
Intellectual property	15,854	13,468	12,722
Right-of-use assets	5,018	4,123	6,517
Net deferred tax assets	6,974	22,740	20,507
Financial assets	963	963	977
<b>Total non-current assets</b>	<b>75,353</b>	<b>92,450</b>	<b>98,535</b>
<b>Total assets</b>	<b>217,662</b>	<b>184,838</b>	<b>178,073</b>
<b>Current liabilities</b>			
Trade and other payables	23,021	38,193	55,880
Dividends payable	73,791 <sup>23</sup>	-	-
Loans and borrowings	555	602	1,649
Lease liabilities	5,901	1,195	1,556
Current tax liabilities	704	3,096	310
Deferred income	59	118	118
Provisions	6,302	7,580	8,112
<b>Total current liabilities</b>	<b>110,333</b>	<b>50,784</b>	<b>67,625</b>
<b>Non-current liabilities</b>			
Loans and borrowings	13,000 <sup>24</sup>	15,000	17,274
Lease liabilities	6,994 <sup>25</sup>	3,453	5,530
Deferred income	118	118	236
Provisions	1,575	1,257	1,268
<b>Total non-current liabilities</b>	<b>21,687</b>	<b>19,828</b>	<b>24,308</b>
<b>Total liabilities</b>	<b>132,020</b>	<b>70,612</b>	<b>91,933</b>
<b>Net assets</b>	<b>85,642</b>	<b>114,226</b>	<b>86,140</b>
<b>Equity</b>			
Share capital	138,325	138,325	138,325
Reserves	3,439	3,230	2,016
Profits reserve	16,723	45,615	18,823
Retained losses	(74,428)	(74,428)	(74,428)
<b>Total equity attributable to equity holders of the Company</b>	<b>84,059</b>	<b>112,742</b>	<b>84,736</b>
Non-controlling interest	1,583	1,484	1,404
<b>Total equity</b>	<b>85,642</b>	<b>114,226</b>	<b>86,140</b>

22 A2B's portfolio was carried at cost on 30 June 2023, with the property at 9-13 O'Riordan Street, Alexandria (\$10.4m) classified under assets held for sale. As at 31 December 2023, this property has been divested.

23 Proceeds received in relation to the sale of O'Riordan Street and Oakleigh properties which have been distributed to A2B Shareholders on 30 January 2024.

24 \$2.0m movement from FY23 to 1H24 relates to a reduction in bank debt following property sale proceeds.

25 The increase from FY23 to 1H24 relates to sale and leaseback of the properties at 9-13 O'Riordan Street, Alexandria and Oakleigh in accordance with AASB 16.

## (d) Consolidated statement of cash flows

Below is a summary of A2B's consolidated statement of cash flows for 1H24, FY23 and FY22.

	1H24 \$'000	FY23 \$'000	FY22 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers and others	533,585	1,023,208	733,673
Payments to suppliers, licensees and employees	(531,956)	(1,010,961)	(744,600)
Dividends received	–	–	167
Interest received	205	32	1
Finance costs paid	(346)	(1,728)	(1,014)
Income tax (paid)/received	(7,069)	(178)	5,529
<b>Net cash provided by/(used in) operating activities</b>	<b>(5,581)</b>	<b>10,373</b>	<b>(6,244)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(2,264)	(5,606)	(4,044)
Payments for development of intellectual property	(4,444)	(4,540)	(4,731)
Proceeds from sale of property, plant and equipment	86,485 <sup>26</sup>	20,322	449
Government compensation for cancelling tradeable value of Taxi licences	930	1,630	–
<b>Net cash provided by/(used in) investing activities</b>	<b>80,707</b>	<b>11,806</b>	<b>(8,326)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	–	5,000	17,347
Repayment of borrowings	(2,049)	(8,321)	(288)
Payment of lease liabilities	(996)	(1,489)	(2,021)
Dividend paid to equity holders	(6,062)	–	–
Dividends paid to non-controlling interest in subsidiaries	–	(191)	(83)
<b>Net cash (used in)/provided by financing activities</b>	<b>(9,107)</b>	<b>(5,001)</b>	<b>14,955</b>
<b>Net increase in cash and cash equivalents</b>	<b>66,019</b>	<b>17,178</b>	<b>385</b>
Opening cash and cash equivalents at start of period	29,541	12,295	11,874
Effect of movements in exchange rate on cash held	247	68	36
<b>Closing cash and cash equivalents at end of period</b>	<b>95,807</b>	<b>29,541</b>	<b>12,295</b>

The financial statements of A2B for the financial periods ended 31 December 2023, 30 June 2023 and 30 June 2022, including all notes to those accounts, can be found in full in:

- FY22 A2B Annual Financial Report (released to the ASX on 23 August 2022)
- FY23 A2B Annual Financial Report (released to the ASX on 22 August 2023)
- 1H24 A2B Half Year Financial Report (released to the ASX on 16 February 2024)

These documents can be found on A2B's website at: <https://www.a2baustralia.com/investor-center/asx/>.

<sup>26</sup> The increase from FY23 to 1H24 relates to the proceeds received in relation to the sale of O'Riordan Street and Oakleigh properties during the period.



## 4.7 Material changes in the financial position of A2B

Other than:

- the accumulation of revenue and trading profits in the ordinary course of trading; and
- as disclosed in this Scheme Booklet or as otherwise disclosed to the ASX by A2B,

within the knowledge of A2B, the financial position of A2B has not materially changed since 31 December 2023, being the date of A2B audited financial statements for the half year ended 31 December 2023 (released to the ASX on 16 February 2024).

## 4.8 Recent A2B Shares performance

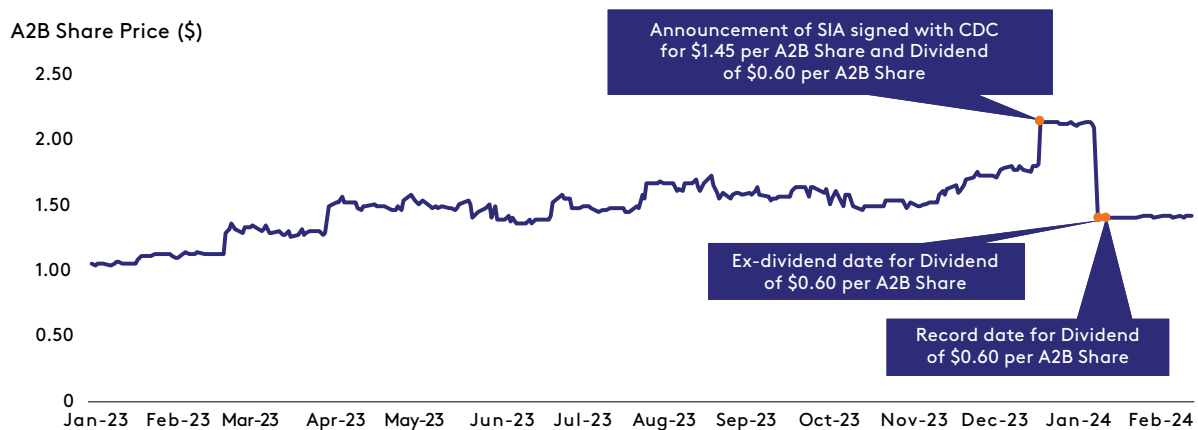
A2B Shares are listed on the ASX under trading symbol A2B.

A2B's adjusted closing share price on 21 December 2023, being the last trading day prior to A2B announcing that it had entered into the Scheme Implementation Agreement with CDC and CDG after subtracting the cash value of the Dividend, was \$1.23 per A2B Share. The closing price of A2B Shares on the Last Practicable Date was \$1.42.

During the three months leading up to the Last Practicable Date:

- the highest recorded daily closing price of A2B Shares was \$2.15 (unadjusted basis), most recently on 28 December 2023; and
- the lowest recorded daily closing price of A2B Shares was \$1.41 (unadjusted basis) on 13 February 2024.

The share price graph (unadjusted basis) below refers to the performance of A2B Shares from 1 January 2023 to the Last Practicable Date.



For the purposes of calculating the premiums in the Scheme Booklet, the cash value of the Dividend has been subtracted before the ex-dividend date of 12 January 2024.

## 4.9 Risks relating to an investment in A2B

In considering the Scheme, you should be aware that there are a number of risk factors, general and specific relating to A2B, which may affect the future operating and financial performance of A2B, the price and/or value of A2B Shares, and future dividends and distributions. These risks will only continue to be relevant to A2B Shareholders if the Scheme does not proceed and A2B Shareholders retain their current investment in A2B. If the Scheme proceeds, A2B Shareholders will receive the Scheme Consideration, will cease to be A2B Shareholders and will no longer be exposed to the risks set out in this section 4.9 (and other risks to which A2B may be exposed).

Before deciding how to vote you should have a sufficient understanding of these matters and should consider whether continuing to hold A2B Shares is a suitable investment for you, having regard to your own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Scheme Booklet or are in any doubt as to how to vote in relation to the Scheme, you should consult your broker or financial, taxation, legal or other professional adviser.

This section 4.9 summarises the potential risks associated with A2B's business and risks associated with continuing to hold A2B Shares. It does not purport to list every risk that may be associated with an investment in A2B Shares now or in the future. There also may be additional risks and uncertainties not currently known to A2B which may have a material adverse effect on the future operating and financial performance of A2B, the price and/or value of A2B Shares, and future dividends and distributions. The occurrence of consequences of some of the risks described in this section 4.9 are partially or completely outside the control of A2B, its Directors and senior management team.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring and impact of the risk if it did occur. The assessment is based on the knowledge of the Directors as at the Last Practicable Date, but there is no guarantee or assurance that the importance of different risks will not change or other risks will not emerge.

## (a) General risks

A2B is exposed to a number of general risks that could materially adversely affect its assets and liabilities, financial position, profits, prospects and potential to make further dividends and distributions to A2B Shareholders, and the price and/or value of A2B Shares. General risks that may impact on A2B or the market for A2B Shares include:

- change in investor sentiment and overall performance of the Australian and international stock markets;
- change in general business conditions, including changes in business and industry cycles, economic conditions, inflation, interest rates, exchange rates, utility costs, employment levels and consumer spending, all of which may impact the demand for personal transport services;
- change in government fiscal, monetary and regulatory policies, including legislative and regulatory regimes for corporations, taxation laws and foreign investment rules;
- change in sentiment in credit markets;
- changes to the competitive landscape and information technology environment;
- disruption events such as unplanned restrictions imposed due to widespread illness, armed conflicts, terrorism, civil disturbance, sudden geopolitical changes and other force majeure risks;
- government or political intervention in export and import markets and the disruptions this causes to supply and demand dynamics;
- change to climate, and risks associated with transitioning to a low-carbon economy;
- loss of key personnel;
- cyber security incidents being prevalent across the Australian corporate landscape;
- natural disasters and catastrophes, whether on a global, regional or local scale;
- accounting and reporting standards which affect the financial performance and position reported by A2B; and
- recommendations by securities analysts.

Some of these factors could affect the price and/or value of A2B Shares regardless of A2B's underlying operating performance.

## (b) Risks relating to the business and operations of A2B

### (i) People, capability and culture

A2B's people, capability and culture are critical to the organisation achieving near and long-term business objectives. An inability to attract, engage, retain and develop the required skills and people, including quality senior executives and other key technical and operational employees who provide expertise, experience and strategic direction in operating the business, and a failure to foster the right organisational culture may impact A2B's performance.

### (ii) Information technology and cyber security

A2B relies on various information technology infrastructure, systems and processes to support the operation and growth of its business. Should such infrastructure, systems and processes:

- a) fail, including because of network disruptions or because of a failure by A2B to maintain or implement updates or changes to such infrastructure, systems and processes without disruption; or
- b) become compromised, including because of a cyber security attack, breach in data security, or other non-malicious or malicious disruption or incident,

then there is a risk that A2B may not be able to operate its dispatch and payment services and also that sensitive or personally identifiable data may be accessed or stolen, data is lost, or data and systems may not be able to be accessed, which may result in financial loss, reputational damage, legal penalties, and ongoing disruptions to operations and competitive advantage.

### (iii) Insurance

A2B maintains insurance coverage in relation to various aspects of its business. However, there is no guarantee that such insurance will be available in the future on a commercially reasonable basis (including as to the pricing of premiums) or that A2B will have adequate insurance cover against claims made from time to time. If A2B incurs uninsured losses or liabilities, or if its insurance cover does not adequately protect it against relevant claims, its assets, profits and prospects may be materially adversely affected.

### (iv) Capital expenditure

The risk of unforeseen capital or other expenditure requirements for A2B may adversely impact its financial performance. It is difficult for A2B to quantify the impact of any unforeseen capital or other expenditure requirements on A2B's operations and financial position. The manner in which A2B would seek to fund any such unforeseen capital or other expenditure requirements would depend on the timing, nature and extent of such requirements. Such funding may for example be provided by way of any combination of the following:

- A) debt financing from a third party (which may be short or long-term debt financing), which could decrease cash flows from A2B to reflect interest and other payments connected with such debt financing; and
- B) equity financing (whether from existing or new shareholders), which could result in the dilution of existing shareholders' interests in A2B.

**(v) Taxi payment service fees and taxi plate licences**

All Australian 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 A2B's revenue and earnings.

More recently the New South Wales 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 plate 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.

**(vi) In-vehicle technology roll-out**

A2B is undertaking 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 its dispatch and payment processing volumes. An information technology project of this nature for any company has inherent risks of delays. Any material delays could affect A2B's ability to process in car payments.

**(c) Other business risks****(i) Brand reputation and media coverage**

A2B operates a portfolio of brands, including Cabcharge, 13cabs, Silver Service and Maxi Taxi. Those brands and their image, as well as A2B's reputation, are key assets of A2B. The reputation and value associated with A2B's brands could be impacted by a number of factors, including the publication of adverse news articles or reports (whether specific to A2B or to taxis or personal transport more generally) or disputes or litigation with third parties, whether as a result of A2B's conduct or by the conduct of third parties. Should A2B's brands or their image be damaged in any way or lose their market appeal, this may have a material adverse impact on the financial performance, reputation or prospects of A2B.

**(ii) Inability to pay or frank dividends or make distributions**

The payment of future dividends (if any) by A2B will be determined by the A2B Board at its discretion and in accordance with the Corporations Act from time to time and will be dependent on factors including profitability, gearing position, the need to fund working capital and acquisitions in line with strategic objectives and the cash flow of the A2B business at the relevant time. A2B's capacity to frank dividends is dependent on whether it has sufficient franking credits and the extent to which it pays cash tax. A2B may not pay dividends, or dividends consistent with past practice in the future and any future dividends may not be franked, or franked to the extent of past dividends.

**(iii) Competition**

Existing and new competitors in personal transport offer alternative service, payment methods and dispatch systems, both within and outside the regulatory framework, and may be subject to less stringent regulation.

There is a risk of potential loss of business if A2B fails to keep pace with technological change with respect to network operations, bookings and payments.

**(iv) Environmental, social and governance risks (ESG)**

A2B recognises that management and disclosure of sustainability risks (including ESG and climate change) is key to maintaining its reputation and performance. A failure to deliver on A2B's investor and community expectations in relation to social and environmental impacts created by A2B's activities could result in damage to A2B's brand, reputation, and consumer sentiment.

**(d) Financial risks****(i) Funding and liquidity**

There is a general business risk that A2B may have insufficient liquidity to meet future financial obligations or is unable to access funding to support ongoing operations and strategic plans. Whilst A2B's cash at hand currently reduces this risk significantly, there is no guarantee that A2B will have sufficient liquidity and funding options in the future.

**(e) Legal, regulatory and compliance risks****(i) Intellectual property and licences**

A2B relies on a combination of trademarks and non-disclosure agreements and other methods to protect its intellectual property rights. Additionally, A2B has in place a number of licensing agreements for intellectual property owned by third parties used by A2B and intellectual property owned by A2B and licensed to third parties.

An inability to protect, maintain or capitalise on intellectual property rights or defend against claims of infringement rights may diminish A2B's competitiveness and have material adverse impacts on A2B's financial outcomes and growth aspirations.

## (ii) Fraud, bribery, and corruption

If A2B staff, contractors, suppliers or taxi drivers and operators are involved with fraud, bribery or corruption there could be negative legal, reputational and financial outcomes for A2B.

While A2B has an anti-bribery and corruption policy, violations of such laws can lead to criminal and civil penalties or sanctions under anti-corruption laws in relevant jurisdictions, which, in turn, could adversely affect A2B's reputation or financial position.

## (iii) Legal and regulatory compliance

A2B's operations are subject to state and territory regulation and control. A failure to comply with laws or regulations could have major negative reputational and financial outcomes for A2B.

The Parliament of Australia has been considering number of legislative reforms as part of the "Closing Loopholes" industrial reform package. *The Fair Work Legislation Amendment (Closing Loopholes) Act 2023* (Cth) was passed late last year and received Royal Assent on 14 December 2023, and further industrial reforms contained in the *Fair Work Legislation Amendment (Closing Loopholes No. 2) Bill 2023* passed both houses of Parliament on 12 February 2024. The enactment of these industrial reforms may have an impact on A2B's operations.

## (iv) Potential risk of litigation and disputes

A2B may, from time to time, be involved in legal proceedings arising from the conduct of its businesses, including from customers, past and present employees, regulators, competitors or suppliers, for example in relation to personal injury and potential class actions (both securities class actions and consumer class actions). The loss arising from such litigation may not be covered by insurance or the aggregate potential liability in respect of possible legal proceedings may exceed any insurance coverage. Any material legal proceedings could have a material adverse impact on A2B's financial performance and position.

Even if A2B was to ultimately prevail in the litigation, it could divert management's attention and resources from A2B's operations and business, and A2B could also suffer significant reputational damage which could have an adverse effect on A2B's business.

## (f) Unknown risks

The information set out in this section 4.9 is non-exhaustive and additional unknown risks and uncertainties may affect the future operating and financial performance of A2B, the price and/or value of A2B Shares, and future dividends and distributions.

## 4.10 Intentions regarding the continuation of A2B's business

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The *Corporations Regulations 2001* (Cth) require a statement by A2B Directors of their intentions regarding:

- a) the continuation of the business of A2B;
- b) major changes, if any, to be made to the business of A2B; or
- c) any future employment of the present employees of A2B.

If the Scheme is implemented, CDC Sub will acquire and control A2B. As outlined in section 5.4(b), CDG, CDC and CDC Sub intend to replace the A2B Board with CDG, CDC and CDC Sub nominees if the Scheme is implemented. Accordingly, it is not possible for the A2B Directors to provide a statement of their intentions after the Scheme is implemented regarding the above matters. The current intentions of CDG, CDC and CDC Sub with respect to these matters are set out in section 5.4. If the Scheme is not implemented, A2B Directors intend to continue to operate A2B in the ordinary course of business, including with respect to the matters set out above. For further information, see section 1.3(e).

## 4.11 Public information available for inspection

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A2B is a listed company and a "disclosing entity" for the purpose of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a company listed on the ASX, A2B is subject to the Listing Rules which require (subject to some exceptions) continuous disclosure of any information it becomes aware of concerning A2B that a reasonable person would expect to have a material effect on the price or value of A2B Shares.

ASX maintains files containing publicly disclosed information about all entities listed on the ASX. Information disclosed to the ASX by A2B is available on the ASX's website at [www.asx.com.au](http://www.asx.com.au).

In addition, A2B is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by A2B may be obtained from or inspected at any ASIC service centre. Please note ASIC may charge a fee in respect of such services.

A2B Shareholders may obtain a copy of A2B's 2024 Half Year Results (including its audited financial statements as at and for the half year ended 31 December 2023) from the ASX's website ([www.asx.com.au](http://www.asx.com.au)), from A2B's website (<https://www.a2baustralia.com/investor-center/asx/>) or A2B will provide, free of charge, copies of these documents to anyone who requests them prior to the Scheme being approved by the Court.

For personal use only

# Information about CDG Group

The information in this section 5 has been provided by CDG, CDC and CDC Sub and is the responsibility of CDG, CDC and CDC Sub. None of A2B or its directors, officers, employees, contractors or advisers assume any responsibility for the accuracy or completeness of this information.

## 5.1 Overview of CDG, CDC and CDC Sub

### (a) Principal activities of CDG

CDG is a leading land transport company, established in March 2003 through the merger of two land transport companies – Comfort Group Ltd and DelGro Corporation Ltd. CDG is headquartered in Singapore and operates across 78 locations in 7 countries including Australia, the United Kingdom, New Zealand, China, Ireland and Malaysia. CDG operates a global fleet of 34,000 vehicles and has more than 22,500 employees.

CDG’s business segments consist of:

- public transport: public buses, public rail and scheduled buses;
- taxi and private hire: taxi rental, private hire vehicle rental, platform services, engineering services and fuel sales;
- other private transport: private buses, non-emergency patient transport and corporate vehicle leasing;
- inspection and testing services: vehicle and non-vehicle inspection; and
- other segments: driving centres, bus stations, insurance, media, logistics and electric vehicle charging.

CDG is listed on the Singapore Exchange (SGX:C52) and had a market capitalisation of S\$3,053.7 million (A\$3,479.6 million)<sup>27</sup> as at the Last Practicable Date. In the last twelve months up to and including 30 September 2023, CDG generated revenue of S\$3,836.1 million (A\$4,371.1 million) and EBITDA of S\$595.8 million (A\$678.9 million).

Further information on CDG and its operations is available on its website at <https://www.comfortdelgro.com/>.

### (b) Principal activities of CDC

CDC is a wholly-owned subsidiary of CDG, providing essential transport services to both metropolitan and regional communities across New South Wales, Victoria, the Australian Capital Territory, the Northern Territory, Queensland and Western Australia. CDC has operated in Australia since 2005 and has grown steadily to be one of Australia’s largest bus operators. CDC also operates taxis in Western Australia under the Swan Taxis brand, an outdoor advertising business and non-emergency patient transport services.

In Australia, CDC employs more than 4,800 individuals, transporting millions of customers every year using a fleet of more than 4,000 vehicles.

Further information on CDC and its operations is available on its website at <https://comfortdelgro.com.au/>.

### (c) Principal activities of CDC Sub

CDC Sub is a special purpose company that was incorporated on 24 January 2024 for the purpose of acquiring all of the Scheme Shares under the Scheme. CDC Sub is an unlisted Australian proprietary company and has not undertaken any trading activities and does not own any assets and/or have any liabilities, other than in connection with its incorporation and the taking of such other actions as are necessary to facilitate the Scheme (including entry into the Deed Poll). All of the shares in CDC Sub are owned by CDC. If the Scheme becomes Effective, CDC Sub will hold all of the Scheme Shares on or shortly after the Implementation Date.

### (d) CDG Board

As at the date of this Scheme Booklet, the CDG Board comprises of the following directors:

Name	Position
Mark Christopher Greaves	Chairman
Choi Shing Kwok	Deputy Chairman
Cheng Siak Kian	Managing Director / Group Chief Executive Officer of CDG
Russell Stephen Balding AO	Non-Executive Director
Jessica Cheam	Non-Executive Director
Susan Kong Yim Pui	Non-Executive Director
Lee Jee Cheng Philip	Non-Executive Director
Ooi Beng Chin	Non-Executive Director
Tan Peng Hoe, Steve	Non-Executive Director
Tham Ee Mern Lilian	Non-Executive Director

Profiles of each of the directors of CDG can be found at <https://www.comfortdelgro.com/about/board-management/>.

<sup>27</sup> Based on an exchange rate of A\$1.0000:S\$0.8776 as at the Last Practicable Date.

**(e) CDC Board**

As at the date of this Scheme Booklet, the CDC Board comprises of the following directors:

<b>Name</b>	<b>Position</b>
Russell Stephen Balding AO	Chairman
Cheng Siak Kian	Director
Nicholas Yap	Director and Chief Executive Officer

**(f) CDC Sub Board**

As at the date of this Scheme Booklet, the CDC Sub Board comprises of the following directors:

<b>Name</b>	<b>Position</b>
Russell Stephen Balding AO	Director
Cheng Siak Kian	Director
Nicholas Yap	Director

**(g) History, structure and ownership of CDG and CDC**

CDG was formed through the merger of Comfort Group Ltd and DelGro Corporation Ltd in March 2003. Both companies started out in the 1970s and had, by the time of the merger, grown to become successful land transport companies listed on the Singapore Exchange. Comfort Group Ltd was primarily a taxi company, while DelGro Corporation Ltd was primarily a bus transport company. Over the last 20 years, CDG has transformed from a taxi and bus transport group to a diverse point-to-point and multi-modal mobility business.

In 2005, CDG entered the Australian market by establishing CDC, initially as a joint venture with Cabcharge Australia Limited (which was the previous name of A2B). CDG held a 51% interest in CDC, with the remaining 49% interest held by A2B. In that same year, CDC acquired the assets of Westbus Group, including a fleet of 614 buses. In 2017, CDG purchased the remaining 49% shareholding in CDC from A2B.

CDC's bus fleet has grown to approximately 2,700 buses from the original 614 buses acquired in 2005. The incremental buses added through mergers and acquisitions comprise approximately 84% of the current fleet. The remaining growth in CDC's fleet is attributable to the business' organic growth.

More recently in 2018, CDC entered the non-emergency patient transport services market through its acquisition of National Patient Transport. National Patient Transport's 232 vehicle fleet predominantly works alongside Ambulance Victoria and hospital networks as a contractor providing support to the Victorian public through provision of non-emergency patient transport services.

Today, CDC is a key provider of essential bus services to millions of customers in metropolitan and regional communities across Victoria, New South Wales, the Australian Capital Territory, Queensland, the Northern Territory and Western Australia. CDC also manages CDG's taxi business, Swan Taxis, which operates in Western Australia.

**5.2 Rationale for proposed acquisition of A2B**

The acquisition of A2B is consistent with CDG's growth objectives and strategy to:

- grow its existing taxi businesses;
- expand into new regions within existing countries;
- scale the point-to-point mobility business in key markets; and
- diversify the existing core bus business in Australia and transform CDC into a national multi-modal mobility player.

CDG and CDC have a strong relationship with A2B that has developed over many years. In 2001, CDG and A2B (which was at the time known as Cabcharge Australia Limited) formed CityFleet Networks Limited, a company providing management and taxi booking services and based in the United Kingdom, with CDG ultimately holding a 51% interest and A2B holding a 49% interest. The CityFleet Network Limited joint venture was dissolved in 31 July 2017 when CDG acquired A2B's interest in the company. Furthermore, as noted above, CDG entered the Australian market in 2005 when it formed a joint venture with A2B to establish CDC, with A2B subsequently selling its stake to CDG in 2017. In addition, CDG and A2B currently hold an interest in Cabcharge Asia Pte Ltd (a company incorporated in Singapore), with CDG (through its subsidiary CityCab Pte Ltd) holding an 85% interest in the company and A2B holding the remaining 15% interest. The purpose of this joint venture is to provide charge card facilities. As well as these joint venture relationships, CDG has also been a long term A2B Shareholder, having acquired an initial shareholding interest in A2B in 2006. The complementary nature of the businesses will allow CDG, CDC and A2B to create a stronger company that will provide Australian customers with access to new transport innovations, technology, and efficiencies from CDG's global network.

## 5.3 Funding arrangements for the Scheme Consideration

The Scheme Consideration will be paid wholly in cash.

Based on A2B's issued share capital as at the Last Practicable Date (see section 7.4), the proposed treatment of the A2B Employee Share Rights (see section 7.3(c)) and the Scheme Consideration of \$1.45 cash for each Scheme Share, the maximum aggregate cash payable by CDC Sub as Scheme Consideration will be approximately \$165,116,706.95.

Pursuant to the Deed Poll, CDC Sub has undertaken in favour of each Scheme Participant to pay, or procure the payment of, an amount equal to the Scheme Consideration payable to all Scheme Participants into the Trust Account no later than 2 Business Days before the Implementation Date, on behalf of each Scheme Participant. For further details regarding CDG's, CDC's and CDC Sub's obligations under the Deed Poll, see section 7.12. A copy of the Deed Poll is set out in Annexure C.

As at 30 September 2023, CDG Group held S\$849.9 million (A\$968.4 million)<sup>28</sup> in cash (**CDG Reserves**). CDG intends to fund the aggregate Scheme Consideration from the CDG Reserves, from which an amount equal to the Scheme Consideration will be made available to CDC Sub. Although the amount of the CDG Reserves may vary from time to time, it is anticipated that in aggregate the CDG Reserves will materially exceed the aggregate Scheme Consideration at all times until the Implementation Date.

By drawing on the CDG Reserves, CDG will, on behalf of CDC Sub, directly pay the aggregate amount of the Scheme Consideration into the Trust Account.

On the basis of the arrangements described in this section 5.3, CDC Sub is of the opinion that it has a reasonable basis for forming the view, and holds the view, that CDC Sub will have sufficient funds available to fund the payment of the aggregate Scheme Consideration as and when it is due and payable under the terms of the Scheme.

In addition, it is noted that the Scheme is not subject to any financing condition precedent.

## 5.4 Intentions if the Scheme is implemented

This section 5.4 sets out the current intentions of CDG, CDC and CDC Sub in relation to:

- the continuation of the operations and business of A2B;
- any major changes to be made to the business of A2B, including any redeployment of the fixed assets of A2B;
- changes to the A2B Board and the A2B management team;
- the future employment of the present employees of A2B; and
- the delisting of A2B from the ASX,

assuming CDC Sub acquires the Scheme Shares as a result of implementation of the Scheme.

The statements in this section 5.4 regarding CDG, CDC and CDC Sub's intentions are based on information concerning the A2B Group and the general business environment which are known to CDG, CDC and CDC Sub at the time of the preparation of this Scheme Booklet. Following implementation of the Scheme, CDG, CDC and CDC Sub intend to conduct a strategic review of A2B and its operations, assets, liabilities, structure and employees and any final decisions regarding these matters will be made in light of all material information, facts and circumstances at the relevant time if the Scheme is implemented. Accordingly, it is important to recognise that the statements set out in this section are statements of current intention only and may change as new information becomes available or circumstances change.

### (a) Business continuity, operations and assets

If the Scheme is implemented, it is the current intention of CDG, CDC and CDC Sub to operate the business of A2B substantially in its current form. CDG and CDC's current plans envisage that A2B will be part of CDC's Australian business and CDG's taxi business in Western Australia will be integrated with A2B's operations. CDG, CDC and CDC Sub will collaborate with A2B's key management personnel to optimise the integration process without disrupting the ongoing operations.

CDG, CDC and CDC Sub acknowledge A2B's market position as well as its brand. Therefore, the current intention is to preserve the legacy of the A2B brands in the Australian market to avoid any disruption with loyal customers.

Nevertheless, CDG, CDC and CDC Sub propose to provide input into the management of A2B's business, including to leverage key assets and unlock operational efficiencies across the business, with a view to maximise A2B's growth potential, where it is commercially appropriate to do so.

### (b) Board of directors

If the Scheme is implemented, CDG, CDC and CDC Sub intend to replace the A2B Board with CDG, CDC and CDC Sub nominees. As at the date of this Scheme Booklet, the persons who will be appointed as A2B Directors after the Implementation Date have not been determined.

<sup>28</sup> Based on an exchange rate of A\$1.0000:S\$0.8776 as at the Last Practicable Date.



### (c) Employees and management

CDG, CDC and CDC Sub consider A2B's employees to be important to the future success of the business. Following implementation of the Scheme, CDG, CDC and CDC Sub will review A2B's business operations and organisational structure in consultation with A2B's leadership team to ensure A2B has the appropriate mix and level of employees and skills to enhance the business going forward and to enable the business to pursue growth opportunities. Nevertheless, CDG, CDC and CDC Sub's current intention is to maintain A2B's existing management and employees. Further, CDC believes the combination of the complementary businesses will provide enhanced opportunities for A2B's management team to lead a larger and stronger business in Australia.

### (d) Delisting

If the Scheme is implemented, CDG, CDC and CDC Sub will procure that A2B applies to the ASX to be removed from the official list of the ASX after implementation of the Scheme and A2B will be converted to a proprietary company limited by shares.

## 5.5 Interests in A2B Shares

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### (a) Interests in A2B Shares

As at the Last Practicable Date, neither CDG Group nor any CDG Group Member had any Relevant Interest or voting power in any A2B Shares other than the 11,611,680 A2B Shares disclosed in the notice of change of interests of substantial holder lodged with the ASX on 10 September 2010.<sup>29</sup> Based on the total number of A2B Shares on issue, the CDG Group's interests in A2B Shares is equal to 9.44%. These A2B Shares are held by the Excluded Shareholders, who will not vote on whether to approve the Scheme at the Scheme Meeting.

### (b) No dealings in A2B Shares in previous four months

Other than the consideration to be provided under the Scheme, none of CDG, CDC and CDC Sub or any of their respective Associates has provided, or agreed to provide, consideration for A2B Shares under any purchase or agreement during the 4 months before the date of this Scheme Booklet.

### (c) No inducing benefits given during previous four months

During the period of 4 months before the date of this Scheme Booklet, none of CDG, CDC and CDC Sub or any of their respective Associates gave, offered to give, or agreed to give a benefit to another person which was likely to induce the other person, or an Associate of the other person, to:

- vote in favour of the Scheme; or
- dispose of A2B Shares,

where the benefit was not offered to all Eligible A2B Shareholders.

## 5.6 Benefits to current A2B officers

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Other than as disclosed in this Scheme Booklet, none of CDG, CDC and CDC Sub or any of their respective Associates have made or will be making any payment, or have given or will be giving any benefit to any current director, secretary or executive officer of A2B or any of its Related Bodies Corporate as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices if the Scheme is implemented.

## 5.7 No other material information

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Except as set out in this section 5, there is no other information regarding CDG, CDC and CDC Sub, or their intentions regarding A2B, that is material to the making of a decision by an A2B Shareholder on whether or not to vote in favour of the Scheme that is within the knowledge of any director of CDG, CDC and CDC Sub as at the date of this Scheme Booklet that has not been previously disclosed to A2B Shareholders.

<sup>29</sup> The CDG Group has held a substantial interest in A2B Shares since 3 November 2006.

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# Tax implications

## 6.1 Introduction

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This section 6 provides a general overview of certain tax considerations (including CGT, GST and stamp duty) that may be applicable to Scheme Participants on implementation of the Scheme. This general overview has been prepared for informational purposes only. It is not intended to provide tax advice in relation to individual circumstances and should not be relied on for tax advice. You should consult your own professional tax adviser in relation to your personal circumstances. The comments below do not address any taxation implications which may arise in countries other than Australia and as such, A2B Shareholders who may be subject to tax consequences outside of Australia are advised to consider the taxation implications with their own professional tax adviser.

## 6.2 Overview

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These comments assume that the Scheme will be implemented in accordance with the terms described in the Scheme Implementation Agreement. This general outline is based upon Australian taxation law currently in force as at the Last Practicable Date and does not anticipate changes in the current law either by way of legislative action or Court decision. This outline is relevant to A2B Shareholders who are individuals, companies (other than life insurance companies), trusts and complying superannuation funds that hold their A2B Shares on capital account for Australian tax purposes. This description does not apply to all A2B Shareholders, for example it does not apply to A2B Shareholders who:

- hold their Scheme Shares as a revenue asset or as trading stock (such as share trading entities);
- hold or are entitled to acquire, either alone or together with associates, 10% or more of the Scheme Shares;
- are partnerships or individuals who are partners of such partnerships;
- hold their shares as an asset in a business that is carried on through a permanent establishment in Australia;
- hold their shares under an arrangement which is classified as an employee share or rights plan for Australian tax purposes;
- are under a legal disability;
- are exempt from Australian income tax;
- are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their Scheme Shares;
- may be subject to special tax rules, such as banks, insurance companies, tax exempt organisations, certain trusts, superannuation funds (unless otherwise stated) or dealers in shares;
- are 'temporary residents' as that term is defined in section 995-1(1) of the ITAA 1997; or
- change their tax residence whilst holding Scheme Shares.

## 6.3 Australian taxation implications of the Scheme

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### (a) Capital gains tax (CGT) event

Under the proposed Scheme, Eligible A2B Shareholders will transfer their A2B Shares to CDC Sub. The transfer of the A2B Shares to CDC Sub will cause a disposal of the A2B Shares and should trigger the occurrence of CGT event A1 for Australian tax purposes. The CGT event should occur on the date on which the transfer of A2B Shares occurs, that is, the Implementation Date. The disposal of A2B Shares could result in either of the following outcomes for the A2B Shareholders:

- capital gain – a capital gain should arise to the extent that the capital proceeds received on the disposal of the A2B Shares exceeds their cost base; or
- capital loss – a capital loss should arise to the extent that the capital proceeds received on the disposal of the A2B Shares are less than their reduced cost base.

### (b) Capital proceeds

The capital proceeds from a CGT event are the total of the monies and the market value of any other property a taxpayer received, or is entitled to receive, in respect of the event happening. The capital proceeds received by the Scheme Participants for the disposal of their A2B Shares to CDC Sub under the Scheme should be the Scheme Consideration, being \$1.45 per A2B Share.

### (c) Cost base and reduced cost base

The cost base of A2B Shares will generally include the amount of money paid, or the value of any property given, in order to acquire the A2B Shares, plus certain non-deductible incidental costs of acquisition. The reduced cost base of the A2B Shares is determined in a similar manner but requires certain adjustments to be made. The cost base and reduced cost base of a Scheme Participant's Scheme Shares will depend on their own specific circumstances. A2B Shareholders should consult their own independent tax advisers.

## (d) CGT discount

If a Scheme Participant is an individual, complying superannuation fund or trust and acquired their A2B Shares at least 12 months before the Implementation Date (not counting the day of acquisition or the day of disposal), the amount of the capital gain (after being reduced for current year capital losses and prior year capital losses, if any) should generally be eligible for reduction by the applicable CGT discount.

The applicable CGT discount percentage for individuals and trusts is 50% and for complying superannuation entities is one-third. There is no CGT discount available for Scheme Participants that are taxed as companies or Scheme Participants who have held their A2B Shares for less than 12 months.

Where a trust has utilised the CGT discount, the availability of the discount ultimately depends on the tax profile of the entity to whom the income or in some circumstances capital of the trust estate is distributed. The rules relating to the CGT discount are complex and the outcomes can vary depending on the circumstances of the individual. As such, Scheme Participants should ensure they obtain their own independent tax advice.

## (e) CGT implications for Scheme Participants

Australian resident Scheme Participants who make a capital gain on disposal of their Scheme Shares will be required to aggregate the capital gain with any other capital gains that the Scheme Participant may have in that income year. Any resulting net capital gain (after offsetting any available capital losses from the current income year or brought forward from previous income years) should be reduced by any applicable CGT discount and any remaining discounted net capital gain for the income year should be included in the Scheme Participant's assessable income and should be subject to tax at the Scheme Participant's applicable rate of tax. Australian resident Scheme Participants who make a capital loss on the disposal of their Scheme Shares can only offset the capital loss against capital gains realised in the same or future (subject to comments below) income year, however the capital gain cannot be reduced below zero. In the event that a net capital loss arises in the income tax year of disposal, the net capital loss cannot be deducted from other assessable income of the Scheme Participant. However, the net capital loss may be carried forward to offset capital gains made by the Scheme Participant in future income years, subject to satisfaction of the loss recoupment tests. Specific loss recoupment rules apply to companies to restrict their ability to utilise capital losses in future years in some circumstances. Scheme Participants should obtain their own tax advice in relation to the operation of these rules.

## (f) CGT implications for non-resident A2B Shareholders

Generally, for Australian income tax purposes, non-Australian tax resident Scheme Participants who have not used their Scheme Shares at any time in carrying on a business through a permanent establishment in Australia should only be subject to Australian CGT, if, broadly:

- the Scheme Participant (together with their associates) holds an interest of at least 10% of the shares in A2B at the time of the disposal, or for a 12-month period in the 24 months preceding the disposal (referred to as the 'non-portfolio interest test'); and
- more than 50% of the market value of the A2B Group's assets is comprised of Australian 'real property' interests i.e. land. Broadly, real property includes direct and indirect interests in Australian land, including leases (referred to as the 'principal asset test').

Where the above applies, the Scheme Shares will be referred to as an 'indirect Australian real property interest' under the ITAA 1997. In this case, Scheme Participants will need to determine the capital gains tax implications applicable to them. Foreign residents are generally only entitled to the CGT discount in limited circumstances. Where the above applies, the non-resident Scheme Participant should obtain independent taxation advice. Where you are a Scheme Participant who was previously an Australian resident for tax purposes and chose to disregard a capital gain/loss on ceasing to be a resident, you may be subject to Australian CGT consequences. You should also seek advice from your taxation adviser as to the tax implications of the Scheme being implemented in your country of residence and Australia.

## (g) Foreign resident CGT withholding tax

In certain circumstances, under the foreign resident CGT withholding regime, CDC Sub could be required to withhold and pay to the ATO 12.5% of the Scheme Consideration (**FRCGW Amount**). This could be required if the Scheme Shares are an 'indirect Australian real property interest' (discussed above).

Withholding should generally only apply where a non-Australian tax resident Scheme Participant (and their associates as defined in section 318 of the *Income Tax Assessment Act 1936* (Cth)) satisfy the 'non-portfolio interest test' and the 'principal asset test' which are referred to above.

Based on the Register for the preceding 24 months, it is not anticipated that any FRCGW Amounts will be withheld from the total Scheme Consideration.

CDC Sub may need to clarify the status of particular Scheme Participants by issuing a "Foreign Resident Declaration Form" (**Declaration Form**). To prevent the FRCGW Amount being deducted from the Scheme Consideration, Scheme Participants who are asked to complete the Declaration Form must return their signed Declaration Form by the date specified in the correspondence provided with the Declaration Form.

The FRCGW Amount is not a final tax and can be credited against the actual tax liability of a Scheme Participant, with any excess refunded. The amount the Scheme Participant will receive will be the net proceeds only, which will not be increased by any amount that is withheld.

## 6.4 Stamp duty

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No stamp duty should be payable in any Australian jurisdiction by Scheme Participants on the disposal of their A2B Shares.

## 6.5 GST

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Scheme Participants should not be liable for Australian Goods and Services Tax (GST) in respect of the disposal of the Scheme Shares. Scheme Participants that are registered (or required to be registered) for GST may not be entitled to claim full input tax credits in relation to GST included in the price of acquisitions that relates to the disposal of Scheme Shares. Scheme Participants should seek their own independent tax advice on the impact of GST having regard to their own particular circumstances.

## 6.6 Franking credits relating to dividends

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The benefit of franking credits can be denied where an A2B Shareholder is not a “qualified person”. If an A2B Shareholder is not a “qualified person”, then the shareholder would not need to include an amount equal to any franking credits attaching to any dividend in their assessable income but would also not be entitled to a tax offset.

Broadly, to be a “qualified person”, a shareholder must satisfy the “holding period rules”. Under these rules, an A2B Shareholder is required to have held their A2B Share “at risk” for a continuous period of at least 45 days (not including the date of acquisition and the date of disposal of the shares) within the relevant “qualification period”.

Furthermore, generally speaking, an A2B Share will not be taken to have been held “at risk” by an A2B Shareholder where they hold positions (such as hedging positions) that materially diminish the risks of loss or opportunities for gain on their shares by more than 70%. In that regard, A2B has requested for an ATO Class Ruling which confirms the tax implications for the A2B Shareholders in respect of the abovementioned Dividend that was paid on 30 January 2024. The ATO Class Ruling should also confirm the above considerations relating to franking credits.

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# Additional information

This section 7 sets out additional statutory information, as well as some additional information that may be considered material to Eligible A2B Shareholders' decision as to how they should vote at the Scheme Meeting.

## 7.1 Substantial shareholders

As at the Last Practicable Date, the following persons had notified A2B that they had voting power in 5% or more of A2B Shares:

Name	Number of A2B Shares in which they have voting power	% of A2B Shares
Spheria Asset Management Pty Limited	13,684,544	11.1%
ComfortDelGro Corporation Limited	11,611,680	9.4%
Sandon Capital Pty Ltd	10,383,587	8.4%
Morgan Stanley Australia Securities Limited and Mitsubishi UFJ Financial Group, Inc	9,057,468	7.4%
Pinnacle Investment Management Group Limited <sup>30</sup>	7,069,316	5.7%
Edgbaston Investment Partners Limited	6,158,768	5.0%

## 7.2 Marketable securities of A2B held by or controlled by A2B Directors

As at the Last Practicable Date, no marketable securities of A2B are held or controlled by A2B Directors and no such persons are otherwise entitled to such securities other than as listed below:

Director	Number of A2B Shares	Number of A2B Employee Share Rights
Mark Bayliss	1,800,000	1,000,000
Brent Cubis	Nil	Nil
Jennifer Horrigan	102,122	Nil
Clifford Rosenberg	111,307	Nil

In the last 4 months, no A2B Director has acquired or disposed of any A2B Shares other than Mark Bayliss (Executive Chairman), who was issued 1,000,000 A2B Shares in connection with the vesting of performance rights as disclosed to the ASX on 30 November 2023 and 28 December 2023.

A2B Directors who hold or control A2B Shares will be entitled to vote at the Scheme Meeting in the same manner as other Eligible A2B Shareholders and, if the Scheme is implemented, will receive the Scheme Consideration for their A2B Shares along with the other Scheme Participants.

Each A2B Director intends to vote the A2B Shares that they hold or the voting rights attached to A2B Shares that they control in favour of the Scheme subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of Eligible A2B Shareholders and in the absence of a Superior Proposal.

Except as stated in this section of the Scheme Booklet:

- there are no marketable securities of A2B held by or on behalf of A2B Directors as at the Last Practicable Date;
- there are no marketable securities of CDC Sub held by or on behalf of A2B Directors as at the Last Practicable Date; and
- there has been no dealing by any A2B Director in any marketable securities of A2B or CDC Sub in the 4 months preceding the Last Practicable Date.

<sup>30</sup> The voting power of Spheria Asset Management Pty Limited referenced in the table includes 7,069,316 A2B Shares in which Pinnacle Investment Management Group Limited has a Relevant Interest.

## 7.3 Benefits and agreements

### (a) Benefits in connection with retirement from office

It is not proposed that any payment or other benefit be made or given to any director, secretary or executive officer of A2B (or of its Related Bodies Corporate) as compensation for loss of, or as consideration for, or in connection with their retirement from, office in A2B (or in any of its Related Bodies Corporate) as a result of the Scheme other than as set out in their existing employment agreement or as a result of them participating in the Scheme as an Eligible A2B Shareholder.

### (b) Deeds of indemnity, insurance and access

A2B has entered into deeds of indemnity, insurance and access with the directors and officers of A2B, on customary terms (**D&O Deeds**). The D&O Deeds include terms that provide for A2B to indemnify each of its directors and officers against liability arising as a result of such persons acting as a director or officer, to the extent permitted by law.

A2B also pays premiums in respect of a directors' and officers' liability insurance policy for the benefit of its directors and executive officers, and is required under the D&O Deeds to use reasonable endeavours to maintain that insurance for 7 years from the date on which the relevant director or officer retires from office. The Scheme Implementation Agreement permits A2B to, prior to the Implementation Date, arrange and effect directors' and officers' liability run-off insurance for up to such 7-year period which may include cover for securities claims against A2B or any A2B Director or officer.

### (c) Employment incentive plans

#### Overview of arrangements

As detailed in A2B's annual report for the year ended 30 June 2023, A2B operates long-term incentive plans under which A2B Employee Share Rights are granted to participants. These plans provide participants with an opportunity to share in the long-term growth of A2B and aligns their interests with those of A2B Shareholders.

A2B Employee Share Rights are granted for nil consideration and are subject to certain vesting conditions. On vesting, and subject to applicable plan rules, each A2B Employee Share Right entitles its holder to receive (for no consideration) one A2B Share.

As at the Last Practicable Date, A2B had on issue a total of 2,500,000 unvested A2B Employee Share Rights. These A2B Employee Share Rights are held by a number of current and former employees of the A2B Group.

#### Implications of the Scheme for A2B Employee Share Rights

Under the Scheme Implementation Agreement, A2B is required to ensure that by no later than the Effective Date, there are no outstanding A2B Employee Share Rights held by current employees of the A2B Group. In order to comply with that obligation, A2B must:

- i) make all necessary applications to the ASX for waivers under the Listing Rules (if required);
- ii) cause some or all of the outstanding A2B Employee Share Rights to vest (including by accelerating vesting or waiving any vesting conditions or periods) and, following such vesting:
  - A) cause the relevant number of A2B Shares to be transferred or issued (as applicable) to the relevant former holder in sufficient time to allow the relevant former holders of the relevant A2B Employee Share Rights to participate in the Scheme; or
  - B) cause cash equivalent payments to be made to the former holders of the relevant A2B Employee Share Rights; and
- iii) take such action as may be necessary to forfeit, cause to lapse or cancel, on or before the Effective Date, any outstanding A2B Employee Share Rights which it does not cause to vest.

In order to satisfy the above obligations, and recognising the importance of the contribution of A2B Group employees, including those holding A2B Employee Share Rights, and of retaining their services during the Scheme process, the A2B Board currently proposes and has determined in principle to accelerate the vesting of all unvested A2B Employee Share Rights held by current employees of the A2B Group, subject to the Scheme becoming Effective. Participants may nevertheless cease to hold A2B Employee Share Rights in the ordinary course prior to the Scheme becoming Effective (for example, if they cease to be employed by A2B in certain circumstances).

The maximum number of A2B Shares that will be issued in accordance with the accelerated vesting of A2B Employee Share Rights is 2,500,000, having an aggregate value of \$3,625,000 (based on the Scheme Consideration of \$1.45 per A2B Share), such that the diluted number of A2B Shares for the Scheme will be 125,485,271.

The A2B Board does not intend to exercise its discretion prior to the Scheme Meeting such that the A2B Employee Share Rights will vest prior to the Scheme Meeting, and participants will not be able to vote at the Scheme Meeting unless they are otherwise an Eligible A2B Shareholder. Participants who receive A2B Shares following vesting of their on foot A2B Employee Share Rights will participate in the Scheme in the same way as other Eligible A2B Shareholders.

### (d) Payment to Mark Bayliss

Mark Bayliss (Executive Chairman) will be entitled to receive a one off payment of \$300,000, which was calculated by reference to the Dividend and the 500,000 A2B Employee Share Rights granted to him in 2022 under A2B's long-term incentive plans which remain unvested at the Dividend record date, subject to various conditions including completion of a change of control transaction (such as implementation of the Scheme). The one off payment is in consideration for Mark Bayliss' role at A2B, including his critical role in the sale of A2B's properties located at 9-13 O'Riordan Street, Alexandria (New South Wales) and Oakleigh (Victoria).



## (e) Agreements connected with or conditional on the Scheme

Except as set out below or otherwise disclosed in this section 7.3:

- no A2B Director has any other interests in a contract entered into by CDC Sub;
- there are no contracts or arrangements between an A2B Director and any person, including CDC Sub in connection with or conditional on the outcome of the Scheme; and
- no A2B Director has a material interest in relation to the Scheme other than in their capacity as an A2B Shareholder.

## 7.4 Capital structure of A2B

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As at the Last Practicable Date, A2B has 122,985,271 ordinary shares on issue, of which the CDG Group has a Relevant Interest in 11,611,680, being 9.44% of the A2B Shares on issue. There are also 2,500,000 A2B Employee Share Rights on issue.

Additional details about A2B Employee Share Rights are set out in section 7.3(c).

## 7.5 Independent Expert

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The Independent Expert has prepared the Independent Expert's Report set out in Annexure A advising as to whether, in its opinion, the Scheme is in the best interests of Eligible A2B Shareholders.

The Independent Expert has concluded that the Scheme is fair and reasonable and therefore in the best interests of Eligible A2B Shareholders, in the absence of a Superior Proposal. The Independent Expert's conclusion should be read together with the full Independent Expert's Report set out at Annexure A.

## 7.6 Consents

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The following parties have given and have not withdrawn, before the registration of this Scheme Booklet by ASIC, their written consent to be named in this Scheme Booklet in the form and context in which they are named:

- King & Wood Mallesons as legal adviser to A2B;
- MA Moelis Australia Pty Ltd as financial adviser to A2B;
- LEA as Independent Expert;
- KPMG as tax adviser to A2B;
- Link Market Services Limited (as A2B's Share Registry); and
- CDG, CDC, and CDC Sub.

LEA has also given and has not withdrawn, before the time of registration of this Scheme Booklet with ASIC, its written consent to the inclusion of its Independent Expert's Report in this Scheme Booklet in the form and context in which it is included and to all references in this Scheme Booklet to the Independent Expert's Report in the form and context in which they appear.

CDG, CDC and CDC Sub have also given and have not withdrawn, before the time of registration of this Scheme Booklet by ASIC, their written consent to the inclusion of the CDC Information in the form and context in which it is included and to all references in this Scheme Booklet to the CDC Information in the form and context in which they appear.

KPMG has also given and has not withdrawn, before the time of registration of this Scheme Booklet by ASIC, its written consent to the inclusion of section 6, as reviewed by KPMG in the form and context in which it is included and to all references in this Scheme Booklet to the General Taxation Information in the form and context in which they appear.

## 7.7 Disclaimers

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None of the persons referred to in section 7.6 have authorised or caused the issue of this Scheme Booklet and do not make or purport to make any statement in this Scheme Booklet or any statement on which a statement in the Scheme Booklet is based, other than those statements made in the capacity and to the extent the person has provided its consent, as referred to in section 7.6.

To the maximum extent permitted by law, each person referred to in section 7.6 disclaims all liability in respect of, makes no representation regarding and takes no responsibility for, any statements or material in or omissions from, this Scheme Booklet, other than as described in section 7.6 with that person's consent.

The CDC Information has been provided by and is the responsibility of CDG, CDC and CDC Sub. None of A2B or its directors, officers, employees, contractors or advisers assume any responsibility for the accuracy or completeness of the CDC Information.

## 7.8 Fees

Each of the persons named in section 7.6 as performing a function in a professional, advisory or other capacity in connection with the Scheme and the preparation of this Scheme Booklet, will be entitled to receive professional fees charged in accordance with their normal basis of charging.

## 7.9 Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in those other jurisdictions, and persons outside Australia who come into possession of this Scheme Booklet should seek advice on, and observe, any applicable restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

A2B Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

No action has been taken to register or qualify this Scheme Booklet or any aspect of the Transaction in any jurisdiction outside of Australia.

## 7.10 ASIC relief and ASX waivers

### (a) ASIC relief

Pursuant to sub-regulation 5.1.01(1)(b) and clause 8302(h) of Schedule 8 of the Corporations Regulations 2001 (Cth), the explanatory statement required for a Scheme must set out whether, within the knowledge of the A2B Directors, the financial position of A2B has materially changed since the date of the last balance sheet laid before the company in general meeting or sent to shareholders in accordance with sections 314 or 317 of the Corporations Act (being 30 June 2023, as the date of A2B's last full-year financial report laid before the company at its annual general meeting), as well as the full particulars of the changes.

ASIC has granted A2B relief from this requirement so that this Scheme Booklet only need set out, unless otherwise announced to the ASX, all material changes to A2B's financial position, within the knowledge of the A2B Directors, since 31 December 2023 (being the last date of the period to which the financial statements for the half year ending 31 December 2023 relate).

A2B will provide a copy of the financial statements for the half year ending 31 December 2023 free of charge to any A2B Shareholder who requests a copy before the Scheme is approved by order of the Court.

### (b) No requirement for ASX waiver

No waiver of Listing Rules 6.23.3 and 6.23.4 is required from ASX to permit the treatment of the A2B Employee Share Rights set out in section 7.3(c), on the basis that the exercise of the A2B Board's discretion to accelerate A2B Employee Share Rights is in accordance with a specific discretion under the applicable rules of the long-term incentive plans in circumstances where there is a change of control.

## 7.11 Key terms of the Scheme Implementation Agreement

### (a) Overview

A2B, CDC and CDG entered into the Scheme Implementation Agreement on 22 December 2023. The Scheme Implementation Agreement sets out the steps required to be taken by A2B, CDC and CDG to give effect to the Scheme.

A summary of the key terms of the Scheme Implementation Agreement is set out below. A full copy of the Scheme Implementation Agreement was released to the ASX on 22 December 2023 and can be obtained from [www.a2baustralia.com/investor-center/asx](http://www.a2baustralia.com/investor-center/asx).

### (b) Conditions Precedent (clause 3)

Implementation of the Scheme is subject to the following Conditions Precedent:

- i) **ACCC:** before 8.00am on the Second Court Date, the ACCC has notified CDC in writing and in respect of the acquisition by CDC of the Scheme Shares that (or to the effect that) either:
  - A) the ACCC does not intend to conduct a public review of the acquisition; or
  - B) the ACCC does not propose to intervene to prevent the acquisition,

either on an unconditional basis or subject to conditions acceptable to CDC acting reasonably (whether or not the notification also states that the ACCC reserves its position if new information comes to the ACCC's attention or if it becomes aware that any information upon which it has based its view is incorrect or incomplete).

- ii) **ASIC and ASX:** before 8.00am on the Second Court Date, ASIC and ASX have issued or provided such consents, confirmations or approvals, or have done such other acts, which CDC and A2B agree in writing are reasonably necessary or desirable to implement the Scheme, and those consents, confirmations, approvals or other acts have not been withdrawn or revoked at that time.
- iii) **A2B Shareholder approval:** Eligible A2B Shareholders approve the Scheme by the Requisite Majority.
- iv) **Court approval:** the Court approves the Scheme in accordance with subsection 411(4)(b) of the Corporations Act.
- v) **regulatory intervention:** no Australian Court or Australian Regulatory Authority has issued an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Scheme and no such order, decree, ruling, other action or refusal is in effect as at 8.00am on the Second Court Date.
- vi) **Independent Expert:** the Independent Expert issues a report which concludes that the Scheme is in the best interests of Eligible A2B Shareholders before the date on which the Scheme Booklet is lodged with ASIC and the Independent Expert does not change its conclusion or withdraw its report by notice in writing to A2B prior to 8.00am on the Second Court Date.
- vii) **no A2B Prescribed Event:** no A2B Prescribed Event occurs between the date of the Scheme Booklet (being 22 December 2023) and 8.00am on the Second Court Date (subject to clause 3.3 of the Scheme Implementation Agreement).
- viii) **no Material Adverse Effect:** no Material Adverse Effect occurs between the date of the Scheme Booklet (being 22 December 2023) and 8.00am on the Second Court Date (subject to clause 3.3 of the Scheme Implementation Agreement).

### ACCC Clearance

As noted above, implementation of the Scheme is subject to ACCC Clearance. On 30 January 2024, lawyers for CDC lodged a submission with the ACCC seeking clearance of the Transaction on the basis that it is not likely to have the effect of substantially lessening competition in any market in Australia. The ACCC has acknowledged receipt and is reviewing the submission.

### (c) A2B Board recommendation (clause 6)

The Scheme Implementation Agreement requires A2B to use reasonable endeavours to procure that the A2B Board collectively, and the A2B Directors individually, do not publicly withdraw, adversely change, adversely modify or adversely qualify (including by making any public statement supporting, endorsing or recommending a Competing Transaction and/or to the effect that they no longer support the Scheme), its or their recommendation that Eligible A2B Shareholders vote in favour of the Scheme at the Scheme Meeting unless:

- i) the withdrawal, adverse change, modification or qualification is as a result of a court or Regulatory Authority of competent jurisdiction requiring that the A2B Director abstain from making a recommendation;
- ii) A2B has received a Competing Transaction and the A2B Board has determined that the Competing Transaction constitutes a Superior Proposal; or
- iii) the Independent Expert concludes that the Scheme is not in the best interests of Eligible A2B Shareholders, or adversely changes its previously given opinion that the Scheme is in the best interests of Eligible A2B Shareholders.

### (d) Conduct of business (clause 8)

The Scheme Implementation Agreement requires each A2B Group Member to conduct its business in the ordinary course and in substantially the same manner as previously conducted and in compliance in all material respects with all applicable laws, regulations and Regulatory Approvals.

In addition, each A2B Group Member must also:

- i) **related party transaction:** not enter into any transaction with any related party of A2B, as defined in section 228 of the Corporations Act, which requires A2B Shareholder approval under section 208 of the Corporations Act;
- ii) **accounting policies:** not change any accounting policy applied by an A2B Group Member to report their financial position other than any change required by a change in accounting standards;
- iii) **tax:** not settle or compromise or make any concessions in relation to any tax claims, liabilities or disputes or make any election in relation to tax, unless that settlement, compromise or concession is supported by advice from a legal or tax adviser or is in the ordinary course of business;
- iv) **financial arrangements in respect of the Scheme:** not pay or agree to pay, fees to any third party adviser in connection with the transactions contemplated by the Scheme Implementation Agreement (including legal, financial, tax, accounting, communications and public relations advisers, counsel and expert fees) (**Adviser Fees**) in excess of the amount equal to 125% of the amount Disclosed, provided:
  - A) A2B, acting reasonably, consults with CDC as soon as reasonably practicable after it becomes aware that Adviser Fees have exceeded 100% of the amount Disclosed; and
  - B) certain Adviser Fees are disregarded, provided further that A2B provides CDC with regular updates of any Adviser Fees that are incurred that are disregarded;
- v) **no default:** use reasonable endeavours to ensure that no act or omission occurs that is or would with the giving of notice or lapse of time constitute an event of default, prepayment event or similar event, or give another party a termination right or right to accelerate any right or obligation, under any Material Contract;
- vi) **agree:** not agree to do or omit to do (as applicable) any of the above matters; and
- vii) **compliance with laws:** if a Regulatory Authority notifies the A2B Group Member in writing that the Regulatory Authority considers that the A2B Group Member has failed to comply in all material respects with an applicable law, regulation or Regulatory Approval, take reasonable steps to ensure such compliance going forward (unless the A2B Group Member in good faith disputes the claim by the Regulatory Authority).

The restrictions and obligations listed above are subject to a number of exceptions, including exceptions which allow the A2B Group to take any action which:

- i) is set out in, required by or expressly permitted by, the Scheme Implementation Agreement, the Scheme or the transactions contemplated by them;
- ii) is Disclosed;
- iii) is reasonably necessary for any A2B Group Member to meet its obligations at law which are applicable to the relevant A2B Group Member or contractual obligations (to the extent existing at the date of the Scheme Implementation Agreement (being 22 December 2023));
- iv) involves reasonably and prudently responding to an emergency or disaster affecting the A2B Group or its business (including a risk of personal injury or damage to property) provided that, to the extent that it is reasonably practicable having regard to the nature of the relevant emergency or disaster, A2B has notified CDC in good faith in respect of the proposal to take such action or not take such action (as applicable) and considers any reasonable comments or requests of CDC in relation to such proposal in good faith; or
- v) is approved by CDC in writing, such approval not to be unreasonably withheld or delayed.

### (e) Representations and warranties (clause 12)

The Scheme Implementation Agreement contains customary representations and warranties given by A2B to CDC, CDC to A2B and CDG to A2B.

These representations and warranties are set out in clause 12.1 (in the case of A2B), clause 12.4 (in the case of CDC) and clause 12.6 (in the case of CDG) of the Scheme Implementation Agreement.

### (f) Exclusivity (clause 10)

The Scheme Implementation Agreement contains the certain customary exclusivity provisions in favour of CDC summarised as follows:

- i) **No shop:** A2B must not, and must ensure that its representatives do not, solicit, invite, encourage or initiate any Competing Transaction.
- ii) **No talk:** Subject to a fiduciary exception on market standard terms, A2B must not, and must ensure that its representatives do not, facilitate, negotiate or enter into or participate in negotiations or discussions with any person regarding a Competing Transaction even if that Competing Transaction was not directly or indirectly solicited or invited by A2B.
- iii) **Due diligence information:** Subject to a fiduciary exception on market standard terms, A2B must not, and must ensure that its representatives do not, enable any other person other than CDC and its representatives to undertake due diligence investigations on any A2B Group Member or their businesses or operations, or otherwise make available any non-public information relating to any A2B Group Member or their businesses or operations.
- iv) **Notice of unsolicited approach:** A2B must promptly inform CDC if it, or any of its Related Bodies Corporate or representatives receives an unsolicited approach with respect to any Competing Transaction and must disclose the general nature of the approach, the identity of the person making such an approach, the material terms and conditions of the Competing Transaction (to the extent known).
- v) **Matching right:** Neither A2B or its Related Body Corporates will enter into any legally binding agreement, arrangement or understanding in relation to an actual, proposed or potential Competing Transaction, unless:
  - A) A2B has received a proposal from a third party in respect of an actual, proposed or potential Competing Transaction;
  - B) the A2B Board acting in good faith and in order to satisfy what the A2B Board considers to be its statutory or fiduciary duties, determines that the Competing Transaction would be or would be reasonably likely to result in a Superior Proposal;
  - C) A2B has provided CDC with the material terms and conditions of the Competing Transaction, and given CDC the opportunity to provide a matching or superior proposal within 3 Business Days; and
  - D) CDC has not provided a matching or superior proposal to the terms of the actual, proposed or potential Competing Transaction by the expiry of that 3 Business Day period.

These exclusivity provisions apply during the Exclusivity Period.

### (g) Break fee (clause 11)

The Scheme Implementation Agreement contains customary provisions requiring A2B to in specified circumstances pay to CDC a break fee of \$1,820,000 (excluding GST) (which is approximately 1% of the equity value of A2B, determined by reference to the Scheme Consideration). The obligation to pay that reimbursement amount will be triggered if:

- i) a Competing Transaction is announced during the Exclusivity Period and, within 12 months after the announcement of such Competing Transaction (or variation), that person or another person:
  - A) completes a Competing Transaction of a kind by which such person:
    - (aa) acquires control of A2B;
    - (ab) directly or indirectly acquires, obtains a right to acquire, or otherwise obtains an economic interest in all or a substantial part or a material part of the assets of or business conducted by the A2B Group; or
    - (ac) otherwise acquires or merges (including by a reverse takeover bid or dual listed company structure) with A2B; or
  - B) otherwise directly or indirectly acquires an interest or Relevant Interest in or becomes the holder of 50% or more of the A2B Shares (other than as custodian, nominee or bare trustee) under a transaction that is or has become wholly unconditional;

- ii) the Scheme does not proceed because any A2B Director fails to recommend or withdraws their recommendation except:
  - A) where the Independent Expert concludes that the Scheme is not in the best interests of Eligible A2B Shareholders where the reason such conclusion has been reached is not the existence or announcement of a Competing Transaction; or
  - B) as a result of a court or Regulatory Authority of competent jurisdiction requiring that the director abstain from making a recommendation;
- iii) CDC has terminated the Scheme Implementation Agreement for a material breach; or
- iv) CDC has terminated the Scheme Implementation Agreement as a result of an A2B Prescribed Event or a Material Adverse Effect occurring.

### (h) Termination (clause 13)

Each of A2B and CDC may terminate the Scheme Implementation Agreement:

- i) if the Scheme has not become Effective on or before the End Date;
- ii) for material breach of the Scheme Implementation Agreement which is not remedied within a specified period;
- iii) if there is a breach or non-fulfilment of a Condition Precedent which is not waived and if A2B and CDC cannot reach agreement as to an alternative way forward after consulting in good faith; or
- iv) if agreed to in writing by A2B and CDC.

CDC may also terminate the Scheme Implementation Agreement if:

- i) a majority of the A2B Directors:
  - A) fails to recommend the Scheme;
  - B) withdraws, adversely changes, adversely modifies or adversely qualifies their recommendation; or
  - C) makes a public statement to the effect that they no longer support the Scheme or indicating that they no longer support or recommend the Scheme or recommend that Eligible A2B Shareholders accept or vote in favour of a Competing Transaction; or
- ii) an A2B Group Member enters into a definitive agreement in relation to the implementation of a Competing Transaction;

A2B may also terminate the Scheme Implementation Agreement if the A2B Board determines that a Competing Transaction that was not solicited, invited, encouraged or initiated in breach of the “no shop” obligation in the Scheme Implementation Agreement is a Superior Proposal, provided A2B has complied with the exclusivity obligations set out in the Scheme Implementation Agreement.

### (i) Third party consents (clause 9)

The Scheme Implementation Agreement includes a process for A2B and CDC to:

- i) identify any change of control provisions, unilateral termination rights or similar provisions in any material contract to which an A2B Group Member is a party which may be triggered by or exercised in response to implementation of the Scheme; and
- ii) agree a proposed course of action to obtain any necessary consents or waivers.

However, a failure by any A2B Group Member to obtain third party consents or waivers in respect of any such change of control provisions will not trigger:

- i) any breach by A2B of the Scheme Implementation Agreement, or termination right for CDC,
- ii) a Material Adverse Effect or an A2B Prescribed Event; or
- iii) any liability on behalf of A2B, its Related Bodies Corporate or their respective officers, employees or advisers under the Scheme Implementation Agreement.

### (j) CDC may elect a nominee (clause 2.4)

Under the Scheme Implementation Agreement, CDC may nominate any direct or indirect wholly-owned subsidiary of CDC to acquire Scheme Shares under the Scheme. CDC has nominated CDC Sub to acquire Scheme Shares under the Scheme.

## 7.12 Deed Poll

CDG, CDC, and CDC Sub have entered into the Deed Poll in favour of the Scheme Participants under which, subject to the Scheme becoming Effective:

- a) each of CDG, CDC, and CDC Sub have undertaken to comply with their obligations under the Scheme Implementation Agreement and do all acts and things necessary or desirable on its part to give full effect to the Scheme;
- b) each of CDG, CDC, and CDC Sub have agreed to be bound by the terms of the Scheme as if it were a party to the Scheme and undertaken to perform all obligations and other actions, including those obligations and actions which relate to the payment of the Scheme Consideration, and give each acknowledgement, representation and warranty (if any), attributed to it under the Scheme, subject to and in accordance with the terms of the Scheme Implementation Agreement and the Scheme; and
- c) CDC Sub has undertaken to pay or procure the payment of the Scheme Consideration into the Trust Account no later than 2 Business Days before the Implementation Date, on behalf of each Scheme Participant.

The Deed Poll may be relied upon and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not a party to it. Under the Scheme, each Scheme Participant irrevocably appoints A2B and each of its directors and secretaries (jointly and each of them individually) as its agent and attorney to enforce the Deed Poll against CDG, CDC, and CDC Sub.

## 7.13 Regulatory approvals

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All regulatory approvals that are Conditions Precedent to the Scheme are set out in clause 3.1 of the Scheme Implementation Agreement.

## 7.14 No other material information

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Except as set out in this Scheme Booklet, there is no other information that is material to the making of a decision by an A2B Shareholder whether or not to agree to the Scheme, being information that is within the knowledge of the A2B Directors and has not previously been disclosed to A2B Shareholders.

## 7.15 Supplementary Information

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A2B will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date:

- a) a material statement in this Scheme Booklet is false or misleading in a material respect;
- b) a material omission from this Scheme Booklet;
- c) a significant change affecting a matter included in this Scheme Booklet; or
- d) a significant new matter that has arisen which would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

Depending on the nature and timing of the changed circumstances, and subject to compliance with any relevant laws and/or obtaining any relevant approvals, A2B may circulate and publish any supplementary document by:

- a) making an announcement to the ASX;
- b) placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- c) emailing (for those who have opted for email communications) or posting the supplementary document to A2B Shareholders to their email/postal address shown on the Register; and/or
- d) posting a statement on the A2B website ([www.a2baustralia.com](http://www.a2baustralia.com)),

as A2B, in its absolute discretion, considers appropriate.

For personal use only

# Glossary and interpretation

## 8.1 Glossary

Unless the contrary intention appears, these meanings apply in this Scheme Booklet:

<b>1H24</b>	the 6 month period which ended on 31 December 2023.
<b>A2B or Company</b>	A2B Australia Limited (ABN 99 001 958 390).
<b>A2B Board or Board</b>	the board of directors of A2B.
<b>A2B Director or Director</b>	any director of A2B comprising part of the A2B Board.
<b>A2B Employee Share Right</b>	a performance right issued under the long-term incentive plans operated by A2B.
<b>A2B Group</b>	A2B and its Subsidiaries.
<b>A2B Group Member</b>	any member of the A2B Group.
<b>A2B Information</b>	the information in this Scheme Booklet, other than: <ul style="list-style-type: none"> <li>a) the CDC Information;</li> <li>b) any description of the taxation effect of the Transaction on Scheme Participants prepared by an external adviser to A2B; and</li> <li>c) the Independent Expert's Report.</li> </ul>
<b>A2B Prescribed Event</b>	has the meaning given in the Scheme Implementation Agreement.
<b>A2B Share</b>	a fully paid ordinary share in the capital of A2B.
<b>A2B's Share Registry</b>	Link Market Services Limited (ABN 54 083 214 537).
<b>A2B Shareholder or Shareholder</b>	each person registered in the Register as a holder of A2B Shares.
<b>ACCC</b>	the Australian Competition and Consumer Commission.
<b>ACCC Clearance</b>	satisfaction of the Condition Precedent set out in clause 3.1(a) of the Scheme Implementation Agreement, as summarised in section 7.11(b)(i).
<b>ASIC</b>	the Australian Securities and Investments Commission.
<b>ASIC Relief</b>	an exemption or declaration granted by ASIC which gives relief from certain requirements of the Corporations Act.
<b>Associate</b>	has the meaning set out in section 12(2) of the Corporations Act.
<b>ASX</b>	ASX Limited (ABN 98 008 624 691) or the market operated by it, as the context requires.
<b>ASX Settlement</b>	ASX Settlement Pty Limited (ABN 49 008 504 532).
<b>ATO</b>	Australian Taxation Office.
<b>Business Day</b>	a business day as defined in the Listing Rules.
<b>CDC</b>	ComfortDelGro Corporation Australia Pty Ltd (ABN 84 002 072 004).
<b>CDC Board</b>	the board of directors of CDC.
<b>CDC Information</b>	the information in this Scheme Booklet regarding CDG, CDC, and CDC Sub, the CDG Group, the businesses of the CDG Group, the CDG Group's interests and dealings in A2B Shares, the CDG Group's intentions for A2B and A2B employees, and funding for the Scheme, including: <ul style="list-style-type: none"> <li>a) the entire content of section 5, including relevant definitions used in that section; and</li> <li>b) the answer to the questions "Who is CDC Sub", "Who is CDC?", "Who is CDG", "What are CDG Group's intentions regarding A2B?", "Does CDG Group have a Relevant Interest in any A2B Shares?" and "How is CDC Sub funding the Scheme Consideration?" in section 2.</li> </ul> <p>For the avoidance of doubt, the CDC Information excludes the A2B Information, the Independent Expert's Report and the General Taxation Information.</p>
<b>CDC Sub</b>	CDC Private Mobility Pty Ltd (ACN 674 449 640), a wholly-owned subsidiary of CDC and, an indirect wholly-owned subsidiary of CDG.
<b>CDC Sub Board</b>	the board of directors of CDC Sub.
<b>CDG</b>	ComfortDelGro Corporation Limited (UEN 200300002K).
<b>CDG Board</b>	the board of directors of CDG.
<b>CDG Group</b>	CDG, CDC, and CDC Sub and each Subsidiary of CDG.
<b>CDG Group Member</b>	any member of the CDG Group.
<b>CHESS</b>	the Clearing House Electronic Subregister System operated by ASX Settlement and ASX Clear Pty Limited (ABN 48 001 314 503).



<b>Competing Transaction</b>	a proposal, transaction or arrangement (whether by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale or issue of securities, joint venture or otherwise) which, if completed, would mean a person (other than CDC or its Related Bodies Corporate) whether alone or together with its Associates would:  a) directly or indirectly, acquire an interest or Relevant Interest in or become the holder of 20% or more of the A2B Shares (other than as custodian, nominee or bare trustee); b) acquire control of A2B, within the meaning of section 50AA of the Corporations Act; c) directly or indirectly acquire, obtain a right to acquire, or otherwise obtain an economic interest in all or a substantial part or a material part of the assets of or business conducted by the A2B Group; d) otherwise acquire or merge (including by a reverse takeover bid or dual listed company structure) with A2B; or e) require A2B to abandon, or otherwise fail to proceed with, the Scheme.
<b>Conditions Precedent</b>	the conditions precedent in clause 3.1 of the Scheme Implementation Agreement, a summary of which are set out in section 7.11(b).
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth) and a reference to the Corporations Act or a provision of it includes as modified by applicable ASIC Relief.
<b>Court</b>	the Supreme Court of New South Wales, or such other court of competent jurisdiction under the Corporations Act agreed in writing by CDC and A2B.
<b>Deed Poll</b>	the deed poll dated 19 February 2024 executed by CDG, CDC, and CDC Sub under which CDG, CDC, and CDC Sub covenants to carry out their obligations under the Scheme.
<b>Disclosed</b>	has the meaning given in the Scheme Implementation Agreement.
<b>Dividend</b>	the fully franked dividend of \$0.60 per A2B Share declared by the A2B Board on 22 December 2023.
<b>EBITDA</b>	earnings before interest, taxes, depreciation and amortisation.
<b>Effective</b>	the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.
<b>Effective Date</b>	the date on which the Scheme becomes Effective.
<b>Eligible A2B Shareholder</b>	each A2B Shareholder who is not an Excluded Shareholder.
<b>Encumbrance</b>	any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or 12(2) of the PPSA, or any agreement to create any of them or allow them to exist but excluding any "security interest" as defined in section 12(3) of the PPSA.
<b>End Date</b>	31 July 2024 or such other date as is agreed in writing by CDC and A2B.
<b>Exclusivity Period</b>	the period from and including the date of the Scheme Implementation Agreement (being 22 December 2023) to the earlier of: a) the Implementation Date; b) the termination of the Scheme Implementation Agreement in accordance with its terms; and c) the End Date.
<b>Excluded Shareholders</b>	any A2B Shareholder who is a CDG Group Member and any A2B Shareholder who holds any A2B Shares on behalf of, or for the benefit of, any CDG Group Member and does not hold A2B Shares on behalf of, or for the benefit of, any other person, in each case at the Record Date.
<b>FY22</b>	the financial year which ended on 30 June 2022.
<b>FY23</b>	the financial year which ended on 30 June 2023.
<b>FY24</b>	the financial year ending on 30 June 2024.
<b>General Taxation Information</b>	the description of the taxation effect of the Transaction on Scheme Participants contained in this Scheme Booklet, (including section 6, which has been reviewed by KPMG).
<b>Implementation Date</b>	the fifth Business Day following the Record Date or such other date as agreed in writing by CDC and A2B.
<b>Independent Expert or LEA</b>	Lonergan Edwards & Associates Limited (ABN 53 095 445 560), being the independent expert in respect of the Scheme appointed by A2B.
<b>Independent Expert's Report</b>	the report issued by the Independent Expert in connection with the Scheme, as set out in Annexure A.
<b>ITAA 1997</b>	the <i>Income Tax Assessment Act 1997</i> (Cth).
<b>Last Practicable Date</b>	16 February 2024.
<b>Listing Rules</b>	the Listing Rules of the ASX modified to the extent of any express written waiver by the ASX.
<b>Material Adverse Effect</b>	has the meaning given in the Scheme Implementation Agreement.
<b>Material Contract</b>	has the meaning given in the Scheme Implementation Agreement.
<b>PPSA</b>	the <i>Personal Property Securities Act 2009</i> (Cth).

<b>Record Date</b>	7.00pm on the second Business Day following the Effective Date or such other date as agreed in writing by CDC and A2B.
<b>Register</b>	the register of members of A2B maintained by or on behalf of A2B in accordance with subsection 168(1) of the Corporations Act.
<b>Regulatory Approval</b>	any approval of a Regulatory Authority to the Scheme or any aspect of it which is necessary or desirable to implement the Scheme.
<b>Regulatory Authority</b>	<ul style="list-style-type: none"> <li>a) ASX, ACCC, ASIC and the Takeovers Panel;</li> <li>b) a government or governmental, semi-governmental or judicial entity or authority (including a tax administration authority);</li> <li>c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and</li> <li>d) any regulatory organisation established under statute.</li> </ul>
<b>Related Body Corporate</b>	has the meaning given in the Corporations Act.
<b>Relevant Interest</b>	has the meaning given in sections 608 and 609 of the Corporations Act.
<b>Requisite Majority</b>	in relation to the resolution to be put to the Scheme Meeting, the resolution being passed by a majority in number (more than 50%) of Eligible A2B Shareholders, who are present and voting, either in person or by proxy, attorney or in the case of corporate shareholders, its corporate representative and passed by at least 75% of the votes cast on the resolution.
<b>Scheme</b>	the scheme of arrangement between A2B and the Scheme Participants as described in clause 4.1 of the Scheme Implementation Agreement and set out in Annexure B.
<b>Scheme Booklet</b>	this booklet.
<b>Scheme Consideration</b>	\$1.45 in respect of each Scheme Share.
<b>Scheme Implementation Agreement</b>	the scheme implementation agreement dated 22 December 2023 between A2B, CDC and CDG relating to the implementation of the Scheme.
<b>Scheme Meeting</b>	the meeting to be convened by the Court pursuant to the Scheme.
<b>Scheme Participant</b>	each person who is an Eligible A2B Shareholder on the Record Date.
<b>Scheme Share</b>	<p>an A2B Share held by a Scheme Participant as at the Record Date and, for the avoidance of doubt:</p> <ul style="list-style-type: none"> <li>a) includes any A2B Shares issued on or before the Record Date; and</li> <li>b) excludes A2B Shares held by the Excluded Shareholders.</li> </ul>
<b>Second Court Date</b>	the first day of hearing of an application made to the Court for an order pursuant to sections 411(4)(b) and 411(6) of the Corporations Act approving the Scheme.
<b>Second Court Hearing</b>	the hearing of the application made to the Court for an order pursuant to subsections 411(4)(b) and 411(6) of the Corporations Act approving the Scheme.
<b>Singapore Exchange</b>	Singapore Exchange Limited (UEN 199904940D) or the market operated by it, as the context requires.
<b>Subsidiary</b>	<p>of an entity means another entity which:</p> <ul style="list-style-type: none"> <li>a) is a subsidiary of the first entity within the meaning of the Corporations Act; and</li> <li>b) is part of a consolidated group constituted by the first entity and the entities it is required to include in the consolidated financial statements it prepares or would be, if the first entity was required to prepare consolidated financial statements.</li> </ul> <p>A trust, partnership or fund may be a subsidiary (and an entity may be a subsidiary of a trust, partnership or fund) if it would have been a subsidiary under this definition if that trust, partnership or fund were a body corporate. For these purposes, a unit or other beneficial interest in a trust is to be regarded as a share (ignoring the operation of subsection 48(2) of the Corporations Act).</p>

<b>Superior Proposal</b>	<p>a genuine Competing Transaction that the A2B Board determines, acting in good faith and in order to satisfy what the A2B Board considers to be its fiduciary or statutory duties (after having obtained written advice from A2B's legal adviser and, if determined to be appropriate by the A2B Board, financial adviser):</p> <p>a) is reasonably capable of being valued and completed in accordance with its terms, having regard to conditionality and taking into account all relevant legal, financial, timing, regulatory and other aspects of such Competing Transaction, including the capacity of the proposing party to consummate the transactions contemplated by the Competing Transaction (including having regard to funding sources), in each case, to the extent known by the A2B Board; and</p> <p>b) would, or would be reasonably likely to, if completed substantially in accordance with its terms, result in a transaction that is more favourable to Eligible A2B Shareholders (as a whole) than the Scheme, taking into account all the relevant terms and conditions and other aspects of the Competing Transaction, including in respect of each of the Competing Transaction and the Scheme:</p> <p>i) the capacity of the proposing party to consummate the transactions contemplated by the Competing Transaction (including having regard to funding sources);</p> <p>ii) consideration (including value and type), conditionality, funding, certainty and timing;</p> <p>iii) the probability of the Competing Transaction being completed compared to the Scheme; and</p> <p>iv) any other relevant legal, financial, regulatory and other matters.</p>
<b>Transaction</b>	the acquisition of the Scheme Shares by CDC Sub through implementation of the Scheme in accordance with the terms of the Scheme Implementation Agreement.
<b>Trust Account</b>	the dollar denominated trust account with an authorised deposit-taking institution (as defined in the <i>Banking Act 1959</i> (Cth)) operated by or on behalf of A2B to hold the Scheme Consideration on trust for the purpose of paying the Scheme Consideration to the Scheme Participants in accordance with the Scheme.

## 8.2 Interpretation

Headings and labels used for definitions are for convenience only and do not affect the interpretation of this Scheme Booklet. Unless the contrary intention appears, in this Scheme Booklet (other than the Annexures):

- a) except as otherwise provided, all words and phrases used have the meaning (if any) given to them in the Corporations Act;
- b) words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders. A reference to a person includes a reference to a corporation;
- c) all dates and times are Sydney, New South Wales, Australia dates and times;
- d) a reference to dollars, \$, A\$, cents and ¢ is to Australian currency;
- e) a reference to S\$ is to Singaporean currency; and
- f) a reference to a section or Annexure is to a section in or Annexure to this Scheme Booklet.

**Annexure**

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# Independent Expert's Report

# LONERGAN EDWARDS & ASSOCIATES LIMITED

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The Directors  
A2B Australia Limited  
9-13 O’Riordan Street  
Alexandria NSW 2015

21 February 2024

**Subject: Proposed acquisition of A2B Australia Limited by way of a scheme of arrangement**

Dear Directors

## Introduction

- 1 On 22 December 2023, A2B Australia Limited (A2B or the Company) announced that it, ComfortDelGro Corporation Limited (CDG) and CDG’s wholly-owned subsidiary ComfortDelGro Corporation Australia Pty Ltd (CDC) had signed a Scheme Implementation Deed (the Agreement) pursuant to which it is proposed that CDC will acquire all the issued shares in A2B that CDG and each subsidiary of CDG including CDC (the CDG Group) does not already own.
- 2 The proposed acquisition of the shares is to be implemented via a scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) (Corporations Act) (the Scheme) and will require the approval of A2B shareholders other than Excluded Shareholders<sup>1</sup> (A2B Shareholders) and the Court before it can proceed (as well as the satisfaction or waiver of a number of other conditions precedent as summarised in Section I of our report).
- 3 If the Scheme is approved and implemented, A2B Shareholders will receive \$1.45 cash per A2B share held on the Scheme Record Date<sup>2</sup> (Scheme Consideration).
- 4 It should be noted that in addition to announcing the Scheme on 22 December 2023, A2B announced the completion of the Company’s property sale process and declared a fully franked special dividend of \$0.60 per share that was paid on 30 January 2024 to those A2B shareholders who held A2B shares on the dividend record date of 15 January 2024 (noting that A2B shares traded ex-entitlement to the dividend on 12 January 2024) (Special Dividend)<sup>3</sup>. The Scheme Consideration has been determined on an ex, not cum Special Dividend entitlement basis.

<sup>1</sup> Excluded Shareholders are any member of the CDG Group and any A2B shareholder who holds A2B shares on behalf of or for the benefit of any member of the CDG Group and does not hold A2B shares on behalf of or for the benefit of any other person. Excluded Shareholders will be precluded from voting on the Scheme.

<sup>2</sup> 7.00pm on 4 April 2024.

<sup>3</sup> The Company announced the A2B Board’s intention to declare a fully franked special dividend in respect of the O’Riordan Street, Alexandria property sale on 22 August 2023.

### Authorised Representatives:

Hung Chu • Martin Hall • Grant Kepler\* • Julie Planinic\* • Jorge Resende • Nathan Toscan • Wayne Lonergan • Craig Edwards

\* Members of Chartered Accountants Australia and New Zealand and holders of Certificate of Public Practice.  
*Liability limited by a scheme approved under Professional Standards Legislation*

1

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**A2B**

- 5 A2B provides end-to-end solutions for taxi operators, independent drivers, passengers, and other corporate and government clients. Services offered by A2B include taxi booking services, insurance broking, full taxi fit-outs, driver training and education in addition to integrated booking, payment and dispatch technologies, corporate travel solutions, consulting, licensing and other services. As at 31 December 2023, A2B had over 7,900 vehicles affiliated with its network which includes the “13cabs” and “Silver Service” brands and its Cabcharge payments system has been installed in more than 18,000 taxis nationally. A2B also provides dispatch technology through its MTI<sup>4</sup> business to some 16,000 taxis in overseas markets.

**CDG Group**

- 6 CDC is a wholly-owned subsidiary of CDG and is one of Australia’s largest bus operators, providing transport services to both metropolitan and regional communities across New South Wales (NSW), Victoria (VIC), the Australian Capital Territory (ACT), the Northern Territory (NT), Queensland (QLD), and Western Australia (WA) through a fleet of over 4,000 vehicles and 4,800 employees. CDG, which is listed on the Singapore Exchange, was established in March 2003 through the merger of Comfort Group Ltd and DelGro Corporation Ltd and is one of the world’s largest land transport companies, operating across 78 locations in seven countries with a global fleet of 34,000 vehicles and more than 22,500 employees.

**Purpose of report**

- 7 There is no legislative (or regulatory) requirement for A2B to obtain an independent expert’s report (IER), however, the Scheme is subject to a number of conditions precedent, including an independent expert concluding, and continuing to conclude, that the Scheme is in the best interests of A2B Shareholders. The A2B Directors’ recommendation of the Scheme is (inter alia) also subject to the same condition.
- 8 In addition, as the Scheme is considered a change of control transaction, the Australian Securities & Investments Commission’s (ASIC) Regulatory Guide 111 – *Content of expert reports* (RG 111) requires any appointed independent expert to provide an opinion on whether the Scheme is fair and reasonable (as well as the inclusion of a statement as to whether the scheme is “in the best interests” of shareholders).
- 9 Accordingly, the A2B Directors have requested Lonergan Edwards & Associates Limited (LEA) prepare an IER stating whether, in our opinion, the Scheme is fair and reasonable to and in the best interests of A2B Shareholders and the reasons for that opinion.
- 10 LEA is independent of A2B and the CDG Group and has no other involvement or interest in the proposed Scheme.

**Summary of opinion**

- 11 In our opinion, the Scheme is fair and reasonable and in the best interests of A2B Shareholders in the absence of a superior proposal. We have formed this opinion for the reasons set out below.

---

<sup>4</sup> Mobile Technologies International Pty Limited (MTI).

### Assessment of “fairness”

- 12 We have assessed the value of A2B shares on a 100% controlling interest basis at \$1.30 to \$1.54 per share, as shown below:

A2B – valuation summary <sup>(1)</sup>			
	Paragraph	Low \$m	High \$m
Assessed enterprise value	194	155.0	185.0
Other assets / (liabilities)	219	1.0	1.5
Net cash	221	7.1	7.1
<b>Equity value – controlling interest basis</b>		<b>163.2</b>	<b>193.7</b>
Fully diluted shares on issue (million)	224	125.5	125.5
<b>A2B value per share – controlling interest basis (\$)</b>		<b>1.30</b>	<b>1.54</b>

**Note:**

- 1 Rounding differences may exist.

- 13 Pursuant to RG 111 a scheme is “fair” if the value of the scheme consideration is equal to or greater than the value of the securities the subject of the scheme. This comparison for A2B shares is shown below:

Position of A2B Shareholders			
	Low \$ per share	Mid-point \$ per share	High \$ per share
Scheme Consideration	1.45	1.45	1.45
Value of 100% of A2B	1.30	1.42	1.54
Extent to which the Scheme Consideration exceeds (or is less than) the value of A2B	0.15	0.03	(0.09)

- 14 As the Scheme Consideration lies within our assessed valuation range for A2B shares on a 100% controlling interest basis, in our opinion, the Scheme Consideration is “fair” to A2B Shareholders when assessed in accordance with the guidelines set out in RG 111.

### Assessment of “reasonableness” and “in the best interests”

- 15 Pursuant to RG 111, a transaction is reasonable if it is fair. Accordingly, in our opinion, the Scheme is also “reasonable”.
- 16 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of members of the company.
- 17 Generally, in our experience, if a transaction is “fair” and “reasonable” under RG 111 it will also be “in the best interests” of shareholders. This is because if the consideration payable pursuant to a scheme is fair, shareholders are implicitly receiving consideration for their shares which is consistent with the full underlying value of those shares.
- 18 We therefore consider the Scheme is also “in the best interests” of A2B Shareholders in the absence of a superior proposal.

## Summary of advantages and disadvantages of the Scheme

19 We summarise below the likely advantages and disadvantages for A2B Shareholders if the Scheme proceeds.

### Advantages

20 In our opinion, the Scheme has the following benefits for A2B Shareholders:

- (a) the Scheme Consideration of \$1.45 cash per share is within our assessed value range for A2B shares on a 100% controlling interest basis. Thus, in our view, A2B Shareholders are being paid an appropriate price to compensate them for the fact that control of A2B will pass to the CDG Group if the Scheme is approved
- (b) the Scheme Consideration represents a significant premium to the adjusted market prices of A2B shares prior to the announcement of the Scheme<sup>5</sup>. Furthermore, the premium based upon the adjusted three month volume weighted average price (VWAP) is consistent with the observed range of premiums generally paid to target company shareholders in comparable circumstances (the premium based on the adjusted one month VWAP is marginally less than / toward the lower end of the range of observed premiums<sup>6</sup>)
- (c) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of A2B shares is likely to trade at a significant discount to our valuation and the Scheme Consideration due to the difference between the value of A2B shares on a minority interest basis and their value on a 100% controlling interest (i.e. takeover) basis.

### Disadvantages

- 21 A2B Shareholders should note that if the Scheme is implemented they will no longer hold an interest in A2B. A2B Shareholders will therefore not participate in any future value created by the Company over and above that reflected in the Scheme Consideration.
- 22 However, as the Scheme Consideration lies within our assessed value of A2B shares, in our opinion, the present value of A2B's future potential (in the absence of the Scheme) is reflected in the Scheme Consideration.

### Conclusion

- 23 Given the above analysis, we consider the advantages of the Scheme outweigh the disadvantages. Accordingly, in our opinion, the acquisition of A2B shares under the Scheme is fair and reasonable and in the best interests of A2B Shareholders in the absence of a superior proposal.

<sup>5</sup> Adjusted for the Special Dividend of \$0.60 per share declared on 22 December 2023 and paid on 30 January 2024.

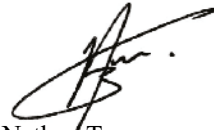
<sup>6</sup> Trading in A2B shares during this period is likely to be partly (positively) affected by the anticipated declaration of the fully franked Special Dividend. In the absence of this factor (and all else being equal), the premiums implied by the one month VWAP would be higher than those set out in the table at paragraph 243 and in all likelihood more closely approximate the lower end of the range of average premiums generally paid in successful takeovers in Australia.



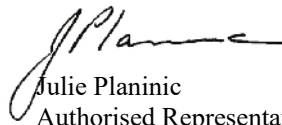
**General**

- 24 This report contains general financial product advice only and has been prepared without taking into account the personal objectives, financial situations or needs of individual A2B Shareholders. Accordingly, before acting in relation to the Scheme, A2B Shareholders should have regard to their own objectives, financial situation and needs. A2B Shareholders should also read the Scheme Booklet that has been issued by A2B in relation to the Scheme.
  
- 25 Furthermore, this report does not constitute advice or a recommendation (inferred or otherwise) as to whether A2B Shareholders should vote for, or against the Scheme. This is a matter for individual A2B Shareholders based upon their own views as to value, their expectations about future economic and market conditions and their particular personal circumstances including their risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If A2B Shareholders are in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice.
  
- 26 For our full opinion on the Scheme and the reasoning behind our opinion, we recommend that A2B Shareholders read the remainder of our report.

Yours faithfully



Nathan Toscan  
Authorised Representative



Julie Planinic  
Authorised Representative

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- B Qualifications, declarations and consents**
- C Valuation methodologies**
- D Assessment of appropriate discount rate**
- E Listed company descriptions**
- F Transaction evidence**
- G Glossary**

## I Key terms of the Scheme

### Terms

27 An overview and key terms of the Scheme is set out at paragraphs 1 to 3.

### Conditions

- 28 The Scheme is subject to the satisfaction or waiver of a number of conditions precedent, including the following which are outlined in the Agreement:
- (a) regulatory clearance<sup>7</sup> from the Australian Competition and Consumer Commission (ACCC) before 8.00am on the Second Court Date
  - (b) respective regulatory consents, confirmations or approvals from or such other action as agreed in writing between CDC and A2B as reasonably necessary or desirable to implement the Scheme by ASIC and the Australian Securities Exchange (ASX) before 8.00am on the Second Court Date (such consents, confirmations, approval or other acts not being withdrawn or revoked at that time)
  - (c) approval of the Scheme by A2B Shareholders (i.e. A2B shareholders other than the Excluded Shareholders) by the requisite majorities under the Corporations Act
  - (d) approval of the Scheme by the Court in accordance with s411(4)(b) of the Corporations Act
  - (e) no order, temporary restraining order, preliminary or permanent injunction, decree or ruling or any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Scheme issued by any Australian court or regulatory authority and no such order, decree, ruling, other action or refusal is in effect as at 8.00am on the Second Court Date
  - (f) an independent expert issuing a report concluding that the Scheme is in the best interests of A2B Shareholders before the date that the Scheme Booklet is lodged with ASIC and not withdrawing its report or changing this conclusion before 8.00am on the Second Court Date
  - (g) no “A2B Prescribed Event” (as defined in clause 1.1 of the Agreement) occurs between the date of the Agreement and 8.00am on the Second Court Date (subject to clause 3.3 of the Agreement)
  - (h) no “Material Adverse Effect” (as defined in clause 1.1 of the Agreement) occurs between the date of the Agreement and 8.00am on the Second Court Date (subject to clause 3.3 of the Agreement).

<sup>7</sup> Notice that the ACCC does not intend to conduct a public review of the acquisition or does not propose to intervene to prevent the acquisition, either on an unconditional basis or subject to conditions acceptable to CDC acting reasonably (whether or not the notification also states that the ACCC reserves its position if new information comes to the ACCC’s attention or if it becomes aware that any information upon which it has based its view is incorrect or incomplete).

- 29 In addition, A2B has agreed that during the Exclusivity Period<sup>8</sup> it will not and will ensure that its representatives do not:
- (a) solicit, invite, encourage or initiate any competing transaction (No-Shop)
  - (b) facilitate, negotiate or enter into or participate in any discussions or negotiations which may reasonably be expected to lead to a competing transaction (even if that competing transaction was not directly or indirectly solicited or invited by A2B) (No-Talk)
  - (c) enable any person other than CDC and its representatives to undertake due diligence investigations on any A2B group member or their business and operations, or make available any non-public information to any person other than CDC and its representatives relating to any A2B group member or their business and operations (No-Due Diligence).
- 30 A2B will not (and will procure that its related bodies corporate do not) enter into any agreement, arrangement or understanding in relation to a competing transaction or any agreement, arrangement or understanding which may reasonably be expected to lead to the completion of a competing transaction, unless:
- (a) A2B has received a proposal in respect of a competing transaction and the A2B Board in good faith and in order to satisfy its statutory and fiduciary duties determines that such competing transaction would be or would be reasonably likely to result in a superior proposal; and
  - (b) A2B has provided CDC with the material terms and conditions of the competing transaction, given CDC the opportunity to provide a matching or superior proposal within three business days and CDC has not provided a matching or superior proposal.
- 31 The No-Talk and No-Due Diligence obligations do not apply if the A2B Board determines in good faith that:
- (a) after reasonable consultation with its financial and legal advisers, the proposed competing transaction is a superior proposal; and
  - (b) after receiving written advice from its external legal advisers that failing to respond to such a competing transaction would, or would be reasonably likely to, constitute a breach of the fiduciary or statutory duties of the A2B Board.
- 32 A break fee of \$1.82 million (excluding GST) is payable by A2B to CDC in certain circumstances as specified in the Agreement.

### Resolution

- 33 A2B Shareholders (i.e. A2B shareholders other than Excluded Shareholders) will be asked to vote on the Scheme in accordance with the resolution contained in the notice of meeting accompanying the Scheme Booklet.

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<sup>8</sup> Period from and including the date of the Agreement up to the earlier of the Implementation Date, the termination of the Agreement in accordance with its terms and the End Date (defined in the Agreement as 31 July 2024 or such other date as agreed in writing by CDC and A2B).

- 34 Pursuant to the Corporations Act, the Scheme will be approved by A2B Shareholders if the resolution at the Scheme Meeting is passed by a majority in number (more than 50%) of the A2B Shareholders present and voting (in person or by proxy), and by 75% of the votes cast on the resolution at that meeting. For the avoidance of doubt, Excluded Shareholders will be precluded from voting on the Scheme resolution.
- 35 If the resolution is passed by the requisite majorities, A2B must apply to the Court for orders approving the Scheme, and if that approval is given, lodge the orders with ASIC and do all things necessary to give effect to the Scheme. Once the Court approves the Scheme it will become binding on all A2B Shareholders who hold A2B shares as at the Scheme Record Date, whether or not they voted for the Scheme (and even if they voted against the Scheme).

## II Scope of our report

### Purpose

- 36 The Scheme is to be effected pursuant to Part 5.1 of the Corporations Act, which governs schemes of arrangement. Part 3 of Schedule 8 of the *Corporations Regulations 2001* (Cth) (Corporations Regulations) prescribes information to be sent to shareholders in relation to a member's scheme of arrangement pursuant to s411 of the Corporations Act.
- 37 Paragraph 8303 of Schedule 8 of the Corporations Regulations provides that, where the other party to the transaction holds not less than 30% of the voting shares in the company the subject of the scheme, or where a director of the other party to the transaction is also a director of the company the subject of the scheme, the explanatory statement must be accompanied by an IER assessing whether the proposed scheme is in the best interests of shareholders and state reasons for that opinion.
- 38 As at the date of this report, the CDG Group held some 11.6 million shares in A2B (representing 9.44% of the shares on issue) and had no representation on A2B's Board. Accordingly, there is no legislative (or regulatory) requirement for A2B to obtain an IER.
- 39 However, the Scheme is subject to a number of conditions precedent, including an independent expert concluding, and continuing to conclude, that the Scheme is in the best interests of A2B Shareholders. The A2B Directors' recommendation of the Scheme is (inter alia) also subject to the same condition.
- 40 In addition, as the Scheme is considered a change of control transaction, RG 111 requires any appointed independent expert to provide an opinion on whether the Scheme is fair and reasonable.
- 41 The A2B Directors have therefore requested LEA prepare an IER stating whether the proposed acquisition of the shares in A2B by CDC under the Scheme is fair and reasonable to and in the best interests of A2B Shareholders and the reasons for that opinion. Our report will accompany the Scheme Booklet to be sent to A2B Shareholders.
- 42 It should be noted that this report contains general financial product advice only and has been prepared without taking into account the personal objectives, financial situations or needs of individual A2B Shareholders. Accordingly, before acting in relation to the Scheme, A2B Shareholders should have regard to their own objectives, financial situation and needs. A2B Shareholders should also read the Scheme Booklet that has been issued by A2B in relation to the Scheme.
- 43 Furthermore, this report does not constitute advice or a recommendation (inferred or otherwise) as to whether A2B Shareholders should vote for, or against the Scheme. This is a matter for individual A2B Shareholders based upon their own views as to value, their expectations about future economic and market conditions and their particular personal circumstances including their risk profile, liquidity preference, investment strategy, portfolio structure and tax position. If A2B Shareholders are in doubt about the action they should take in relation to the Scheme or matters dealt with in this report, shareholders should seek independent professional advice.

**Basis of assessment**

- 44 In preparing our report we have given due consideration to the Regulatory Guides issued by ASIC including, in particular, RG 111.
- 45 When an IER is prepared for a scheme that involves a change of control (essentially, where one party acquires more than a 20% equity interest in another party), ASIC expects the form of the analysis undertaken by the expert to be substantially the same as for a takeover bid. That is, the expert is required to assess and provide an opinion on whether the scheme is “fair” and “reasonable” to the shareholders of the company which is the subject of the scheme (in addition to the inclusion of a statement as to whether the scheme is “in the best interests” of shareholders, being the opinion required under Part 3 of Schedule 8 of the Corporations Regulations).
- 46 **Fairness** involves the application of a strict quantitative test that compares the value of the consideration offered against the value of the shares that are the subject of the scheme<sup>9</sup>. A scheme is “fair” if the value of the scheme consideration is equal to, or greater than, the value of the shares that are the subject of the scheme. Fairness effectively measures whether shareholders (in the company the subject of the scheme) are being adequately compensated for the actual (or deemed) change of “control” in ownership.
- 47 **Reasonableness** involves the consideration of other significant quantitative and qualitative factors that shareholders might consider prior to accepting a proposal. A scheme is considered “reasonable” if it is “fair”. A scheme may also be considered “reasonable” if, despite being “not fair”, the expert believes there are sufficient reasons for shareholders to vote in favour of the scheme, in the absence of a superior proposal.
- 48 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of members of the company. Similarly, RG 111 notes that if an expert concludes that a scheme is “not fair and not reasonable”, then the expert would need to conclude that the scheme is “not in the best interests” of members of the company.
- 49 In our opinion, if the Scheme is “fair” and “reasonable” under RG 111 it will also be “in the best interests” of A2B Shareholders. This is because, if the consideration payable pursuant to a transaction is fair, shareholders are implicitly receiving consideration for their shares which is consistent with the full underlying value of those shares.
- 50 Having regard to the above, our report has therefore considered:

**Fairness**

- (a) the market value of 100% of the shares in A2B
- (b) the value of the consideration offered by the CDG Group (via CDC)

<sup>9</sup> Assuming 100% ownership of the target company and a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm’s length, noting that any special value that may be derived by a particular “bidder” should not be taken into account (e.g. synergies that are not available to other bidders).



- (c) the extent to which (a) and (b) differ (in order to assess whether the Scheme is fair under RG 111)

**Reasonableness**

- (d) the extent to which a control premium is being paid to A2B Shareholders
- (e) the extent to which A2B Shareholders are being paid a share of any synergies likely to be generated pursuant to the Scheme
- (f) the listed market price of A2B shares, both prior to and subsequent to the announcement of the Scheme
- (g) the likely market price of A2B shares if the Scheme is not approved
- (h) the value of A2B to an alternative offeror and the likelihood of a higher alternative offer being made for A2B prior to the date of the Scheme meeting
- (i) other qualitative and strategic issues associated with the Scheme; and
- (j) the advantages and disadvantages of the Scheme from the perspective of A2B Shareholders.

**Limitations and reliance on information**

- 51 Our opinions are based on the economic, share market, financial and other conditions and expectations prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.
- 52 Our report is also based upon financial and other information provided by A2B and its advisers. We understand the accounting and other financial information that was provided to us has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that material facts have been withheld.
- 53 The information provided was evaluated through analysis, enquiry and review to the extent considered appropriate for the purpose of forming an opinion on the Scheme from the perspective of A2B Shareholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit, extensive examination or “due diligence” investigation might disclose. Whilst LEA has made what it considers to be appropriate enquiries for the purpose of forming its opinion, “due diligence” of the type undertaken by companies and their advisers in relation to (for example) prospectuses or profit forecasts is beyond the scope of an IER.
- 54 Accordingly, this report and the opinions expressed therein should be considered more in the nature of an overall review of the anticipated commercial and financial implications of the proposed transaction, rather than a comprehensive audit or investigation of detailed matters. Further, this report and the opinions therein, must be considered as a whole. Selecting specific sections or opinions without context or considering all factors together, could create a misleading or incorrect view or opinion. This report is a result of a complex valuation process that does not lend itself to a partial analysis or summary.
- 55 An important part of the information base used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management of the relevant

companies. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.

- 56 We in no way guarantee the achievability of budgets or forecasts of future profits. Budgets and forecasts are inherently uncertain. They are predictions by management of future events which cannot be assured and are necessarily based on assumptions of future events, many of which are beyond the control of management. Actual results may vary significantly from forecasts and budgets with consequential valuation impacts.
- 57 In forming our opinion, we have also assumed that:
- (a) the information set out in the Scheme Booklet is complete, accurate and fairly presented in all material respects
  - (b) if the Scheme becomes legally effective, it will be implemented in accordance with the terms set out in the Agreement and the terms of the Scheme itself.

### III Profile of A2B

#### Overview

58 A2B provides end-to-end solutions for taxi operators, independent drivers, passengers, and other corporate and government clients. Services offered by A2B include taxi booking services, insurance broking, full taxi fit-outs, driver training and education in addition to integrated booking, payment and dispatch technologies, corporate travel solutions, consulting, licensing and other services. As at 31 December 2023, A2B had over 7,900 vehicles affiliated with its network which includes the “13cabs” and “Silver Service” brands and its Cabcharge payments system has been installed in more than 18,000 taxis nationally. A2B also provides dispatch technology through its MTI business to some 16,000 taxis in overseas markets.

#### History

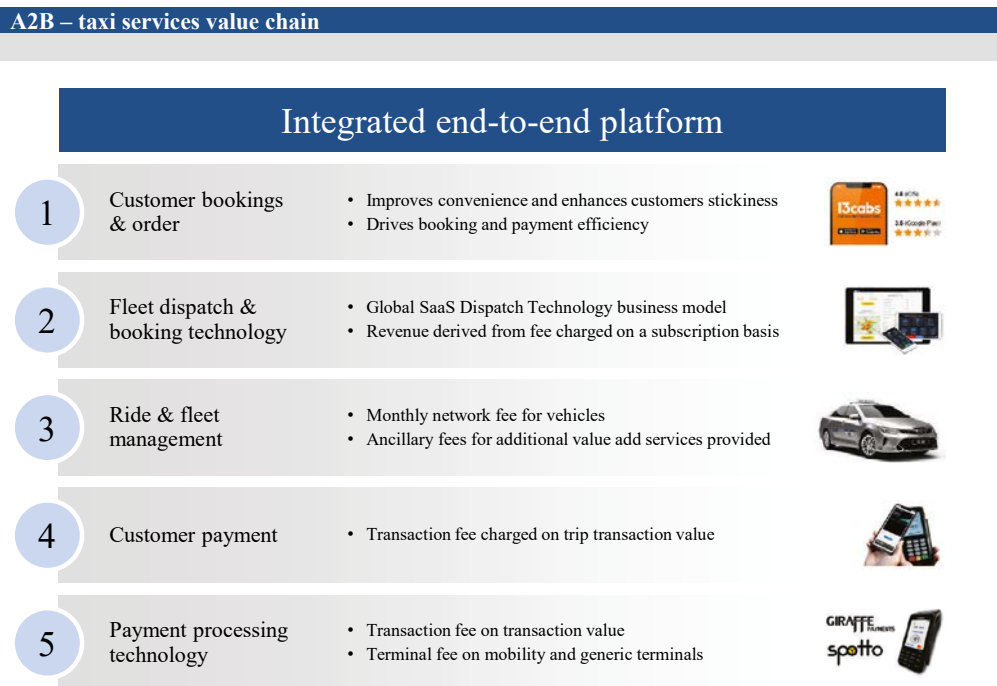
59 A2B (initially known as Cabcharge Australia Limited) was founded in 1976 as a paper payment system that enabled passengers to discharge their obligations to pay the driver without cash. The Company listed on the ASX<sup>10</sup> in December 1999 and has since evolved to become a leading taxi service and payment solutions provider. A summary of the more recent key historical developments of A2B is set out below:

A2B – history	
Date	Key development
2016	<ul style="list-style-type: none"> <li>Divested the Company’s 49% interest in ComfortDelGro Pty Limited, a joint venture private bus business for total consideration of \$186 million. Following the transaction, the Company’s operations were primarily focused on taxi operator and passenger services</li> <li>Undertook a sale and leaseback transaction in respect of the Company’s Riley Street, Darlinghurst property, under which A2B received total consideration of \$18.1 million</li> </ul>
2017	<ul style="list-style-type: none"> <li>Acquired Yellow Cabs (Queensland) Pty Limited (Yellow Cabs) for total consideration of \$19.5 million. Yellow Cabs’ business included taxi fleet operations and courier services that were not provided by A2B at the time of acquisition</li> <li>Divested the Company’s 49% interest in CityFleet Networks Limited, an account booking and dispatch services company based in the United Kingdom. A2B received total consideration of approximately \$13.0 million for its interest</li> </ul>
2018	<ul style="list-style-type: none"> <li>Acquired MTI, a global provider of Software as a Service (SaaS) automotive dispatch and booking technology to the taxi industry, for total consideration of \$6.6 million.</li> <li>Changed business name from Cabcharge Australia Limited to A2B Australia Limited</li> <li>Launched a new look brand for the 13cabs taxi network nationally, resulting in the on-boarding of 4,862 new drivers, a 74% increase in 13cabs application downloads and significant increase in application bookings over the 12 months ended 30 June 2018. In addition, the Company’s affiliated fleet increased by 28% over this period with a 12% increase represented by organic growth and a 16% increase attributable to acquisitions</li> </ul>
2019	<ul style="list-style-type: none"> <li>Acquired the business operations and assets of booking and dispatch services company Gold Coast Cabs from Regent Taxis Limited for a total consideration of \$2.5 million</li> </ul>
2022	<ul style="list-style-type: none"> <li>Undertook a strategic review of operations, resulting in the announcement of the “Better Before Bigger” strategy in July 2022</li> <li>Sold its Bourke Road, Alexandria property for total consideration of \$19.0 million in December 2022 (with settlement in May 2023)</li> </ul>
2023	<ul style="list-style-type: none"> <li>Undertook sale and leaseback transactions in respect of the Company’s O’Riordan Street, Alexandria and Downing Street, Oakleigh properties. A2B received total consideration of \$78.0 million and \$8.0 million respectively for the two properties (prior to selling costs) which both settled in December 2023</li> </ul>

<sup>10</sup> Then known as the Australian Stock Exchange.

### Current operations

60 A2B provides end-to-end services and generates revenue across the entire taxi services value chain, from initial customer bookings to end of trip payment processing, as shown below:



Source: A2B.

### “Better Before Bigger” strategy

61 During FY22, following a change in the Company’s leadership team<sup>11</sup> and the appointment of independent external advisers, A2B developed its “Better Before Bigger” strategy (which was announced in July 2022) which involved simplifying and streamlining A2B’s operations through a number of strategic initiatives, including:

- improving A2B’s core business by focusing on growing the Company’s fleet network, increasing the number of trips, and enhancing its corporate offering. Key activities related to this initiative included improving taxi operator acquisition and retention, and optimising network subscription pricing
- undertaking a number of cost reduction initiatives including reducing employee, advertising and marketing, and technology and communications costs

<sup>11</sup> Which included the appointment of Mr Mark Bayliss as Executive Chairman of A2B effective 7 March 2022.

- (c) the discontinuation or divestment of non-core, lossmaking businesses including Flamingo Payments (discontinued July 2022), Yellow Couriers (divested August 2022) and a bus business in South Australia (SA) (discontinued 7 July 2023)<sup>12</sup>
- (d) review of A2B’s property portfolio to maximise value outcomes for A2B shareholders in conjunction with considering A2B’s future property requirements.

62 The strategic review also resulted in the simplification of A2B’s corporate structure into two business divisions comprising Business to Consumer (B2C) and Business to Business (B2B)<sup>13</sup> and a reduction in the number of brands it operates. A diagrammatic overview of A2B’s current operations is set out below:

A2B – operating segments		
	B2C (13cabs & Silver Service Networks)	B2B (Payments, Equipment and Corporate)
<b>What We Do</b>	<ul style="list-style-type: none"> <li>• Personal transport</li> <li>• Generate trips for drivers and operators</li> </ul>	<ul style="list-style-type: none"> <li>• Taxi payment platforms, equipment and dispatch</li> <li>• Corporate travel solutions</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Taxi drivers</li> <li>• Taxi fleet operators &amp; taxi license owners</li> <li>• Passengers of A2B’s taxi networks</li> </ul>	<ul style="list-style-type: none"> <li>• Taxi networks</li> <li>• Independent operators</li> <li>• Corporate clients and government</li> </ul>
<b>Competencies</b>	<ul style="list-style-type: none"> <li>• Relationship with large number of customers</li> <li>• Understanding of fares, flows of funds, drivers’ economics, drivers and owners “needs and wants”</li> <li>• Management of brand and passengers demand / supply dynamics</li> <li>• Design of pricing and fare structure</li> </ul>	<ul style="list-style-type: none"> <li>• Management of corporate and government clients</li> <li>• Management of equipment and payment system portfolio</li> <li>• Consolidation of corporate sales and Cabcharge into one division</li> </ul>
<b>Key stats as of 30 June 2023</b>	<ul style="list-style-type: none"> <li>• Active drivers: &gt;12,530</li> <li>• Affiliated vehicles: 7,803</li> <li>• Taxi market share: ~45%</li> <li>• Personal transport market share: ~25%</li> <li>• FY23 revenue: \$90.6 million</li> <li>• FY23 EBITDA: \$11.0 million</li> </ul>	<ul style="list-style-type: none"> <li>• Taxi payment equipment penetration rate: 90%</li> <li>• FY23 taxi payments processed: \$854 million</li> <li>• FY23 revenue: \$61.1 million</li> <li>• FY23 EBITDA: \$9.1 million</li> </ul>



Source: A2B.

### B2C

63 The B2C segment provides taxi network and transport services to taxi operators and independent drivers, taxi licence owners and passengers nationally in Australia. These services include taxi booking and dispatch services, insurance broking, full taxi fit-outs, driver training and education which are delivered through a variety of brands including 13cabs, Silver Service and Maxi Taxi.

<sup>12</sup> Flamingo Payments provided loyalty, marketing, and payment solutions to small and medium sized businesses, whilst Yellow Couriers was A2B’s courier services business in QLD. The cessation of these service offerings had a favourable impact on A2B’s earnings during FY23 and is expected to have a relatively immaterial impact on the results for FY24.

<sup>13</sup> Prior to FY23, A2B’s operations were categorised into three operating segments comprising of Mobility Services, Mobility Platforms and Payments.

64 The majority of revenue generated from the B2C segment is derived from monthly subscription fees collected from affiliated vehicles in A2B’s network, with other revenues generated from related and ancillary services including, inter alia, taxi equipment rental, insurance commissions and car sales. The Company also generates taxi operating income from a small fleet of corporate owned vehicles.

**Network subscriptions**

65 Network subscription revenue is A2B’s largest revenue stream and is driven by the number of taxis affiliated with its network as well as the pricing of subscription fees charged to its network.

66 A summary of A2B’s affiliated network fleet prior to COVID-19 and more recently is set out below:

<b>A2B – Affiliated fleet network</b>							
	<b>Jun 18</b>	<b>Jun 19</b>	<b>Jun 20</b>	<b>Jun 21</b>	<b>Jun 22</b>	<b>Jun 23</b>	<b>Dec 23</b>
Total fleet	9,471	9,547	7,004	7,175	6,831	7,803	7,905
Annual change		76	(2,543)	171	(344)	972	102 <sup>(1)</sup>

**Note:**

1 Represents a six month period only.

Source: A2B.

67 As indicated above, A2B has recently attracted a number of new drivers to its network, with its total fleet increasing by some 972 vehicles during FY23 and a further 102 vehicles added over the six month period to 31 December 2023 (1H24). The Company has also transitioned existing drivers towards its well-known and higher margin 13cabs and Silver Service taxi brands, which currently represent over 90% of the total fleet.

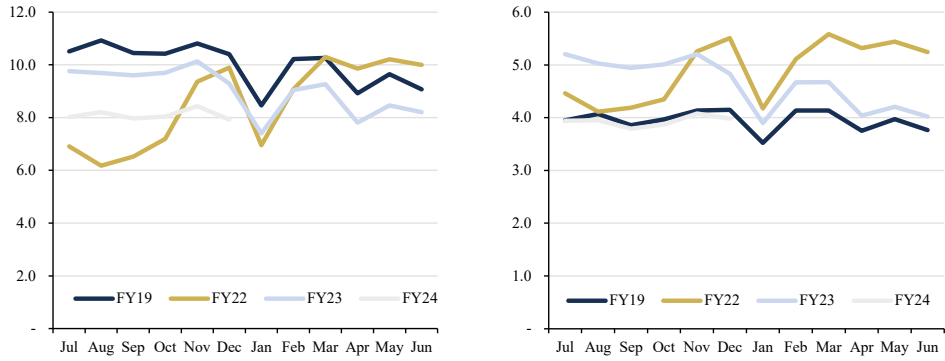
68 A2B has also recently significantly reduced its owned taxi fleet from 315 vehicles as at 30 June 2022 to 143 vehicles as at 31 December 2023, with an increased focus on profitability which aligns with its “Better Before Bigger” strategy.

69 In addition to fleet growth, A2B has adopted a new pricing strategy for each State that has enabled recent subscription fee increases (most notably during October 2022 and March 2023), with the weighted average monthly fee increasing more than 5.0% on an annualised basis in FY23, exceeding pre-COVID-19 fee levels.

70 Average trips per vehicle in A2B’s network significantly improved during FY22 and FY23 and approached FY19 levels, but have since softened during 1H24 as demand has been subdued by toughening macroeconomic conditions. That said, a greater proportion of trips continue to be generated through the more profitable 13cabs and Silver Service booking channels:

**A2B – Affiliated fleet operating metrics**

**Average completed trips per car per day**      **Average completed bookings per car per day**



Source: A2B.

**B2B**

71 A2B’s B2B segment provides payment platform and related services to taxi networks, independent operators, corporate clients and governments both nationally and internationally<sup>14</sup>. These services include integrated booking, payment and dispatch technologies, corporate travel solutions, and consulting, licensing and other services which are delivered through a variety of brands including:

- (a) **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. As at 31 December 2023, more than 18,000 taxis have the Cabcharge payment system nationally
- (b) **Spotto and Giraffe** – represents A2B’s “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
- (c) **Mobile Technologies International** – provides a SaaS booking, dispatch, payment, contact centre and vehicle monitoring platform. MTI earns 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.

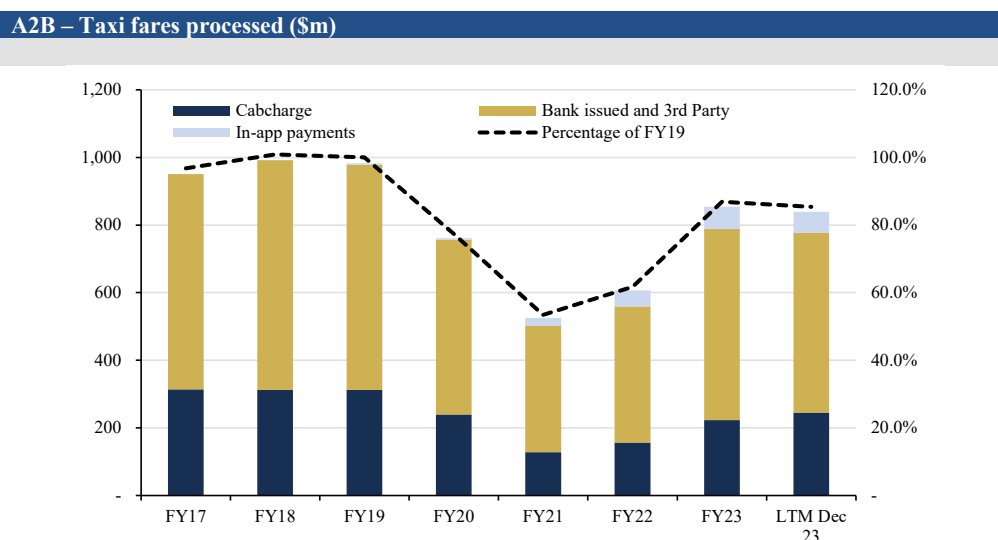
**Payment processing revenue**

72 Payment processing revenue is the largest revenue stream for the B2B segment and the second largest revenue stream for the overall business, and is driven by the value of taxi fares processed through A2B’s payment systems. The service fee which is charged by A2B to the passenger is based upon a percentage of the taxi fare processed, and is subject to maximum

<sup>14</sup> A2B’s international operations are delivered by the MTI business.

non-cash payment surcharge regulations enforced by State and Territory Governments (generally 5.0% including GST)<sup>15</sup>.

- 73 A significant proportion of taxi fares processed are generated from NSW, VIC and QLD which collectively account for approximately 80% of total taxi fares. A summary of recent taxi fares processed through A2B's payment systems including the last 12 months (LTM) to 31 December 2023 is illustrated below:



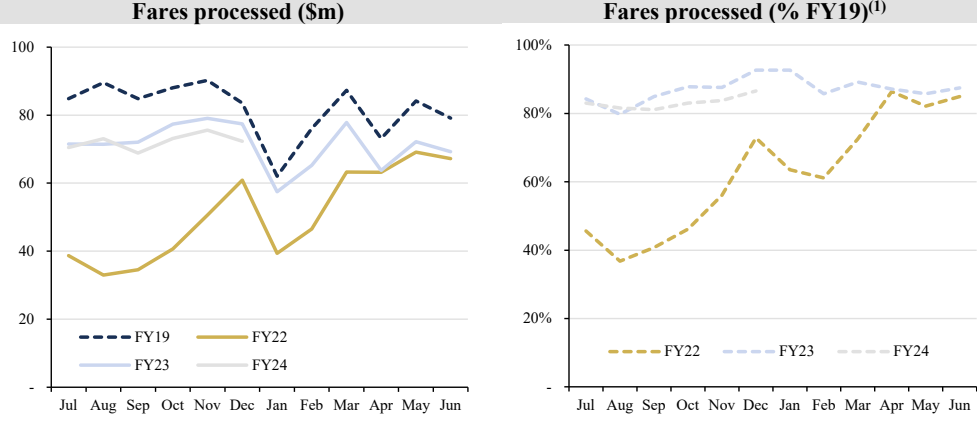
Source: A2B Financial Result Presentations.

- 74 During FY23, taxi fares processed increased to \$854.4 million which represented approximately 87% of FY19 (i.e. pre-COVID-19 levels) and have marginally declined over the LTM to 31 December 2023.
- 75 This growth was strongest during the period from July 2022 to March 2023, while growth softened during Q4 FY23 as A2B cycled through a full quarter in a post COVID-19 environment and softening macroeconomic conditions started to impact consumer demand and the volume of trips.

<sup>15</sup> Refer paragraph 126 for a breakdown by State.



**A2B – Taxi fares processed**



**Note:**  
1 Reflecting the latest full financial year prior to COVID-19.  
**Source:** A2B.

76 A2B has stated it will have an increased focus on demand generation (through increased marketing spend compared to FY23) to counteract recent softening in trips.

**Price guarantee offering**

77 In October 2020, A2B launched its price guarantee offering, a pricing model that allows customers who pre-book a taxi through A2B’s booking channels (such as the 13cabs and Silver Service mobile applications) to lock in a fixed fare upfront. In November 2022, A2B commenced charging a price guarantee booking fee (of between \$1 and \$7 depending on the fare amount) which is paid by the passenger and generates incremental revenue. Fees charged in respect of pre-booked fares are not subject to the pricing regulations that apply to hail and rank taxi fares<sup>16</sup>, which provides service providers with greater pricing flexibility in respect of quoting fares upfront.

**Car payments technology upgrade**

78 A major project is currently underway to upgrade all in-car technology (before 3G is switched off in June 2024) to ensure the continuity and future growth of A2B’s payment processing volumes. The project, which is expected to require one-off capital expenditures of \$3.5 million in FY24, is aimed at delivering, inter alia, a platform that accepts all types of payments and an in-vehicle combined payment terminal and tablet solution to improve driver adoption.

**Divestment of property portfolio**

79 Following an independent property portfolio review completed by MA Financial Group during FY22, A2B recently completed the sale of all three of its properties, with the settlement of one property completed in May 2023 and two properties in December 2023:

<sup>16</sup> Being regulations that relate to flag fall, distance rates, peak time charges and waiting time. Pre-booked fares are exempt from these regulations because passengers have the ability to review rates and “shop around” to compare fares with other services prior to booking, whereas passengers that hail a taxi on the street or catch one from a rank do not have this ability.

A2B – Divestment of property portfolio			
Property	Sale price (\$m)	Sale date	Settlement date
9-13 Bourke Road, Alexandria NSW	19.0	Dec 22	May 23
9-13 O’Riordan Street, Alexandria NSW	78.0	Mar 23	Dec 23
35 Downing Street, Oakleigh VIC	8.0	Nov 23	Dec 23
<b>Total</b>	105.0		

- 80 The sale of the abovementioned properties has enabled A2B to declare the following dividends (after assessing future working capital and debt requirements):
- (a) a \$0.05 fully franked dividend which was declared on 22 August 2023 and paid on 26 October 2023
  - (b) a \$0.60 fully franked Special Dividend which was declared on 22 December 2023 and paid on 30 January 2024 (which exceeded previous guidance of \$0.55 per share).
- 81 A2B has entered into sale and leaseback arrangements with respect to the O’Riordan Street and Oakleigh properties<sup>17</sup> which both commenced in December 2023 following the settlement of these properties. The sale and leaseback for the O’Riordan Street property is for a three year term with commencing rent of some \$4.7 million and the sale and leaseback for the Oakleigh property is for a two year term with commencing rent around \$0.5 million per annum. The sale and leaseback from these properties is expected to negatively impact Underlying EBITDA<sup>18</sup> by approximately \$2.7 million in FY24 and approximately \$5.2 million in FY25.

### Financial performance

- 82 The financial performance of A2B was significantly impacted in recent years by the COVID-19 pandemic which materially reduced demand for personal transportation services. Whilst revenue and profitability improved during FY23, the business has not yet reached the levels of performance attained prior to the emergence of COVID-19 (i.e. FY19).
- 83 A summary of the financial performance of A2B for the five years ended 30 June 2023 (FY23) and six months ended 31 December 2023 (1H24) is set out below:

<sup>17</sup> The property at 9-13 Bourke Road, Alexandria was not used for A2B’s operations and the sale of the property has no future earnings impact.

<sup>18</sup> Earnings before interest, tax, depreciation and amortisation (EBITDA). Underlying EBITDA allows for the cash rent incurred by the Company (i.e. is presented on a pre-AASB 16 basis).

**A2B – statement of financial performance<sup>(1)</sup>**

	FY19	FY20	FY21	FY22	FY23	1H24
	\$m	\$m	\$m	\$m	\$m	\$m
Network subscription revenue	76.7	60.7	31.1	42.4	54.2	31.0
Payment processing revenue	42.1	32.8	22.7	25.7	35.4	20.7
Other revenue	79.1	77.4	59.6	57.0	57.7	29.6
<b>Total revenue</b>	197.9	170.9	113.4	125.1	147.3	81.3
Direct mobility and payment costs	(51.7)	(49.1)	(23.8)	(31.7)	(36.0)	(18.0)
<b>Net revenue</b>	146.3	121.8	89.6	93.4	111.2	63.3
Other income	0.3	9.0	18.0	2.6	0.3	0.1
Operating expenses <sup>(2)</sup>	(110.1)	(121.7)	(114.3)	(105.4)	(91.5)	(49.6)
<b>Underlying EBITDA<sup>(3)</sup></b>	36.4	9.1	(6.7)	(9.4)	20.1	13.8
Depreciation and amortisation	(14.6)	(14.5)	(15.1)	(14.2)	(9.6)	(5.0)
<b>Underlying EBIT<sup>(4)</sup></b>	21.8	(5.4)	(21.8)	(23.6)	10.5	8.9
Significant items <sup>(5)</sup>	(4.1)	(19.2)	(2.7)	(14.9)	21.3	63.2
Net interest	(0.6)	(1.3)	(1.1)	(1.2)	(3.5)	(0.5)
<b>Net profit before tax</b>	17.2	(26.0)	(25.6)	(39.7)	28.3	71.5
Income tax (expense) / benefit	(5.3)	2.2	7.5	11.9	(1.2)	(20.4)
<b>Net profit after tax</b>	11.9	(23.8)	(18.1)	(27.8)	27.1	51.1
<i>Revenue growth</i>	6.7%	(13.6%)	(33.6%)	10.3%	17.7%	12.6%
<i>Net revenue margin</i>	73.9%	71.2%	79.0%	74.6%	75.5%	77.9%
<i>Underlying EBITDA margins</i>	18.4%	5.3%	(5.9%)	(7.5%)	13.6%	17.0%
<i>Underlying EBIT margins</i>	11.0%	(3.2%)	(19.2%)	(18.9%)	7.1%	10.9%
<i>Total fares processed (\$m)</i>	982.8	761.0	525.0	606.9	854.4	444.8
<i>Total fleet at period end (vehicles)</i>	9,547	7,004	7,175	6,831	7,803	7,905

**Note:**

- 1 Rounding differences may exist.
- 2 Refer to paragraph 88 for further details of these operating expenses.
- 3 Underlying EBITDA allows for the cash rent incurred by the Company, i.e. it is before allowing for Australian Accounting Standard AASB 16 – Leases (AASB 16) which was adopted from 1 July 2019. AASB 16 increases reported EBITDA as it replaces cash rent expenses with depreciation of the “right of use” assets as well as interest expense associated with lease liabilities recognised. Underlying EBITDA also adjusts for a number of one-off items (which are detailed in notes 5 and 6 below). A reconciliation of A2B’s Statutory EBITDA to Underlying EBITDA (and further details of the non-recurring items) is set out in in A2B’s financial reports and results presentations.

4 Earnings before interest and tax (EBIT).

5 Includes the following:

Net gain on property transactions	-	-	-	-	21.3	62.3
Impairments and asset write-offs	-	(16.9)	(1.9)	(9.8)	-	-
Termination and restructuring	(0.3)	-	(0.9)	(5.6)	(2.0)	-
AASB 16 and other one-offs <sup>(3)(6)</sup>	(3.7)	(2.3)	0.1	0.4	2.0	1.0
<b>Total</b>	(4.1)	(19.1)	(2.6)	(14.9)	21.3	63.2

- 6 Other one-off items include acquisition and integration costs, rebranding costs, MTI employee retention costs. Further details of these items are set out in A2B’s financial reports and results presentations.

**Source:** A2B Annual Reports and results presentations for FY19 to FY23 and Interim Reports and results presentations for 1H24.

**Revenue**

84 As noted in paragraphs 65 and 72 above, payment processing and network subscriptions represent the two largest sources of revenue for A2B.

85 The Company also generates revenue from its corporate owned taxi operations, plate licensing, and various other related activities, as shown below:

A2B – other revenue <sup>(1)</sup>						
	FY19	FY20	FY21	FY22	FY23	1H24
	\$m	\$m	\$m	\$m	\$m	\$m
Taxi plate licence income	26.7	21.5	1.6	2.6	5.1	2.9
Taxi equipment and terminal rental	3.5	4.7	4.9	5.3	7.9	3.8
Other taxi related services income	6.3	5.2	3.3	1.7	1.9	1.7
Taxi operating income	11.6	12.3	11.4	9.5	6.7	3.1
School taxi & bus route services income	4.3	5.8	6.0	6.4	11.1	6.2
Software consulting & licence income	5.1	6.1	5.4	5.3	5.4	2.7
Car and hardware sales income	6.9	6.0	5.6	5.7	8.6	3.3
Courier service revenue	4.4	4.6	5.0	3.1	0.3	-
Other revenue	10.2	11.2	16.4	18.4	10.6	6.0
<b>Total other revenue</b>	<b>79.1</b>	<b>77.4</b>	<b>59.6</b>	<b>58.0</b>	<b>57.7</b>	<b>29.6</b>

**Note:**

1 Rounding differences may exist.

86 A brief description of the abovementioned revenue items is provided below:

- (a) **taxi plate licence income** – is derived from leasing taxi plate licenses to independent drivers and taxi operators within the Company’s affiliated fleet network. Taxi plate licence income has significantly declined in recent years, attributable to the deregulation of taxi licenses across various States
- (b) **taxi equipment and terminal rental** – is derived from the rental of taxi equipment and payment terminals
- (c) **other taxi related services income** – is generated from the fit-out of vehicles as taxis, and repair and replacement of in-vehicle taxi equipment
- (d) **taxi operating income** – is derived from the rental of corporate owned vehicles to independent drivers. The decline in revenue exhibited during FY23 was attributable to the significant reduction in A2B’s owned taxi fleet
- (e) **school taxi and bus route income** – is derived from providing school taxi and bus route services for various State Government departments on a contract basis
- (f) **software consulting and licence income** – is derived through the provision of software licenses to licensees in return for a fixed fee, with consulting income generated from the provision of advice in relation to consulting and software development for payment systems. These services are delivered through the MTI business
- (g) **car and hardware sales income** – is generated from the sale of cars and taxi equipment to taxi operators
- (h) **courier service income** – was derived from providing courier dispatch services to customers, however this business was divested in August 2022

- (i) **other revenue** – is generated from additional activities including vehicle financing, insurance broking, taxi subsidy schemes and other related services. The increase in other revenue during FY21 and FY22 was largely attributable to the provision of vehicle sanitisation services provided to the NSW Government which were terminated during FY22.

#### Direct mobility and payment related expenses

- 87 A2B's direct cost of goods sold comprises the direct costs associated with the Company's principal revenue generating activities, a large proportion of which are represented by payment processing costs, school taxi and bus route service costs, and costs associated with car and hardware sales income. A2B's gross profit margin has ranged between approximately 70% and 80% over the FY19 to 1H24 period, which reflects, inter alia, the year to year changes in revenue mix between high margin income (e.g. network subscription<sup>19</sup> and payments processing revenue), relative to lower margin income (e.g. taxi operating and car and hardware sales income).

#### Operating expenses

- 88 A significant proportion of A2B's operating expenses (i.e. more than 60%) is represented by personnel costs (e.g. salaries, wages, superannuation etc.) with notable other expenses associated with advertising and marketing costs:

A2B – operating expenses <sup>(1)</sup>						
	FY19	FY20	FY21	FY22	FY23	1H24
	\$m	\$m	\$m	\$m	\$m	\$m
Employee benefits	(60.4)	(64.2)	(61.9)	(62.2)	(59.1)	(29.4)
Advertising and marketing	(10.5)	(11.6)	(11.0)	(11.0)	(2.7)	(2.3)
Premises costs	(7.6)	(5.0)	(8.8)	(7.9)	(6.4)	(3.4)
Other expenses <sup>(2)</sup>	(31.7)	(40.9)	(32.6)	(24.3)	(23.2)	(14.5)
<b>Total operating expenses</b>	<b>(110.1)</b>	<b>(127.7)</b>	<b>(114.3)</b>	<b>(105.4)</b>	<b>(91.5)</b>	<b>(49.6)</b>

**Note:**

- 1 Rounding differences may exist.
- 2 Other expenses relate to technology costs, communication expenses, professional and legal fees and other administrative expenses.

- 89 Recent cost reduction initiatives implemented by management as part of its strategic review (particularly around employee expenses, advertising and marketing and general administrative costs) has resulted in a material reduction in these costs. These initiatives included a reduction in staff count by 128 full time equivalent roles (approximately 15% of total staff) with a significant proportion of these role reductions associated with the contact centre restructure and the introduction of labour efficiencies to decrease technology costs.
- 90 As indicated at paragraph 81, A2B has entered into sale and leaseback transactions in respect of its O'Riordan Street and Oakleigh properties, which is expected to negatively impact EBITDA by approximately \$5.2 million on a full year basis (noting the rental expenses associated with these properties is not reflected in the historical results set out above).

<sup>19</sup> A2B incurs minimal direct costs specifically related to the generation of network subscription revenues.

### Outlook

91 As part of the FY23 results presentation released to shareholders on 22 August 2023, A2B provided the following outlook for FY24:

A2B – FY24 guidance			
	FY23	FY24	
Fleet 30 June (number of cars)	7,803 (+14.2% year on year (YoY))	~+5%	<ul style="list-style-type: none"> <li>Targeting ~5% fleet growth or 400 cars in FY24, supported by strong driver pipeline, NSW deregulation and greater driver and vehicle availability</li> </ul>
Fares processed	\$854m (+40.8% YoY)	Flat on FY23	<ul style="list-style-type: none"> <li>Fares processed projected to end in line with FY23 reflective of near-term recent softening in demand</li> </ul>
Revenue	\$147.3m (+17.7% YoY)	~+10%	<ul style="list-style-type: none"> <li>Revenue growth primarily supported by fleet (incremental fleet, compounding effect of FY23 growth, price increases)</li> </ul>
Underlying EBITDA (margin)	\$20.1m 13.6%	~\$22m ~14%	<ul style="list-style-type: none"> <li>FY24 Underlying EBITDA of ~\$22 million, +\$2 million or 10% inclusive of ~\$2 million incremental rent post settlement O’Riordan Street</li> <li>Like-for-like EBITDA growth<sup>(1)</sup> of ~\$4 million or ~20%</li> </ul>
Depreciation and amortisation (D&A) and capex	D&A \$9.6m Capex \$8.8m	D&A ~\$10m Capex \$10m – \$12m	<ul style="list-style-type: none"> <li>Includes one-off incremental ~\$3.5 million investment to upgrade all in-car vehicle technology ahead of 3G shutdown in June 2024. Level of internally developed software in line with FY23 at \$2.5 million</li> </ul>

**Note:**

1 Like-for-like EBITDA growth comparing FY24 Underlying EBITDA (prior to the incremental sale and leaseback rental costs) to FY23 Underlying EBITDA (which includes no allowance for sale and leaseback costs).

92 At its Annual General Meeting (AGM) on 16 November 2023, A2B reaffirmed its Underlying EBITDA guidance for FY24 of \$22 million (net of the incremental rental costs arising from the sale and leaseback of the O’Riordan Street and Downing Street properties).

93 As part of its 1H24 results presentation released to shareholders on 16 February 2024, A2B provided the following updated targets:

- (a) **Fleet additions** – reduced to ~+4% (or some 300 cars) in FY24 which represented a reduction of 100 cars compared to previous guidance, reflecting recent softening in supply, reflective of the weak macro-economic environment
- (b) **Fares processed** – were project to end ~ -5% below FY23 levels, reflecting a continuing weak macro-economic environment.

- 94 Notwithstanding the above, revenue growth expectations were maintained at ~+10% (reflecting improved earnings contributions from recent strategic initiatives) and FY24 EBITDA guidance of \$22 million was also maintained.

### Financial position

- 95 The financial position of A2B as at 30 June 2022, 30 June 2023 and 31 December 2023 is set out below:

A2B – summary of financial position			
	30 Jun 22	30 Jun 23	31 Dec 23
	\$m	\$m	\$m
Trade and other receivables	60.3	45.8	41.5
Prepayments and inventories	7.0	6.6	5.0
Trade and other payables	(55.9)	(38.2)	(23.0)
Current provisions and deferred income	(8.2)	(7.7)	(6.4)
Current tax liabilities	(0.3)	(3.1)	(0.7)
<b>Net working capital</b>	<b>2.8</b>	<b>3.4</b>	<b>16.4</b>
Non-current finance lease receivables	5.3	5.6	4.6
Property, plant and equipment	23.7	16.7	13.1
Unlisted investments	1.0	1.0	1.0
Assets held for sale	-	10.4	-
Taxi plate licenses	1.3	1.3	1.3
Intangible assets	40.2	41.0	43.3
Right of use assets (net of lease liabilities)	(0.6)	(0.5)	(7.9)
Net deferred tax assets	20.5	22.7	7.0
Non-current provisions and deferred income	(1.5)	(1.4)	(1.7)
<b>Total funds employed</b>	<b>92.8</b>	<b>100.3</b>	<b>77.2</b>
Cash and cash equivalents	12.3	29.5	95.8
Provision for dividend	-	-	(73.8)
Borrowings	(18.9)	(15.6)	(13.6)
<b>Net cash / (debt)</b>	<b>(6.6)</b>	<b>13.9</b>	<b>8.5</b>
<b>Net assets</b>	<b>86.1</b>	<b>114.2</b>	<b>85.6</b>

**Note:**

1 Rounding differences may exist.

**Source:** A2B FY23 Annual Report and 1H24 Interim Report.

- 96 In respect of the above, we note that:
- Net working capital** – A2B operates with positive working capital, noting that corporate Cabcharge customer accounts (which account for approximately 30% of total fares processed) are billed on a monthly basis while payments processed in relation to other instruments are collected daily. The increase in working capital investment over the period set out above reflects, inter alia, repayment of a number of expenses (reflected in trade and other payables) which were deferred as a result of COVID-19
  - Property, plant and equipment** – property, plant and equipment is carried at historical cost less accumulated depreciation and primarily relates to A2B’s taxi equipment (tablets, cameras and EFTPOS terminals), motor vehicle fleet and furniture, fittings and leasehold improvements. The reduction in property, plant and equipment over the

period set out above primarily relates to the sale of the O’Riordan Street and Oakleigh properties

- (c) **Unlisted investments** – primarily relates to investments in unrelated taxi network operations which are carried at fair value. A2B has no intention to dispose of these unlisted investments in the foreseeable future
- (d) **Assets held for sale** – as at 30 June 2023 related to the O’Riordan Street property<sup>20</sup> which had settled as at 31 December 2023
- (e) **Taxi plate licenses** – taxi and other licenses acquired separately are reported at cost less accumulated amortisation and impairment losses. Taxi plate licenses are tested for impairment annually using the value-in-use methodology. In August 2023, the NSW Government deregulated taxi licenses and these licenses can no longer be bought and sold. As at 31 December 2023, A2B had received all of its compensation entitlements from the NSW Government which totalled some \$2.5 million. The carrying value of A2B’s remaining taxi plate licences is relatively material
- (f) **Intangible assets** – A2B’s intangible assets primarily relate to goodwill and internally developed software:

A2B – intangible assets			
	30 Jun 22	30 Jun 23	31 Dec 23
	\$m	\$m	\$m
Goodwill	27.5	27.5	27.5
Internally developed software	8.7	5.9	4.2
Under development software	1.4	6.0	10.4
Software	0.8	0.2	-
Trademarks	0.9	0.9	0.9
Customer contracts	0.9	0.5	0.1
<b>Total intangibles</b>	<b>40.2</b>	<b>41.0</b>	<b>43.3</b>

Intangible assets are allocated to two groups of cash generating units (B2C and B2B) according to business operation and tested for impairment annually using the value-in-use methodology based on cash flow projections which cover the period from FY24 to FY28<sup>21</sup>. A summary of the key impairment testing assumptions adopted as at 30 June 2023 is set out below:

- (i) FY24 to FY28 five year EBITDA compound annual growth rate (CAGR) – 14.5% for B2C and 14.6% for B2B
- (ii) terminal growth rate – 2.1%
- (iii) post tax discount rate – 12.5%
- (g) **Net deferred tax assets** – as at 31 December 2023, A2B had some remaining unutilised tax losses which were not applied during 1H24

<sup>20</sup> Noting the A2B Board only resolved to commence marking activities and sell the Oakleigh property in July 2023 and it was therefore included in property, plant and equipment as at 30 June 2022.

<sup>21</sup> Refer to Note 12 of A2B’s FY23 Annual Report for further details with respect to A2B’s impairment testing calculations.



- (h) **Cash and cash equivalents** – as at 31 December 2023 included the net sale proceeds received in relation to the O’Riordan Street and Oakleigh properties which settled during December 2023. We note that the \$0.05 dividend declared on 22 August 2023 (some \$6.1 million in total) was paid from A2B’s cash reserves during October 2023
- (i) **Provision for dividend** – relates to the Special Dividend of \$0.60 per ordinary share that was declared on 22 December 2023 and paid on 30 January 2024
- (j) **Interest bearing liabilities** – relate to unsecured loans and amounts drawn under the Company’s finance facility:

A2B – interest bearing liabilities			
	30 Jun 22	30 Jun 23	31 Dec 23
	\$m	\$m	\$m
Unsecured loans	1.6	0.6	0.6
Bank borrowings (for working capital)	17.3	15.0	13.0
<b>Total borrowings</b>	<b>18.9</b>	<b>15.6</b>	<b>13.6</b>

- (i) unsecured loans are at-call and bear variable interest rates
- (ii) bank borrowings bear interest calculated as BBSY<sup>22</sup> plus a margin on the drawn loan balance (during FY23 these interest rates ranged between 2.95% and 5.19%). The facility has a limit of \$15.0 million and in August 2023 was renegotiated, with expiration extended until September 2026
- (iii) the Company also had a transactional multi option facility of \$1.6 million.

### Share capital and performance

- 97 As at 16 February 2024 A2B had approximately 123.0 million fully paid ordinary shares on issue. In addition, the Company had 2.5 million performance rights on issue.
- 98 As part of its long term incentive plan, A2B has issued performance rights to key management personnel, executives and other employees. A summary of the performance rights, which are subject to various performance conditions, is set out below:

A2B – performance rights		
Grant date(s)	Performance rights (million)	Performance conditions
28 April 2022, 13 September 2023	0.7	Share price
28 August 2023, 16 November 2023	1.8	Total shareholder return (TSR)
<b>Total</b>	<b>2.5</b>	

- 99 Regarding the above:
- (a) the performance rights subject to the share price performance condition have a sunset date of 30 June 2026 and vest when the respective vesting conditions are met, details of which are set out below:

<sup>22</sup> Bank Bill Swap Bid Rate (BBSY).

A2B performance rights – share price vesting conditions		
	Weighting %	A2B 20 day VWAP \$
First tranche	33.3	1.70
Second tranche	33.3	2.00
Third tranche	33.3	2.30

The target VWAP specified above will be reduced by the amount of any dividends or return of capital paid per share prior to the sunset date. Any performance rights which are unvested on 30 June 2026 will lapse

- (b) the performance rights subject to the TSR performance condition will vest subject to the achievement of the following TSR hurdles over the relevant performance period:

A2B performance rights – TSR performance condition	
A2B annual TSR over the TSR Performance Period	Vesting
Below 7.0%	Nil
7.0%	75%
Between 7.0% and 10.0%	75% to 99.9% <sup>(1)</sup>
10.0% or above	100.0%

**Note:**

- 1 Vesting occurs on a straight-line sliding scale.

- 100 The performance rights do not carry any voting or dividend rights and each (vested) performance right converts to one A2B ordinary share with no consideration payable. In certain circumstances (such as a change in control of A2B) the A2B Board may in its absolute discretion elect to treat certain unvested performance rights as vested.

**Substantial shareholders**

- 101 As at 16 February 2024 there were six substantial shareholders in A2B holding 47.1% of the ordinary shares on issue:

A2B – substantial shareholders <sup>(1)</sup>		
Shareholder	Shares held (million)	% interest
Spheria Asset Management <sup>(2)</sup>	13.7	11.1
ComfortDelGro Corporation	11.6	9.4
Sandon Capital	10.4	8.4
Morgan Stanley	9.1	7.4
Pinnacle Investment Management Group <sup>(2)</sup>	7.1	5.7
Edgbaston Investment Partners	6.2	5.0
<b>Total</b>	<b>58.0</b>	<b>47.1</b>

**Note:**

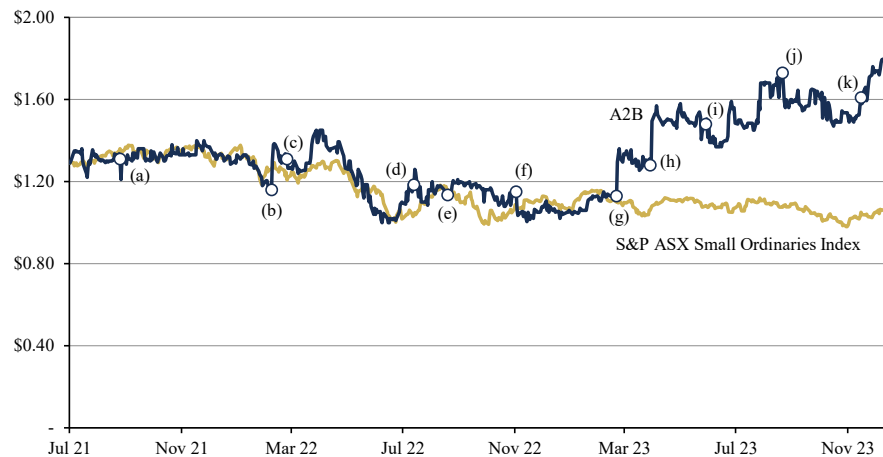
- 1 Rounding differences may exist.  
2 The voting power of Spheria Asset Management includes some 7.1 million shares in which Pinnacle Investment Management Group has a relevant interest.

**Source:** A2B FY23 Annual report and substantial shareholder notices released to the ASX.

**Share price performance**

102 The following chart illustrates the movement in the share price of A2B from 1 July 2021 to 21 December 2023<sup>23</sup> (A2B share prices post announcement of the Scheme are set out and discussed from paragraph 251):

**A2B – share price history<sup>(1)</sup>**  
**1 July 2021 to 21 December 2023**

**Note:**

1 Based on closing prices. The S&P/ASX Small Ordinaries Index has been rebased to A2B's's last traded price on 1 July 2021.

Source: FactSet and LEA analysis.

103 As indicated in the above chart, A2B shares broadly tracked the S&P/ASX Small Ordinaries Index up to around March 2023 and has since outperformed this index. Significant events in A2B's recent share price history are listed below:

- (a) **26 August 2021** – announced financial results for FY21, which included a 33.7% decline in revenue to approximately \$113 million, and an Underlying EBITDA loss of \$6.7 million (on a pre AASB 16 basis), which reflected, inter alia, the impacts of pandemic related restrictions
- (b) **8 February 2022** – announced that it had engaged external advisers to undertake a strategic review of the Company, in addition to the departure of its CEO. Following the announcement, major shareholder Sandon Capital announced that it had increased its stake in the Company from 6.3% to 10.2% via a number of on-market purchases
- (c) **25 February 2022** – released financial results for 1H22, which included revenue of \$59.7 million and an Underlying EBITDA loss of \$0.5 million, with management stating that operations continued to be impacted by COVID-19
- (d) **14 July 2022** – released a market update in respect of the strategic review, which resulted in the “Better Before Bigger” strategy. The Company also included FY22 earnings guidance within this announcement, which included targeted revenue of between \$123 million and \$125 million, and an Underlying EBITDA loss of between \$8 million and \$9 million

<sup>23</sup> Being the last trading day prior to the announcement of the Scheme.

- (e) **23 August 2022** – announced financial results for FY22, which included revenue of \$125.1 million, reflecting the upper end of the guidance range previously provided by management. A2B’s Underlying EBITDA loss approximated \$9.4 million, which was at the upper end of management’s guidance. The Company also provided initial guidance for FY23, which included revenue growth of approximately 10% and a targeted EBITDA margin of some 13%
- (f) **3 November 2022** – provided an update on its property sale process, which included the commencement of a due diligence process in respect of its Bourke Road property, however, management ceased its sales process in respect of its O’Riordan Street property due to unfavourable market conditions
- (g) **21 February 2023** – announced financial results for 1H23, which included revenue growth of 21.1% relative to 1H22, and Underlying EBITDA of \$9.3 million for the period (compared to a loss of \$1.7 million in 1H22). Management also confirmed the sale of its Bourke Road property for total consideration of \$19 million, and reaffirmed its guidance for FY23 financial performance provided in August 2022
- (h) **30 March 2023** – announced that the Company had entered into a contract to sell its O’Riordan Street property for total consideration of approximately \$78.0 million which was consistent with an independent valuation undertaken by Jones Lang LaSalle in May 2022. Management announced that it intended to distribute the net proceeds from the sale of approximately \$73.0 million (\$0.55 per share) after the repayment of debt to shareholders via a fully franked Special Dividend by the end of 2023 (provided settlement occurred before this date)
- (i) **30 May 2023** – announced that the Company had completed the sale of its Bourke Road property for total consideration of approximately \$19 million
- (j) **22 August 2023** – announced financial results for FY23, which included revenue of \$147.3 million (reflecting 17.7% growth) and Underlying EBITDA of \$20.1 million (reflecting a margin of 13.6%), exceeding the revenue growth and EBITDA margin guidance previously provided by management. The Company also announced the A2B Board’s intention to declare a fully franked Special Dividend of \$0.55 in respect of the O’Riordan Street property sale, and included guidance for FY24, which included Underlying EBITDA of approximately \$22 million
- (k) **16 November 2023** – released the results of its AGM, which included the announcement of the sale of A2B’s Downing Street property for total consideration of approximately \$8.0 million, as well as the reaffirmation of management’s guidance for FY24 financial performance.

#### Liquidity in A2B shares

- 104 The liquidity in A2B shares based on share trading over the 12 month period up to 21 December 2023<sup>24</sup> is set out below:

<sup>24</sup> Being the last trading day prior to the announcement of the Scheme.

**A2B – liquidity in shares**

Period	Start date	End date	No of shares	WANOS <sup>(1)</sup>	Implied level of liquidity	
			traded	outstanding	Period <sup>(2)</sup>	Annual <sup>(3)</sup>
			000	000	%	%
1 month	22 Nov 23	21 Dec 23	7,638	122,126	6.3	75.1
3 months	22 Sep 23	21 Dec 23	14,830	121,703	12.2	48.7
6 months	22 Jun 23	21 Dec 23	23,572	121,465	19.4	38.8
1 year	22 Dec 22	21 Dec 23	31,513	121,352	26.0	26.0

**Note:**

- 1 Weighted average number of shares outstanding (WANOS) during relevant period.
- 2 Number of shares traded (including on and off-market trades) during the period divided by WANOS.
- 3 Implied annualised figure based upon implied level of liquidity for the period.

**Source:** FactSet and LEA analysis.

- 105 As indicated in the table above, total share turnover (on an annualised basis) in A2B shares generally increased in the more recent period, indicating a reasonable level of liquidity for A2B shares (particularly when considering the relatively low free float noting that a large number of the issued shares have been closely held by a number of A2B's substantial shareholders).

## IV Industry overview

### Overview

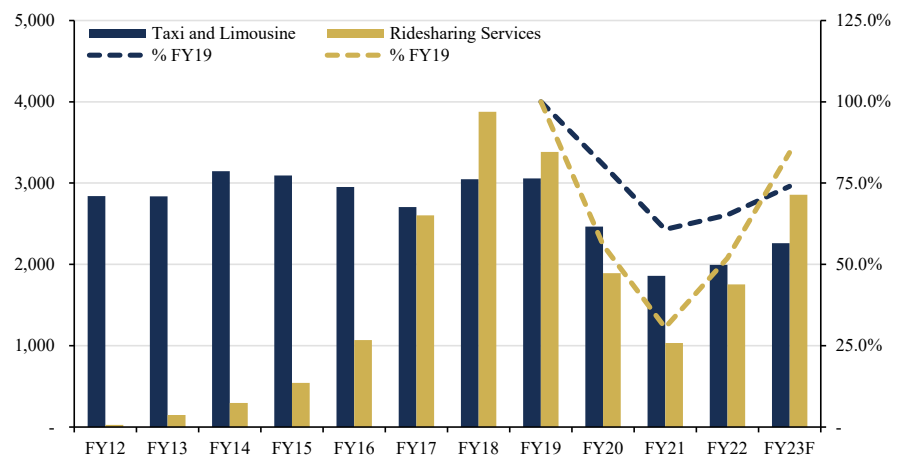
- 106 The Australian personal transport industry in which A2B operates is primarily serviced by operators categorised into the following:
- (a) **Taxi and Limousine Transport in Australia**<sup>25</sup> – relates to operators of taxi vehicles, private hire cars, and specialty road transport services such as wedding cars and limousines. This industry excludes ridesharing services such as Uber
  - (b) **Ridesharing Services in Australia**<sup>26</sup> – relates to ridesharing software platforms (such as Uber) that connect passengers with drivers that operate as independent contractors for fees and commissions. Software booking applications for taxi companies, such as 13cabs, hire cars and UberBlack (which is offered by professional drivers) are excluded from the industry.
- 107 The revenue of the Taxi and Limousine Transport sector in Australia (which is depicted in the chart below) has been impacted by a number of factors over the past 10 years including:
- (a) increased competition from ridesharing services, which offer similar point to point services to taxi operators, and have disrupted the overall market<sup>27</sup>, with ridesharing services currently estimated to account for over 50% of the personal transport services industry
  - (b) COVID-19 and its associated lockdown, social distancing and domestic and international travel restrictions which significantly reduced demand for personal transportation services
  - (c) changes in consumer behaviour (some of which emerged as a result of COVID-19) which have impacted demand for personal transportation services (for example, corporate customers are now more prevalent users of video conference facilities and as a result, travel less frequently).
- 108 Whilst industry revenues for both Taxi and Limousine and Ridesharing Services have begun to recover following the easing of COVID-19 related restrictions, they are yet to surpass FY19 (i.e. pre-COVID-19) levels:

<sup>25</sup> IBISWorld: *Taxi and Limousine Transport in Australia* report dated May 2023.

<sup>26</sup> IBISWorld: *Ridesharing Services in Australia* report dated March 2023.

<sup>27</sup> Ridesharing services were introduced to the Australian market in FY12 but did not generate any significant revenues until around FY16 / FY17 following the legalisation of Uber across most Australian States during this period.

**Personal transport services – annual revenue<sup>(1)(2)(3)</sup>  
Revenue (\$m) and percentage of FY19 (%)**



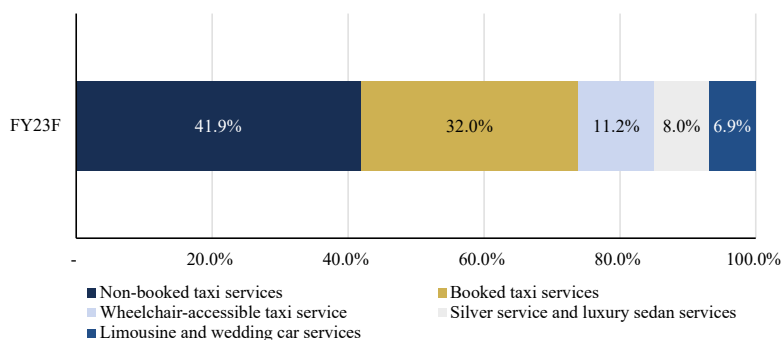
**Note:**  
 1 Data includes actual industry revenue for each financial year prior to and including FY22, with revenue for FY23 based on IBISWorld estimates.  
 2 Revenue is presented in 2023 real terms.  
 3 Ridesharing Services revenues have been grossed up to reflect an estimate of total Ridesharing fares (i.e. revenue attributable to both rideshare platform operators and drivers) to enhance the comparability to taxi and limousine services assuming an average take rate (i.e. commission) of 25.0% based on the take rates charged by Uber Australia, noting Uber Australia accounts for approximately 90% of the total Ridesharing Services market.  
**Source:** IBISWorld: *Taxi and Limousine Transport in Australia* report dated May 2023, IBISWorld: *Ridesharing Services in Australia* reported dated March 2023, LEA analysis.

109 The remainder of this industry section primarily focuses on the Australian Taxi and Limousine Transport sector, noting A2B operates in this sector (albeit indirectly) by providing end-to-end booking, payment and other support services for taxi drivers and taxi networks. Accordingly, A2B’s key revenue streams (i.e. network subscription fees and payment processing revenues) are highly influenced by the number of taxi vehicles and the volume of taxi trips completed in Australia.

**Products and services**

110 Booked and non-booked taxi services represent the largest proportion of industry revenue (i.e. more than 70%), with the remaining industry revenue attributable to other specialised and luxury transportation services, as shown below:

**Taxi and Limousine transport industry – key services (FY23F)<sup>(1)</sup>**



**Note:**

<sup>1</sup> The “silver service” offerings referred to in the IBISWorld: *Taxi and Limousine Transport in Australia* report relate to premium hire care services and not the Silver Service brand of taxis associated with A2B.

**Source:** IBISWorld: *Taxi and Limousine Transport in Australia* report dated May 2023, LEA analysis.

111 Regarding the above:

- (a) non-booked taxis operate 24 hours a day and pick up passengers from dedicated taxi ranks (such as airports and other busy CBD areas), with patrons also hailing cabs from other locations. Increased competition from ridesharing services and limited pricing flexibility have negatively impacted demand for non-booked taxi services, however these services continue to account for the largest proportion of industry revenue
- (b) taxi network service providers or depots assist with connecting taxi drivers with customers for pre-booked services, which can be facilitated through a number of different channels such as contact centres and mobile and website applications. The proportion of industry revenue generated from booked taxi services has increased in recent years as taxi service providers (such as A2B) have invested in improving the functionality and flexibility of online booking platforms (such as smartphone applications) to compete with ridesharing services. Increasing customer preference for online booking options is partly a result of the features offered by platforms such as driver location tracking, pre-estimated ride fares or fixed fares<sup>28</sup> and provision of driver details etc.
- (c) silver service<sup>29</sup> (i.e. premium) and luxury sedan services include hire cars with drivers, luxury sedan services and special purpose vehicle licenses and are generally restricted from picking up passengers hailing cabs or waiting at taxi ranks
- (d) wheelchair accessible taxi services (which generally receive government funding) and limousine and wedding car services are less susceptible to competition from ridesharing services due to the specialised nature of these service offerings.

<sup>28</sup> Noting pre-booked taxi services are subject to less pricing regulation.

<sup>29</sup> The “silver service” offerings referred to in the IBISWorld *Taxi and Limousine Transport in Australia* report relate to premium hire care services and not the Silver Service brand of taxis associated with A2B.



### Major markets

112 Demand for taxi services stems from three main markets: households, businesses and tourists which are each impacted by changing technology, improvements in other forms of transport and economic conditions to different extents:

Major markets	FY23F	
	\$m	%
Households	1,258	55.6
Businesses	767	33.9
Tourists	238	10.5
Total	2,263	100.0

**Source:** IBISWorld: *Taxi and Limousine Transport in Australia* report dated May 2023.

113 Regarding the above:

- (a) households account for the largest share of industry revenue, with household spending on taxis linked to spending on entertainment and leisure such as restaurants, pubs and bars, theatre, cinemas and live music. Whilst demand for these activities has been impacted by COVID-19 and recent cost of living pressures, this cohort also uses taxis for short distance trips for essential household functions such as grocery shopping or transport to and from hospitals and medical centres which are relatively inelastic, particularly for the elderly given the fewer available substitutes
- (b) business travellers use taxis and other road passenger transport for travel among offices, meeting places, factories and airports. The increased use of online communication platforms has reduced the demand for taxi travel between businesses and offices as an increasing number of meetings take place online. Large taxi networks offer B2B services (such as A2B's Cabcharge) which has limited the effect of competition from rideshare services on this segment of the market
- (c) demand from tourists is closely linked to economic activity, both domestically and internationally as this segment of the market is heavily reliant on both inbound and outbound travelers, particularly for travel to and from airports.

### Competition and key players

114 The market for operators of taxi vehicles is highly fragmented and comprises a number of small operators, with many businesses being owner-operated. A2B is the largest provider of services to these taxi operators in Australia, noting that out of the approximate 19,000 taxi vehicles in Australia:

- (a) around 8,000 taxis (45%) are affiliated with A2B's 13cabs and Silver Service brands, noting that A2B has a significant market share (around 45% to 50%) in NSW, VIC and QLD but is generally less represented across the other States in which it operates<sup>30</sup>
- (b) approximately 18,000 (95%) taxis in Australia have the Cabcharge payments system installed.

<sup>30</sup> Noting that A2B does not currently have any taxi operations in Tasmania or the ACT. Refer to paragraph 119 for a summary of A2B's estimated market share by State.

115 Within the broader Australian personal transport sector, A2B is estimated to be the second largest participant behind Uber, as shown below:

Major industry participants – approximate market shares <sup>(1)</sup>		
	Taxi services	Total personal transport <sup>(2)</sup>
	%	%
Uber / other rideshare	n/a	50 <sup>(3)</sup>
A2B	45	23
Black & White	13	7
Silvertop	6	3
Swan	6	3
GM Cabs	5	3
Other	27	14
<b>Total</b>	<b>100</b>	<b>100</b>

**Note:**

- 1 Rounding differences may exist.
- 2 Comprises both taxi and rideshare services. Taxi services and personal transport market shares are an approximation. Personal transport market shares have been estimated on the basis that ridesharing services account for approximately 50% of the total personal transport market.
- 3 Uber Australia accounts for over 90% of ridesharing services in Australia.

**Source:** IBISWorld: *Taxi and Limousine Transport in Australia report dated May 2023*, IBISWorld: *Ridesharing Services in Australia report dated October 2021 and March 2023* and internal A2B data.

**Technology**

- 116 The convenience and ease of using ridesharing technology platforms, particularly among younger demographics, has required taxi operators to invest in their technology platforms (such as mobile applications) to compete against these platforms. For example, the mobile applications developed by service providers to facilitate bookings for taxis and taxi networks (such as A2B’s 13cabs and Silver Service) have been improved to provide greater functionality around booking, tracking and payments.
- 117 In addition, the 3G networks operated by Australian telecommunication networks such as Telstra, Optus and Vodafone are being shut down and will be switched off from 30 June 2024. As a result, a number of industry participants will be required to upgrade their 3G-reliant devices and equipment.

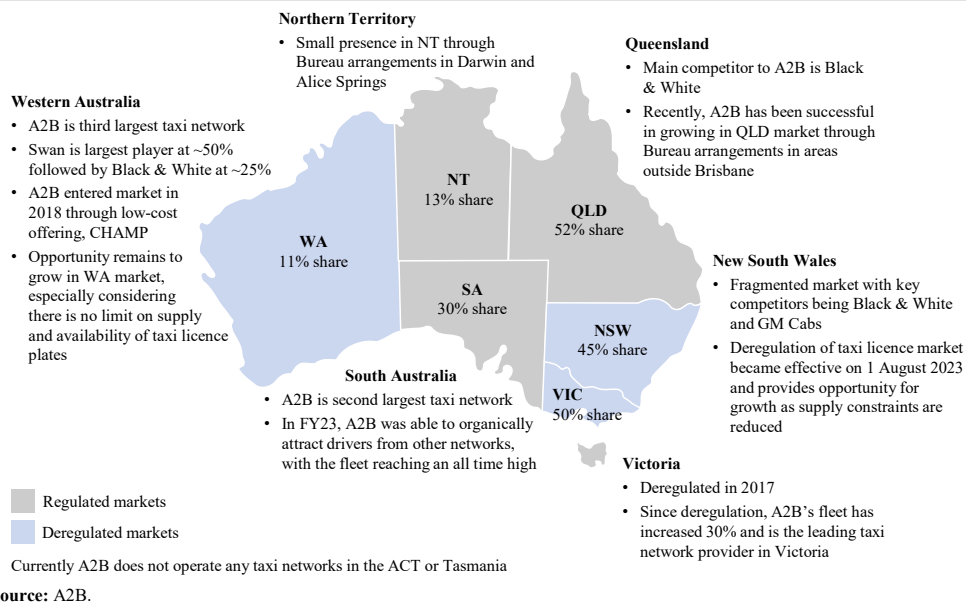
**Regulation**

- 118 In all Australian States and Territories there is legislation and regulation that specifically relates to the provision of taxi services, including:
- (a) the licensing of a vehicle as a taxi
  - (b) the setting of taxi fares
  - (c) the maximum amount that can be charged for processing a non-cash payment in a taxi via electronic means
  - (d) requirements to have and maintain safety management systems and risk registers
  - (e) technical requirements for equipment that taxi vehicles can or must be equipped with
  - (f) other requirements for driver training and complaint handling.

## Taxi licenses

119 Government regulation has significantly altered the structure of the market as various State Governments have sought to accommodate the arrival of ridesharing services. This has led to major reforms of the point-to-point transport system, with various States deregulating requirements for taxi services. A summary of State regulations across A2B's key operating regions is shown below:

### Market landscape – Taxi market



120 A2B operates taxi network services in all Australian States and Territories except Tasmania and the ACT, however, a significant proportion of its operations are concentrated within the higher populated NSW, VIC and QLD markets. Within these markets, we note that:

- (a) NSW has recently deregulated the issuing of taxi licenses (with effect from 1 August 2023) meaning there is no restriction on the total number of taxis that can operate within NSW. In NSW, a taxi is not restricted to a particular area or zone and can apply for trade in any part of the State. Taxi licenses are also no longer able to be bought and sold in NSW<sup>31</sup>
- (b) VIC deregulated the issuing of taxi licenses in 2017 and exhibited an increase in the number of taxis operated in the State from approximately 5,600 as at 30 June 2017 to some 10,500 as at 30 June 2018<sup>32</sup>. In VIC there are three operational areas in which a taxi can apply for trade (the metropolitan zone, the urban zone and the country zone). Metropolitan taxis can operate in any zone area but urban and country zoned taxis cannot accept taxi rank and hail fares outside of their prescribed zone

<sup>31</sup> As at 31 December 2023, A2B had received all of its compensation entitlements from the NSW Government following the deregulation of taxi licences.

<sup>32</sup> Taxi Services Commission Annual Report for FY18.

- (c) taxi licensing in QLD remains regulated with restrictions on the number of taxis that can operate within a prescribed taxi zone in QLD at any time. QLD is divided into three operational zones (South East, Regional and Rural) and each zone contains local areas that determine where a taxi is permitted to operate<sup>33</sup>
- (d) the carrying value of A2B's remaining investments in taxi plate licences is relatively immaterial at some \$1.3 million (refer to paragraph 95).

- 121 Regulation has historically imposed higher costs on businesses wishing to operate a taxi rather than rideshare, however a number of States are also looking to introduce further legislation to equalise these costs (such as compulsory third party insurance premiums) between taxis and rideshare operators.
- 122 Given the historically high costs to acquire taxi licenses, State Governments that have moved to deregulate taxi licence numbers have also provided compensation to existing licence owners. For instance, both the NSW and VIC Governments have provided compensation packages for taxi licence holders, which have been funded by the introduction of passenger movement levies charged on metropolitan taxi and rideshare trips. This included:
- (a) in February 2017, the VIC Government announced a taxi licence buy back scheme as part of its \$494 million broader industry transition package. Under the scheme, existing licence holders were paid \$100,000 for a single licence, and \$50,000 for each additional licence (up to three additional licenses)
  - (b) in November 2022, the NSW Government announced a \$905 million compensation package for holders of NSW taxi licenses. The assistance package provides \$150,000 for every ordinary perpetual taxi licence in the Sydney metropolitan area, with a cap of six plates. Each regional taxi plate was paid between \$40,000 and \$195,000, with no cap on the number of plates.

#### **Taxi fares and pricing**

- 123 Taxi fares across most Australian States are partially deregulated, which provides greater pricing flexibility for pre-booked fares, allowing booking service providers (such as A2B) to determine a fixed fare amount upfront. However, taxi rank and hail fares remain subject to regulated pricing, which varies between individual States and may include maximum fare restrictions or restrictions on fare components such as flag fall, distance rates, peak time charges and waiting times.
- 124 A number of States implemented increases to regulated fares during FY23, including VIC (10.4%), QLD (6%+), WA (6%+) and NSW (3+%), noting many of these States had not had any regulated pricing increases for a number of years<sup>34</sup>.

#### **Non-cash payment surcharges**

- 125 The maximum amount that can be charged for processing non-cash payments in taxis via electronic payment platforms is subject to individual State regulation.

<sup>33</sup> It is not presently known what compensation (if any) would be received by A2B if the QLD market were to be deregulated.

<sup>34</sup> For example, regulated fares in VIC had not been increased since 2014.

- 126 In all Australian States, the maximum non-cash payment surcharge that can be charged is 5.0% (including GST) of the total fare with the exception of:
- (a) SA and Tasmania, which have maximums of 5.5% (including GST)
  - (b) VIC, which has a maximum non-cash payment surcharge of 4.0% (including GST).
- 127 In addition, the maximum Cabcharge service fee is limited to a maximum of 5.0% (including GST) of the total fare across all Australian States, with the exception of VIC where the maximum Cabcharge service fee is 6.0%.

### Key drivers

- 128 A number of external factors are considered to be key drivers of taxi services, including:
- (a) **passenger movements through airports** – the market relies heavily on demand from inbound and outbound international and domestic travellers moving to and from airports. Whilst domestic and international airport capacity was significantly disrupted by COVID-19, domestic capacity has returned to pre-COVID-19 levels with international capacity also approaching pre-COVID-19
  - (b) **business activity** – businesses are another major market for the industry, with many businesses using taxis as a key means of transport when travelling between offices, meeting clients, and travelling to and from airports and corporate events. The recent rise in remote work arrangements and videoconference meetings has reduced demand for taxi services
  - (c) **tourists and travellers** – tourists typically do not have access to their own vehicle and are often unfamiliar with their surrounds. As a result, tourists often rely on taxis or ridesharing services for transport. The easing of travel restrictions has resulted in demand from tourists increasing, however, the tourism market still has not fully recovered from the impact of COVID-19
  - (d) **household discretionary income** – demand for taxi services is correlated with real household discretionary income, noting that as discretionary incomes rise, individuals usually spend more on dining out, travel and entertainment. Recent pressure on household discretionary incomes (attributable to rising inflation and associated increases in interest rates<sup>35</sup>) has placed pressure on demand for taxi services, and price conscious customers have sought cheaper transport options such as ridesharing services<sup>36</sup> and public transport<sup>37</sup>.
  - (e) **population growth and net migration** – population growth provides support for the demand of taxi services and the total number of trips required by customers. Increases in population growth and net migration also provide support for the supply of taxi drivers and the number of taxi vehicles operated in Australia.

<sup>35</sup> Noting that mortgage repayments represent one of the largest expenses for households. Since April 2022 the Cash Rate set by the Reserve Bank of Australia (RBA) has increased from 0.10% to 4.35% as at the date of this report.

<sup>36</sup> However, it should be noted that due to the deregulated price setting of ridesharing services, rideshare services can be more expensive than taxis during periods of high demand (which result in “surging” prices).

<sup>37</sup> In its 1H24 results announcement, A2B stated “a softening in the macro-economic environment continued in 1H24, resulting in a reduction of 3.4% in taxi fares processed compared with last year”.

## Outlook

- 129 The Taxi and Limousine Transport sector revenue in Australia (based on IBISWorld estimates) is projected to grow at a modest 1.1% per annum over the six year period from FY23 to FY29 to reach \$2.4 billion, as internal and external competition for passenger fares is projected to rise in the coming years and the market continues its recovery post COVID-19.
- 130 Revenue attributable to the Ridesharing Services sector in Australia (also based on IBISWorld estimates) is projected to grow at a slightly higher CAGR of 2.8% over the six year period from FY23 to FY29, with the annual rate of growth moderating after FY24 and FY25 (which have expected growth rates of 6.9% and 3.9% respectively) to 1.5% in FY26 as the market becomes more mature.
- 131 Over the longer term, autonomous vehicles<sup>38</sup> (AV) are expected to pose significant disruption risks to both the Taxi and Limousine Transport and Ridesharing Services industries in Australia. Whilst the timeline for the widespread adoption of AVs remains entirely uncertain (and will be influenced by many factors including safety and security concerns as well as cost), we note that autonomous ride hailing companies in the United States of America (US) have already commenced operation in a number of major US cities, including:
- (a) **Waymo LLC (Waymo)**<sup>39</sup> – operates a network of “robotaxis” across Phoenix, Arizona and San Francisco, California, and expects to expand into Los Angeles, California and Austin, Texas in 2024. The company recently reported that it delivered more than 700,000 passenger trips in 2023<sup>40</sup>, which are booked and paid for via a mobile application similar to a rideshare service
  - (b) **Cruise LLC (Cruise)**<sup>41</sup> – launched in San Francisco, California in 2021 and expanded into Phoenix, Arizona, and Austin, Texas in 2022. The company continued to expand into new cities in 2023, however it was forced to suspend all of its driverless operations in October 2023 in order to undertake a safety review following an incident involving one of its vehicles and a pedestrian.<sup>42</sup>
- 132 Over the period since 2017, a number of AV trials have been conducted by State and local Governments across Australia, the majority of which have been focused on automated shuttle bus services. The rollout and uptake of AVs for personal transportation services (similar to Waymo and Cruise) is not anticipated to commence in the short-to-medium term, however, some progress has already been made in developing a regulatory framework for the commercial deployment of AVs on Australian roads<sup>43</sup>.

<sup>38</sup> Being vehicles which do not require the presence of a driver to operate.

<sup>39</sup> Owned by Google parent Alphabet Incorporated.

<sup>40</sup> <https://www.cnbc.com/2023/12/05/waymo-chief-product-officer-on-progress-competition-vs-cruise.html>.

<sup>41</sup> Owned by General Motors Corporation.

<sup>42</sup> <https://www.npr.org/2023/12/30/1222083720/driverless-cars-gm-cruise-waymo-san-francisco-accidents>.

<sup>43</sup> For instance, a new Commonwealth law, entitled the Automated Vehicle Safety Law, is anticipated to commence in 2026. Source: <https://www.infrastructure.gov.au/automated-vehicles>.

## V Valuation of 100% of A2B

### Overview

- 133 The market value of the shares in A2B has been assessed by aggregating the market value of its business operations (on a “control” basis), together with the realisable value of any surplus assets / (liabilities) and deducting net borrowings.
- 134 The valuation of A2B’s business operations has been undertaken on the basis of market value as a going concern, defined as the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm’s length within a reasonable timeframe.
- 135 An overview of generally accepted valuation approaches used in the determination of market value is set out in Appendix C.
- 136 The discounted cash flow (DCF) methodology has been adopted as the primary method to determine the market value of A2B’s business operations for the reasons stated below:
- (a) A2B management have forecast growth in earnings in the short-to-medium term which reflects, inter alia, continued recovery in volumes and pricing post COVID-19 and the realisation of benefits from a number of recently implemented strategic and cost saving initiatives
  - (b) financial forecasts for the short-to-medium term have been prepared by A2B management and their advisers, which we have reviewed in detail and amended where appropriate (such that we consider them sufficiently reliable for valuation purposes)
  - (c) the DCF methodology more accurately reflects the quantum and timing of forecast changes in earnings than the capitalisation of earnings methodology.
- 137 As a cross-check on our assessed valuation of A2B’s business operations, we have considered the reasonableness of the EBITDA multiples implied by our adopted DCF valuation range (noting transaction evidence in the sector is generally expressed in terms of EBITDA multiples).
- 138 We have also cross-checked our assessed value of A2B (on a per share basis), by comparing our assessed value of the equity in A2B (on a per share basis) with the listed market prices of A2B shares prior to the announcement of the Scheme, adjusted for the Special Dividend of \$0.60 per share<sup>44</sup> and a premium for control.

### DCF valuation approach

- 139 Under the DCF methodology, the market value of A2B’s business operations is equal to the net present value (NPV) of the estimated future cash flows including a terminal value (TV). In order to arrive at the NPV, the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.

<sup>44</sup> Declared on 22 December 2023 and paid on 30 January 2024.

**Cash flow projections**

- 140 Our DCF valuation is derived from a simplified, high level financial model of A2B's operations developed by LEA (DCF Model). In summary, the DCF Model:
- (a) allows the key drivers of revenue and earnings to be modelled and sensitised
  - (b) projects nominal operating cash flows on an ungeared basis (i.e. before interest)<sup>45</sup> less taxation payments<sup>46</sup>, capital expenditure and working capital requirements. The cash flow projections cover the 4.5 year period from 1 January 2024 to 30 June 2028 (Forecast Period) and include a TV at the end of the Forecast Period; and
  - (c) models a number of different cash flow scenarios (which are outlined below) that illustrate the sensitivity of the NPV outcome to changes in key assumptions.
- 141 The DCF Model was developed by LEA having regard to, inter alia, the cash flow projections prepared by A2B and its advisers and related discussions with A2B management. The cash flow projections provided by A2B and its advisers covered the three year period from 1 July 2023 to 30 June 2026.
- 142 LEA has undertaken a detailed review of each of the individual components modelled by A2B and its advisers to satisfy itself that the forward looking information was prepared on a reasonable basis and is therefore sufficiently reliable for the purposes of developing the DCF Model. Our review included (but was not limited to):
- (a) discussions with A2B management regarding the business' financial performance, operating environment and prospects as well as the financial modelling process adopted by the Company
  - (b) detailed analysis of the key assumptions which underpin the cash flow projections prepared by A2B and its advisers and (where possible) comparison of the assumptions and projections against the historical performance achieved by A2B. Examples of the types of analysis undertaken include:
    - (i) analysis of the trends in recent affiliated network fleet growth including comparisons of the total fleet size to pre-COVID-19 levels and the broader taxi market
    - (ii) analysis and comparison of the historical monthly subscription fees charged on both an individual brand and weighted average basis
    - (iii) analysis and comparison of the total fares processed and average service fee assumptions relative to the historical experience and current regulated service fee rates
    - (iv) review and enquiry as to the justification for operating costs (e.g. personnel, sales and marketing and other overheads) both on an absolute basis and as a percentage of sales
    - (v) comparison of the actual results for the six months to 31 December 2023 to the budgeted results over the same period

<sup>45</sup> Projecting cash flow on an ungeared basis is adopted to enable the value of the business operations to be determined irrespective of the level of debt funding employed.

<sup>46</sup> Also calculated on an ungeared basis.



- (c) benchmarking of the aggregate level projections (e.g. whole of Company revenue, EBITDA etc.) against analyst forecasts (where available)
- (d) adjustment of the projections where considered necessary.

143 Based upon the above, nothing came to our attention that would indicate that the projections prepared by A2B and its advisers could not be relied upon for the purposes of developing the DCF Model. That said, it should be noted that in respect of both A2B's projections and those implicit in the DCF Model:

- (a) the major assumptions underlying the projections were formulated in the context of current economic, financial and other conditions (noting that there remains significant uncertainty regarding the business' ability to return to pre-COVID-19 levels of operation, particularly when considering the ongoing impact of ridesharing services and changing consumer behaviours post COVID-19)
- (b) the projections and the underlying assumptions have not been reviewed by an investigating accountant for reasonableness or accuracy of compilation and application of assumptions
- (c) future profits and cash flows are inherently uncertain
- (d) the achievability of the projections is not warranted or guaranteed by A2B or LEA, as they are predictions of future events that cannot be assured and are necessarily based on assumptions, many of which are beyond the control of A2B and its management
- (e) actual results may be significantly more or less favourable.

144 As the detailed cash flow projections are commercially sensitive they have not been set out in our report. However, information on the major assumptions underlying the free cash flow projections implicit in the DCF Model is set out below.

#### **Base Case and alternative scenario assumptions**

145 In undertaking our DCF analysis, we have considered the following key assumptions under Scenario A (Base Case)<sup>47</sup>.

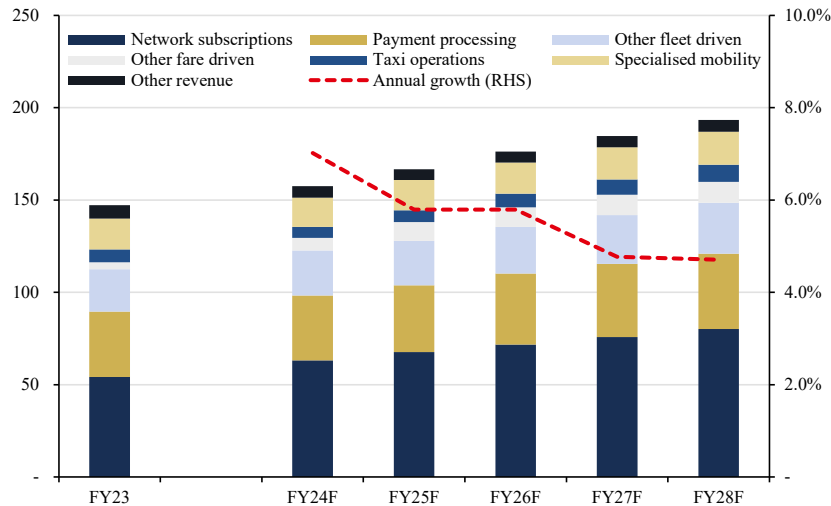
#### **Revenue**

146 Revenue has been separately projected for each of A2B's revenue streams, as depicted below:

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<sup>47</sup> The EBITDA figures and margins for A2B adopted in our DCF valuation exclude the impact of the AASB 16 accounting adjustments for leases because these accounting entries (which replace rent costs with the amortisation of right to use assets and notional interest costs) have no cash flow impact and no impact on the underlying profitability and value of the business.

**A2B – LEA projected revenue – Base Case (\$m)**



**Note:**  
 1 FY24 reflects actual results for 1H24 and LEA adopted projections for 2H24.  
**Source:** A2B and LEA analysis.

147 Our Base Case assumes A2B’s total revenues will increase at a CAGR of 5.6% per annum to reach \$193 million by FY28, with the annual rate of growth generally moderating over the Forecast Period.

148 The assumptions that underpin the revenue projections for our Base Case are outlined below.

**Network subscription revenue**

149 Network subscription revenue is driven by two key inputs:

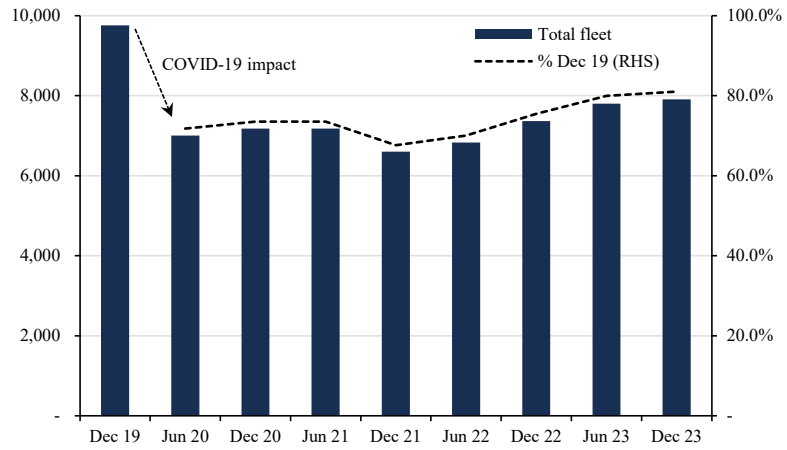
- (a) the number of affiliated vehicles in A2B’s network fleet
- (b) the average monthly subscription fees paid per affiliated vehicle.

**Fleet size and growth**

150 A2B’s affiliated network fleet was significantly impacted by COVID-19 and its associated lockdown, social distancing and domestic and international travel restrictions which significantly reduced demand for personal transportation services:

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**A2B – affiliated network fleet**  
# vehicles



Source: A2B and LEA analysis.

- 151 Although there has been a partial recovery in A2B’s affiliated fleet numbers, the network remains well below pre-COVID-19 levels, with the current fleet of 7,905 vehicles as at 31 December 2023 representing around 81.0% of its fleet size as at 31 December 2019.
- 152 We also note that over the period from 31 December 2019 to 30 June 2023<sup>48</sup>, the Australian population has increased by some 4.4%, albeit the rate of growth has varied between States and Territories:

Australian population (million)					
	NSW	VIC	QLD	Other	Total
December 2019	8.1	6.6	5.1	5.7	25.5
June 2023	8.3	6.8	5.5	6.0	26.6
<i>Change (%)</i>	<i>3.1%</i>	<i>3.4%</i>	<i>6.4%</i>	<i>5.5%</i>	<i>4.4%</i>

Source: Australian Bureau of Statistics (ABS).

- 153 All else being equal<sup>49</sup>, the growth in Australia’s population since 31 December 2019 would indicate that in order to meet demand, A2B’s fleet (today) could reasonably be at least as large as it was pre-COVID-19 and potentially 4% to 5% larger. On this basis, A2B’s fleet size as at 31 December 2023, only represents some 77.5% of its pre-COVID-19 fleet size after accounting for an increase in the population and absolute demand for personal transportation services of say 4.5%.

<sup>48</sup> Being the latest available data.

<sup>49</sup> For example, no change in the average individual’s demand for personal transportation services (i.e. no change in consumer behaviour), no change in market shares (for either taxi or rideshare operators), no increase / decrease in the average number of trips provided per taxi per day etc.

154 The fundamental issue to assess in the context of our valuation exercise, is whether A2B's current fleet size represents the new ("steady state") equivalent of its pre-COVID-19 position (i.e. A2B's fleet has fully recovered from the impacts of COVID-19 and has again reached a steady state, but due to structural changes in the supply and demand sides of the market, the fleet no longer needs to be as large as it once was) or whether there remains scope for further recovery from the current position until a steady state is reached. In respect of this we note the following:

- (a) during FY23, A2B exhibited a significant improvement in the size of its affiliated network with net vehicle additions of 972 vehicles (some 14.2% increase). The rate of net vehicle additions has reduced since the peak levels exhibited during FY23, with only 102 vehicle additions reported over the six months to 31 December 2023 (which represents 1.3% growth from 30 June 2023)
- (b) there have been changes in consumer behaviours since December 2019 which are likely to have impacted demand for personal transportation services. For example, corporate customers are now more prevalent users of video conference facilities and work from home more often and as a result, travel less frequently
- (c) recent trends in the number of average completed trips per taxi per day across the broader fleet (refer paragraph 70) have neared but remain marginally less than FY19 levels (particularly during 1H24) indicating that current demand is being adequately serviced by the current number of vehicles in A2B's affiliated fleet
- (d) A2B's Cabcharge payment processing system is installed in more than 18,000 taxis nationally and therefore processes a very significant proportion of all taxi fares charged. The absolute dollar value of taxi fares processed by A2B rapidly increased during FY22 (as travel and lockdown related restrictions were removed) but growth moderated during FY23 and has remained relatively benign during 1H24<sup>50</sup> (refer paragraph 73). Prima facie, this indicates that the demand side of the market has recovered from COVID-19<sup>51</sup>. Notwithstanding this, the value of the fares processed by A2B in FY23 represented only around 87.0% of pre-COVID-19 levels (even before allowing for any increase in Australia's population and inflation). In our view, this also indicates there has been a structural change in demand for taxi services that has occurred in the market post COVID-19
- (e) other lead indicators for demand such as domestic and international passenger movements through airports have neared or exceed pre-COVID-19 levels.

155 Whilst the abovementioned factors support the proposition that A2B's current fleet size represents the new ("steady state") equivalent of its pre-COVID-19 position, there are also other factors that may support accelerated fleet growth from current levels (being fleet growth over and above that may be obtainable if it were considered to have already reached a steady state<sup>52</sup>):

<sup>50</sup> The absolute number of taxi trips processed marginally declined during 1H24, albeit this reflected the softening in demand associated with a deterioration in macroeconomic conditions and increasing cost of living pressures.

<sup>51</sup> Noting that the value of fares processed is both a function of the number of trips processed as well as the value of those trips (and the average value per trip has marginally increased over that time).

<sup>52</sup> Growth in the network fleet post it achieving a steady state would be expected to remain broadly in line with long term population growth.

- (a) A2B is a market leader in the Australian taxi service industry and the strong growth in the proportion of booked trips generated through its network has the potential to attract additional drivers to its network and organically increase its market share<sup>53</sup>. There is also an opportunity for A2B to increase its market share in certain States and Territories where the business is currently less represented<sup>54</sup>
- (b) deteriorating macroeconomic conditions and levels of household disposable incomes have started to impact consumer demand and the volume of trips<sup>55</sup>. As a result, there is potential for consumer demand to improve from current levels once economic conditions improve. That said, given the decline in the average number of completed trips per vehicle during 1H24 compared to FY23 (refer paragraph 70), it is less likely that a recovery in this demand would provide scope for further fleet additions, but rather enable the existing fleet to increase the number of completed trips per vehicle (to a level that better approximates the FY23 experience<sup>56</sup>)
- (c) the recent deregulation of taxi licenses in NSW from 1 August 2023 may provide an opportunity to expand the NSW fleet. Although this would reduce the average number of taken trips per vehicle (assuming no change in demand), the reduced operating expenses (such as the elimination of taxi licence fees) would enable taxi operators to maintain similar levels of profitability at lower trip volumes. Deregulation is therefore likely to increase the number of taxis that operate in NSW<sup>57</sup>. If the average number of completed trips per car in NSW reduced from current levels by two to three trips per day, the total fleet in NSW (based on FY23 demand) could increase by some 350 to 700 vehicles (this would increase the fleet size today to some 84.6% to 88.2% of the size of the fleet as at 31 December 2019, before allowing for any increase in Australia's population).

156 Having regard to the above, A2B management's forecasts and our discussions with A2B management, in our view, there remains (on balance) some scope for further recovery in A2B's fleet size. That said, predicting the point at which A2B's affiliated network fleet can be considered "mature / steady state" and the time it will take to reach this stage is inherently uncertain. Given this uncertainty, our DCF valuation adopts a number of alternative scenarios in respect of this key assumption<sup>58</sup>.

157 The table below sets out our projections of the size of A2B's affiliated fleet by the end of the Forecast Period for each scenario which has been estimated by reference to a targeted proportion of A2B's pre-COVID-19 fleet adjusted for population growth. We note that our Base Case assumes that over the Forecast Period A2B's fleet size will continue to improve from its current position of some 77.5% pre-COVID-19 levels (after allowing for actual

<sup>53</sup> A2B has exhibited recent success in delivering organic growth. For instance, during FY23 A2B was able to organically attract drivers from other networks in SA to become the second largest taxi network in the State (prior to this A2B had the third largest taxi network in SA).

<sup>54</sup> For example, A2B does not operate any taxi networks in ACT or Tasmania and has lower market shares in WA, NT and SA compared to NSW, VIC and QLD.

<sup>55</sup> Refer to paragraph 128(d).

<sup>56</sup> The number of trips completed per vehicle in FY23 closely approximated those observed for FY19.

<sup>57</sup> For instance, following the deregulation of taxi licenses in VIC during 2017 the number of taxis operating in the State increased from approximately 5,600 as at 30 June 2017 to some 10,500 as at 30 June 2018.

<sup>58</sup> These alternate scenarios are reflected in our B and C scenarios (refer paragraph 186).

population growth<sup>59</sup>) to some 87.5% pre-COVID-19 levels (after allowing for projected population growth<sup>60</sup>). The Low Case (Scenario B) and the High Case (Scenario C) adopt slightly lower and higher projections respectively.

- 158 These scenarios implicitly assume that the proportion of personal transportation services delivered by taxi services and ridesharing services is not expected to change from current levels.<sup>61</sup>

A2B – projected affiliated fleet size by the end of the Forecast Period					
	Pre-COVID-19 population adjusted fleet size <sup>(1)</sup>	Targeted % of pre-COVID-19 population adjusted fleet size <sup>(2)</sup>	Implied fleet size as at 30 Jun 28	Implied average annual additions <sup>(3)</sup>	Implied CAGR in fleet additions <sup>(4)</sup>
Low Case		85.0	9,123	271	3.2
Base Case	10,733	87.5	9,391	330	3.9
High Case		90.0	9,659	390	4.6

**Note:**

- 1 A2B's 31 December 2019 fleet of 9,757 vehicles adjusted for population growth from December 2019 to June 2028 (i.e. the end of our Forecast Period) of around 10%.
- 2 Estimated new "steady state" equivalent of the of the pre-COVID-19 population fleet after considering the various short term tailwinds (e.g. potential benefits from the recent NSW deregulation and opportunity for organic growth) and more permanent structural changes that have emerged post COVID-19 (e.g. changes in consumer behaviour).
- 3 Average number of annual additions required between 31 December 2023 and 30 June 2028 to achieve implied fleet size as at 30 June 2028.
- 4 Over the 4.5 year period from 31 December 2023 to 30 June 2028.

- 159 Whilst the number of annual vehicle additions is likely to exhibit some variability between periods to reach our assumed "targeted" fleet size, for the purposes of our DCF valuation we have adopted a linear growth profile for A2B's fleet, noting that while these inter-period variances have some (albeit relatively minor impact) on the valuation outcomes, the primary driver of the valuation outcomes is the total assumed fleet size at the end of the Forecast Period<sup>62</sup>.

- 160 In addition, we note that our adopted annual fleet growth of between 3.2% and 4.6% exceeds (albeit to different extents) the estimated CAGR for Australia's population over the Forecast Period of approximately 1.8% per annum<sup>63</sup> which we consider to be reasonable after considering the potential benefit from the deregulation of taxi licenses in NSW and the potential for A2B to organically increase its market share (given its recent experience).

<sup>59</sup> Between December 2019 and June 2023.

<sup>60</sup> Between December 2019 and June 2028.

<sup>61</sup> This implicit assumption is consistent with IBISWorld's estimates which imply that there is no material difference in the growth rates exhibited by taxi services and ridesharing services (refer paragraphs 129 and 130).

<sup>62</sup> Noting this fleet size is a key determinant of the earnings reflected in our TV calculation.

<sup>63</sup> ABS, *Australia population projections 2022-2071*.

*Network subscription fees*

- 161 During FY23, A2B exhibited an improvement in the average subscription fees generated from its affiliated network which was attributable to:
- (a) an increase in the proportion of the fleet represented by the higher margin 13cabs and Silver Service taxi brands (which currently represent over 90% of the total fleet)
  - (b) subscription pricing increases implemented across its entire fleet network in October 2022 and March 2023.
- 162 During FY24, A2B is expected to benefit from a full year contribution from the network-wide price increases implemented during FY23 (noting the composition of the fleet is expected to remain relatively unchanged). Our Base Case DCF assumes network subscription fees beyond FY24 increase at 2.0% per annum over the remaining Forecast Period.

*Payment processing revenue*

- 163 Payment processing revenue is underpinned by:
- (a) the value of fares processed through A2B's payment systems
  - (b) the average service fee charged (as a percentage of fares processed).

*Value of fares processed*

- 164 The value of fares processed is underpinned by the volume of fares processed (i.e. number of trips) and the average fare price.
- 165 During FY23, the value of total fares processed by A2B increased by more than 40% from \$606.9 million in FY22 to some \$854.4 million driven by a combination of an increase in demand and price improvements (refer paragraph 73). However, during 1H24, softening macroeconomic conditions and a reduction in available discretionary income (following recent interest rate increases) impacted demand for trips, with the volume of fares processed in 1H24 declining compared to 1H23. While this was partially offset by the benefits associated with pricing improvements, the total value of fares processed during 1H24 declined by some 3.4% compared to the prior period.
- 166 Our Base Case DCF assumes that the value of fares processed during 2H24 will experience a similar decline to 1H24 as macroeconomic pressures continue to impact demand for trips in the short term. However, growth is expected to improve over the medium term (albeit from a reduced base) as macroeconomic pressures ease and demand returns, with fares processed in FY25 and FY26 estimated to increase at around 6.5% per annum, reducing to 3.0% per annum over the remaining Forecast Period. These assumptions (in particular the higher growth in FY25 and FY26) reflect:
- (a) an expectation that macroeconomic conditions will improve over the medium term and the volume of fares processed (i.e. number of trips taken) will recover to the levels experienced in FY23 by FY26 (i.e. we have assumed the reduction in the volume of fares processed during FY24 will be unwound over a two year period)<sup>64</sup>. Growth in the

<sup>64</sup> For simplicity we have assumed a linear growth profile from FY24 to FY26.

number of trips processed post FY26 is expected to moderate and remain broadly consistent with annual population growth expectations of around 1.8%<sup>65</sup>

- (b) further pricing improvements are expected to remain relatively modest (some 1.5% per annum) having regard to historical experience (noting a significant proportion of completed trips remain subject to regulated prices).

167 Whilst we note this implies a level of volume growth for the broader market (i.e. excluding the impact from pricing increases) which is less than our assumed growth in A2B's fleet. We consider this to be reasonable given that:

- (a) any growth in A2B's fleet associated with the benefits of the recent deregulation in the NSW market are not expected to have any impact on the total number of completed trips for the market as a whole (i.e. demand), just the number of completed trips per vehicle (which will likely decline)
- (b) A2B has exhibited recent success in delivering organic growth (for instance, during FY23 A2B was able to organically attract drivers from other networks in SA to become the second largest taxi network in the State<sup>66</sup>).

168 Nevertheless, for completeness, we have considered the sensitivity of our DCF valuation to the adopted growth rate in fares processed in our scenario analysis below (refer to Scenarios B and C).

*Average service fees*

169 Average services fees charged (as a percentage of payments processed) are expected to remain consistent with recent experience at around 4.1%, noting that the maximum amounts that can be charged for these services are subject to existing individual State regulation (which are not currently anticipated to change over the Forecast Period).

**Other revenue**

170 A summary of other key assumptions which underpin our projections for A2B's other revenue items is set out below:

**Other revenue assumptions (Base Case)**

Other fleet revenue (linked to network subscription revenues)	<ul style="list-style-type: none"> <li>• Other fleet driven revenues such as taxi plate income, insurance commissions, car and hardware sales income and other taxi related services income have been projected as a percentage of network subscription revenues broadly consistent with recent experience in FY23 and 1H24</li> </ul>
Other fare revenues (linked to payment processing revenues)	<ul style="list-style-type: none"> <li>• Other fare driven revenues, which primarily relate to the rental of taxi equipment and payment terminals, have been projected based on an assumed percentage of service fee revenue. This reflects the proposed contractual terms subsequent to the rollout of A2B's new terminal equipment and technology which will be owned by A2B (noting historically A2B leased terminal equipment it provided to its taxi operators at a mark-up on the lease cost)</li> </ul>

<sup>65</sup> ABS, *Australia population projections 2022-2071*.

<sup>66</sup> Prior to this A2B had the third largest taxi network in SA.



**Other revenue assumptions (Base Case)**

Taxi operations	<ul style="list-style-type: none"> <li>Growth from taxi operating income (which is derived from the rental of A2B's "operated vehicle fleet" to independent drivers) is primarily underpinned by growth in A2B's operated fleet which is assumed to grow at some 20 vehicles per annum</li> </ul>
Specialised mobility	<ul style="list-style-type: none"> <li>Specialised mobility services (which include Taxi Subsidy Scheme revenue and school taxi services) are projected to increase at some 3.0% per annum over the Forecast Period</li> </ul>
Other revenue	<ul style="list-style-type: none"> <li>Other revenues, which include MTI and sundry income, are projected to increase at some 3.0% per annum over the Forecast Period</li> </ul>

**Direct costs**

- 171 Direct costs incurred in generating the network subscription (and associated) revenue, payment processing (and associated) revenue and other revenues have primarily been modelled as a percentage of the revenues to which these expenses relate<sup>67</sup>.
- 172 Our Base Case DCF reflects an assumed net revenue margin of approximately 80% over the Forecast Period which is slightly higher than the net revenue margins of 75.5% and 77.9% generated in FY23 and 1H24 respectively. The improvement in net revenue margins reflects, inter alia:
- a greater proportion of total revenue being attributable to higher margin services (e.g. fleet revenues and fares)
  - improvements in the profitability of other services following the implementation of A2B's "Better Before Bigger" strategy such as specialised mobility services which benefited from the discontinuation of a low margin and non-core bus business in SA from 7 July 2023, taxi operating income which benefited from the rationalisation of the taxi fleet during FY23, and focus on profitability.

**Overhead expenses**

**Personnel expenses**

- 173 Personnel expenses (e.g. salaries and wages, superannuation etc.) represent the largest proportion (more than 60%) of A2B's total operating expenses. Personnel expenses significantly reduced during FY23 following the reduction in staff headcount by 128 full time equivalent roles (approximately 15% of total staff) with a significant proportion of these role reductions associated with the contact centre restructure.
- 174 These cost reductions were partially offset by a change in the capitalisation policy for the maximum employee expenses allocated to internally developed software which was reduced from \$4.5 million in FY22 to \$2.5 million in FY23. As a result, an additional \$2.0 million of employee expenses were recognised during FY23 (previously these expenses would have been capitalised and classified as capital expenditure).
- 175 Personnel expenses during FY24 are expected to marginally increase as full year benefits from the reduction in costs from contact centre operations and the discontinued bus services

<sup>67</sup> For example, fare processing expenses (which include service fees, equipment costs and other fare related expenses) have been estimated based on an assumed percentage of service fee revenues.

are offset by wage increases and new roles to support growth. Beyond FY24, personnel expenses are assumed to increase around 4.0% per annum over the remaining Forecast Period.

**Premises costs**

- 176 A2B has entered into three and two year sale and leaseback arrangements with respect to the O’Riordan Street and Oakleigh properties respectively<sup>68</sup>, both of which settled during December 2023. This will result in additional rental costs of approximately \$2.7 million in FY24 (the majority of which relates to 2H24) and \$5.2 million in FY25. Beyond the expiry date of these lease agreements, these rental costs are assumed to increase between 3.0% and 3.5% per annum (consistent with the rent escalation in the sale and leaseback agreements).
- 177 Whilst we note A2B has indicated there is an opportunity to realise some lease cost savings by relocating from the O’Riordan Street premises after the end of the sale and leaseback period in December 2026<sup>69</sup>, due to the uncertainty associated with the quantum of these annual savings and the associated one-off relocation costs that would be incurred, we have not reflected any assumed lease savings in our Base Case DCF analysis but have considered the benefit from these potential savings in our scenario analysis (refer paragraph 186).
- 178 Other premises costs, which include outgoings and insurance with respect to the O’Riordan Street and Oakleigh properties (for which A2B remains responsible) in addition to A2B’s other leased premises (i.e. from third parties), are assumed to increase at around 3.5% per annum, broadly consistent with the rent escalation for these other leases.

**Advertising and marketing**

- 179 Advertising and marketing expenses significantly reduced during FY23 following the review of A2B’s marketing activities and rationalisation of advertising related expenses that were not considered to be generating an adequate return on investment:

<b>A2B – advertising and marketing expenses<sup>(1)</sup></b>						
	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>1H24</b>
Advertising and marketing (\$m)	(10.5)	(11.6)	(11.0)	(11.0)	(2.7)	(2.3)
Percentage of total revenue <sup>(1)</sup>	(5.3%)	(6.8%)	(9.7%)	(8.8%)	(1.8%)	(2.8%)

**Note:**

1 Marketing expenses as a percentage of total revenue is based on the total revenue set out at paragraph 83.

**Source:** A2B and LEA analysis.

- 180 Marketing expenses have since increased in 1H24 to support the larger fleet and stimulate demand for trips (particularly through A2B’s mobile booking apps). For the purposes of our Base Case DCF, we have allowed for marketing expenses post 1H24 at 3.0% of sales which reflects a current annual cost of some \$5.0 million per annum (noting that our scenario analysis below also reflects differing levels of assumed marketing expenses depending upon the level of fleet and fares growth assumed).

<sup>68</sup> The property at 9-13 Bourke Road, Alexandria was not used for A2B’s operations and no sale and leaseback has been entered into with respect to this property.

<sup>69</sup> No savings are expected with respect to the Oakleigh property.

**Other overheads**

181 Other overhead expenses which include technology costs, communication expenses, professional and legal fees and other administrative expenses increased during 1H24, primarily due to the greater investment in technology costs associated with the rollout of A2B's in-vehicle technology. These costs are estimated to be marginally higher in 2H24, after which these expenses are projected to stabilise and increase around 3.0% per annum over the remaining Forecast Period.

**Capital expenditure**

182 During FY24, A2B is expected to incur higher than usual capital expenditures associated with investments in tablets and terminals and replacement of in-vehicle technology ahead of the 3G shutdown in June 2024 (a significant proportion of which was incurred during 1H24). Our adopted capital expenditure for 2H24 results in total net capital expenditure for FY24 which is within (albeit towards the higher end of) A2B's guidance of between \$10 million and \$12 million.

183 Capital expenditure in FY25 is expected to reduce (albeit remaining at elevated levels) to around \$8.5 million, attributable to the completion of other system improvement projects. Post FY25, annual capital expenditures are expected to stabilise and have been projected at 4.0% of sales (some \$7.0 million per annum).

**Other key Base Case assumptions**

184 A summary of other key assumptions which underpin our cash flow projections over the Forecast Period is set out below:

Other key assumptions (Base Case)	
Reduction in public company costs	<ul style="list-style-type: none"> <li>A reduction in public company costs of around \$1.25 million per annum has been adopted (with an allowance for inflation over the Forecast Period), which reflects the savings that any potential purchaser of the business could obtain through delisting the Company from the ASX</li> </ul>
Depreciation	<ul style="list-style-type: none"> <li>Has been projected for A2B's existing fixed assets at similar levels to the reported depreciation in FY23</li> <li>Depreciation on future capital expenditure over the Forecast Period has been estimated having regard to the nature of these items and their average expected useful life</li> </ul>
Working capital	<ul style="list-style-type: none"> <li>Net working capital (adjusted to exclude one-off receivables and payables) has been estimated at 13.5% of sales, having regard to the average balances during the 18 months to 31 December 2023</li> </ul>
Taxation	<ul style="list-style-type: none"> <li>We have allowed for taxation (post 1H24)<sup>(1)</sup> at the current company tax rate of 30%, incorporating the benefit of A2B's carried forward tax losses as at 31 December 2023 of some \$5.2 million</li> </ul>

**Note:**

1 Noting that as at 31 December 2023, A2B had made cash payments for its tax liabilities which included the sale of its property assets and the earnings generated over 1H24.

**Alternative DCF assumptions**

185 LEA has also considered the impact of alternative assumptions for the key business drivers to provide some indication of the sensitivity of the NPV outcome to changes in those assumptions (for instance, the NPV outcome is particularly sensitive to the assumptions

regarding growth in A2B’s affiliated network fleet and fares processed). These scenarios have been developed in consultation with A2B management. It should be noted that the scenarios do not (nor do they purport to) represent the range of potential outcomes (i.e. there is a wide range of potential outcomes outside these scenarios). They are simply theoretical indicators of the sensitivity of the NPV to the alternative assumptions adopted.

186 A description of each of the additional scenarios is outlined in the table below:

<b>A2B – DCF scenario assumptions</b>	
<b>Scenario</b>	<b>Description</b>
Scenario A	As described above
Scenario A(i)	Scenario A except: <ul style="list-style-type: none"> <li>The value of fares processed during 2H24 remain flat compared to 2H23 (rather than exhibiting a similar decline to 1H24 of around 3.5%)</li> </ul>
Scenario A(ii)	Scenario A except: <ul style="list-style-type: none"> <li>Subscription pricing increases at an additional 0.5% per annum</li> </ul>
Scenario A(iii)	Scenario A except: <ul style="list-style-type: none"> <li>Additional price guarantee revenue of \$0.5 million per annum is generated</li> </ul>
Scenario A(iv)	Scenario A except: <ul style="list-style-type: none"> <li>Further personnel cost savings in FY25 of \$1.0 million are realised due to further improvements in booking automation and back office efficiencies</li> </ul>
Scenario A(v)	Scenario A except: <ul style="list-style-type: none"> <li>Post FY25, A2B is able to find replacement premises for the sale and leaseback properties at a lower rental cost resulting in total savings of \$2.0 million per annum (for simplicity, we have not allowed for any one-off make-good or relocation costs)</li> </ul>
Scenario A(vi)	Scenario A except: <ul style="list-style-type: none"> <li>Terminal growth rate is 0.5% higher</li> </ul>
Scenarios B to B(vi)	Same as corresponding Scenario A (and its sub-variants) except: <ul style="list-style-type: none"> <li>We have adopted our “Low Case” growth in A2B’s affiliated vehicle fleet which reaches 85% of the pre-COVID-19 population adjusted fleet which represents some 271 annual vehicle additions (refer paragraph 157)</li> <li>Annual growth in the value of fares processed is assumed to be 1.0% lower</li> <li>Advertising and marketing expenses (as a percentage of sales) are assumed to be 0.5% lower attributable to the smaller fleet and lower assumed demand for fares</li> </ul>
Scenarios C to C(vi)	Same as corresponding Scenario A (and its sub-variants) except: <ul style="list-style-type: none"> <li>We have adopted our “High Case” growth in A2B’s affiliated vehicle fleet which reaches 90% of the pre-COVID-19 population adjusted fleet, which represents some 390 annual vehicle additions (refer paragraph 157)</li> <li>Annual growth in the value of fares processed is assumed to be 1.0% higher</li> <li>Advertising and marketing expenses (as a percentage of sales) are assumed to be 0.5% higher to support the larger fleet and demand for fares</li> </ul>

**Discount rate and TV growth rate**

187 An after corporate tax discount rate in the range of 11.5% to 12.5% (with a mid-point of 12.0%) per annum has been applied for the reasons set out in Appendix D. This discount rate has been applied to determine the present value of the future cash flows in the Forecast Period and the present value of the TV at the end of the Forecast Period.

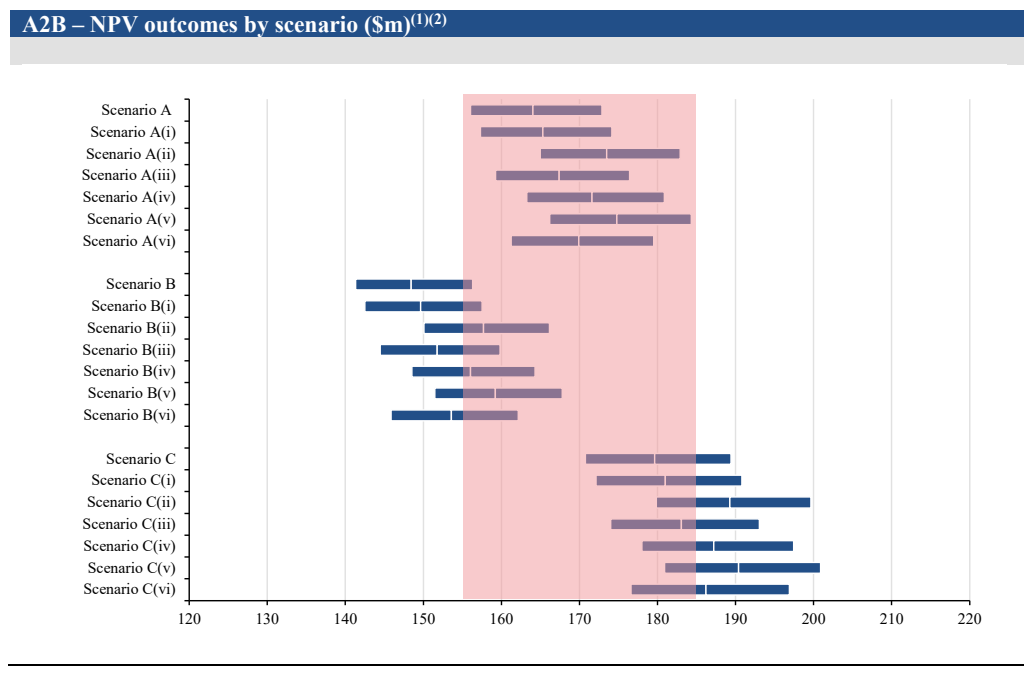
188 However, in the long term there is a risk that technological advancements, such as the development and widespread adoption of AVs could pose a significant long-term disruption risk to the taxi / personal transportation services industry. We have reflected this longer term

disruption risk, by allowing for an additional 0.5% to our adopted post-tax discount rate in our TV calculation.

- 189 A TV growth rate of 2.5% per annum has been adopted at the end of the Forecast Period (i.e. as at 30 June 2028) based on our review of, inter alia:
- (a) the projected scale of A2B’s operations as at the terminal period, and the potential for growth beyond that date. In this regard we note that the Australian taxi services industry is relatively mature and the opportunity for organic growth is relatively limited
  - (b) long term inflation targets of between 2% to 3%
  - (c) the perpetual growth rates adopted by A2B for goodwill impairment testing purposes as at 30 June 2023 of 2.1% per annum.
- 190 The application of this TV growth rate implies a forecast TV / EBITDA multiple (on a controlling interest basis and prior to the impacts of AASB 16 and synergies<sup>70</sup>) of between 5.3 and 5.8 times for each of the scenarios described above. We provide further commentary regarding the reasonableness of these multiples in our cross-check from paragraph 195.

**Valuation outcomes and DCF value range adopted**

191 The NPV outcomes of the scenarios are depicted diagrammatically below relative to LEA’s assessed valuation range:



<sup>70</sup> Public company cost savings have been excluded from the TV EBITDA (i.e. estimated synergy benefits have been reflected in the implied terminal EBITDA multiple and not in the earnings of the terminal period).

**Note:**

- 1 The low and high of our assessed valuation range is represented by the pink shaded area.
- 2 The low and high value range of each scenario reflects the adoption of a discount rate of 12.5% and 11.5% respectively over the Forecast Period (and 13.0% to 12.0% respectively for the purposes of our TV calculation). The white line represents the NPV outcome for each scenario based on the mid-point of our discount rate range.

192 In respect of the valuation outcomes above, we note that:

- (a) a summary of the projected revenue and Underlying EBITDA at the end of the Forecast Period for each of the scenarios described above is detailed below:

	Revenue		Underlying EBITDA <sup>(1)</sup>	
	FY28 \$m	5 year CAGR <sup>(2)</sup> %	FY28 \$m	5 year CAGR <sup>(2)</sup> %
Scenario A – Range	193 – 195	5.6 – 5.8	33 – 35	10.3 – 11.6
Scenario B – Range	189 – 191	5.1 – 5.3	30 – 32	8.2 – 9.6
Scenario C – Range	198 – 200	6.1 – 6.3	36 – 38	12.3 – 13.5

**Note:**

- 1 Underlying EBITDA is prior to the adoption of AASB 16 and are before any allowance for public company cost savings.
- 2 Revenue and Underlying EBITDA CAGR over the five year period from FY23 to FY28.

- (b) whilst our range of scenarios project some (albeit relatively modest) levels of variability in revenue growth over the Forecast Period, as A2B has relatively high net revenue margins and its cost structure is relatively fixed in nature, these changes in revenue result in significant variations in Underlying EBITDA / Underlying EBITDA margins (as illustrated through the differences in NPV outcomes between Scenarios A, B and C and each of their sub-variants). We set out below a summary of the range of Underlying EBITDA margins implied by each of our valuation scenarios referred to above:

Underlying EBITDA margins by scenario <sup>(1)</sup>					
	FY24 <sup>(2)</sup>	FY25	FY26	FY27	FY28
Scenarios A to A(vi) – Min	13.8%	14.1%	15.5%	16.3%	17.0%
Scenarios A to A(vi) – Max	14.5%	14.7%	16.1%	16.9%	18.0%
Scenarios B to B(vi) – Min	13.6%	14.1%	15.1%	15.5%	15.8%
Scenarios B to B(vi) – Max	14.3%	14.7%	15.7%	16.1%	16.8%
Scenarios C to C(vi) – Min	14.1%	14.2%	15.9%	17.0%	18.1%
Scenarios C to C(vi) – Max	14.7%	14.8%	16.5%	17.7%	19.1%

**Note:**

- 1 Underlying EBITDA margins are prior to the adoption of AASB 16 and are before any allowance for public company cost savings.
- 2 FY24F represents actual results for 1H24 and LEA adopted projections for 2H24.

It should be noted that since FY19, A2B has implemented a number of cost saving initiatives including reducing employee and marketing expenses (the benefits of which are reflected in the results for FY23 and beyond, albeit to different extents). During December 2023, A2B also completed the sale and leaseback with respect to the

O’Riordan Street and Oakleigh properties, the cost of which is not reflected in the historic FY19 and FY23 underlying results and is only partially reflected (some six months) in the FY24 projections set out above

- (c) as indicated above, the low end of our scenarios (i.e. Scenario B) reflect some (albeit relatively minor) improvement from A2B’s current operating performance while the high end (i.e. Scenario C) reflects a greater level of improvement which broadly approximates pre-COVID-19 levels. That said, it should be noted that A2B’s reported results in FY19 and FY23 did not incorporate the additional costs associated with the sale and leaseback of its property assets whereas these costs are reflected in the FY24 and fully reflected in the FY25 projections set out above
- (d) whilst there remains an opportunity for A2B to realise further cost savings with respect to its personnel and premises costs (reflected in sub-variants (iv) and (v) respectively) we note that these scenarios do not incorporate any allowance for the costs which would likely be incurred to realise these cost savings (e.g. redundancies and relocation expenses). Whilst the extent of these costs are inherently uncertain, the inclusion of such costs (together with an allowance for implementation risk) would reduce the NPV outcomes relative to those set out above
- (e) Scenario C (and its sub-variants) exhibit a greater degree of risk than Scenarios A and B (and their sub-variants) due to the higher assumed rates of growth in A2B’s affiliated vehicle fleet and value of fares processed which result in higher estimated EBITDA margins. Accordingly, in our opinion, Scenario C should attract a discount rate that is toward the higher end rather than the lower end of our assessed range. In other words, the low-to-mid end of the valuation ranges for Scenario C are considered by us to be more credible than the high end of the valuation range (and vice versa for Scenario B and to a lesser extent Scenario A).

- 193 We have also considered the impact of changes to a number of other assumptions on our DCF valuation. While we have not set out the results of these other variations for each individual scenario (due to the complexity involved), we set out below the resultant range of values with respect to our adopted Base Case (i.e. Scenario A):

Sensitivity analysis – Base Case			
	Base Case assumption	Sensitivity	Value range \$m
Specialised mobility / MTI revenue growth	3.0% p.a	+ / – 1.0%	162 – 166
Growth in employee expenses	4.0% p.a.	+ / – 1.0%	152 – 176
Growth in other overhead expenses	3.0% p.a.	+ / – 1.0%	158 – 170
Public company cost savings p.a. (\$m)	\$1.25	+ / – \$0.5	160 – 168
Capital expenditure post FY25 (% sales)	4.0%	+ / – 1.0%	152 – 176
Net working capital (% sales)	13.5%	+ / – 2.5%	159 – 169

- 194 After considering the above factors, in LEA’s view, the DCF analysis supports an enterprise value for A2B’s business operations (i.e. prior to the allowance for net debt and any non-core or surplus assets / (liabilities)) of between \$155 million to \$185 million. This represents the value of the A2B business on a 100% controlling interest basis.

## Reasonableness of implied EBITDA multiples

### Implied EBITDA multiples

- 195 As a cross-check on our assessed value of A2B's business operations, we have considered the reasonableness of the FY24 and FY25 EBITDA multiples implied by our adopted DCF valuation range.
- 196 The multiples that are implied by our valuation of A2B's business operation based upon FY24 and FY25 EBITDA are as follows:

DCF valuation – implied EBITDA multiples					
	Paragraph	FY24		FY25	
		Low \$m	High \$m	Low \$m	High \$m
Assessed enterprise value	194	155.0	185.0	155.0	185.0
EBITDA for cross-check purposes (pre-AASB 16)	197	22.0	22.0	24.0	24.0
<b>Implied EBITDA multiple (times)</b>		<b>7.0</b>	<b>8.4</b>	<b>6.5</b>	<b>7.7</b>

- 197 The levels of EBITDA that are adopted in the above calculations have been determined by reference to:
- (a) as a primary source, the FY24 and FY25 EBITDA inherent in the cash flow projections on which our DCF valuation is based. The range of respective inherent projected earnings (EBITDA) for FY24 and FY25 are set out below:

FY24 and FY25 EBITDA implied by our DCF valuation scenarios <sup>(1)</sup>		
Scenario	EBITDA (\$m)	
	FY24F <sup>(2)</sup>	FY25F
Scenario A (including sub-variants) – min	21.8	23.6
Scenario A (including sub-variants) – max	23.1	24.6
Scenario B (including sub-variants) – min	21.3	23.3
Scenario B (including sub-variants) – max	22.6	24.3
Scenario C (including sub-variants) – min	22.2	23.8
Scenario C (including sub-variants) – max	23.5	24.8
All scenarios (including sub-variants) – average	22.0	23.9

**Note:**

- 1 Pre-AASB 16 and excludes contributions from discontinued operations and public company cost savings.
- 2 FY24F represents actual results for 1H24 and LEA adopted projections for 2H24.

- (b) A2B's EBITDA guidance for FY24 of \$22 million (which is inclusive of the partial period (some six months) of the incremental rent associated with the sale and leaseback of the O'Riordan and Oakleigh properties)
- (c) the EBITDA estimates provided by the single broker covering A2B (prior to the announcement of the Scheme) who have provided EBITDA estimates of \$22 million in FY24 and \$25.2 million in FY25.



- 198 We note that although A2B operates within a mature industry with modest growth expectations, the implied FY24 and FY25 EBITDA multiples are relatively high as A2B's earnings are projected to exhibit relatively high rates of growth over the short-to-medium-term (as the business continues to recover from the COVID-19 pandemic and realises the benefits from the recent initiatives implemented as part of its strategic review<sup>71</sup>).
- 199 Given the above and for contextual reasons, for valuation cross-check purposes we also consider it appropriate to concurrently consider the reasonableness of the TV / EBITDA multiples implied by the TVs that are reflected in our DCF scenarios, when A2B's business is projected to reach a steadier state of operation. We note that the TV represents a significant proportion (approximately 70%) of the total NPV outcome of each of the DCF scenarios set out at paragraph 191 (and therefore represents that vast majority of our assessed value range).
- 200 The TV / EBITDA multiples implied by the TVs that are reflected in our DCF scenarios range between<sup>72</sup>:
- (a) historic multiple – 5.5 and 6.0 times based on projected EBITDA for FY28
  - (b) forecast multiple – 5.3 and 5.8 times based on projected EBITDA for the TV period.

**Factors considered in assessing the reasonableness of the multiples**

- 201 We discuss below the specific factors taken into consideration when assessing the reasonableness of the EBITDA multiples implied by our adopted DCF valuation range.

**Trading evidence**

- 202 There are no directly comparable listed companies to A2B, noting that of the other larger participants operating in the Australian taxi services industry:
- (a) Black & White Cabs is owned by P2P Transport Limited (P2P) which was previously listed on the ASX but entered into voluntary administration on 3 December 2020 and was delisted on 1 March 2021
  - (b) Swan Taxis is a subsidiary of the larger and more diversified CGG, which is listed on the Singapore Exchange
  - (c) Silvertop Taxis and GM Cabs are both privately owned and operated.
- 203 Whilst publicly listed ridesharing companies such as Uber, Lyft and DiDi facilitate similar services (i.e. personal transportation) to those delivered by A2B, we do not consider the multiples upon which these companies trade to be relevant in the context of valuing A2B, as these multi-billion dollar companies are significantly larger and more geographically diversified than A2B.
- 204 Accordingly, we set out below the trading multiples for the identified broadly comparable companies which either provide land personal transportation services or generate revenue from similar services (e.g. payment processing solutions). Given the absence of any directly

<sup>71</sup> Refer to paragraph 192(b).

<sup>72</sup> The implied TV / EBITDA multiples are calculated on a controlling interest basis and exclude the earnings impacts of AASB 16 and synergies.

comparable companies to A2B, we have limited our analysis to companies which primarily operate within Australia and New Zealand<sup>73</sup>.

205 A summary of the EBITDA multiples upon which these companies trade is set out below:

Listed company multiples <sup>(1)</sup>				EV / EBITDA <sup>(5)</sup>			EBITDA margins <sup>(5)</sup>		
Company <sup>(2)</sup>	Year end	EV A\$m <sup>(3)</sup>	Gearing % <sup>(4)</sup>	FY23 X	FY24 x	FY25 x	FY23 %	FY24 %	FY25 %
A2B	30 Jun	127 <sup>(6)</sup>	(18.1) <sup>(6)</sup>	6.3	5.8	5.0	13.6	13.6	14.4
CDG	31 Dec	3,255	(3.5)	5.0	4.6	4.4	15.1	15.7	16.4
Kelsian Group	30 Jun	2,415	21.9	16.6	10.0	9.0	10.2	12.8	13.5
Tyro Payments	30 Jun	553	(4.4)	14.9	11.3	9.2	8.5	10.3	11.6
SmartPay Holdings	31 Mar	319	(2.8)	20.5	16.8	13.0	21.6	21.2	22.2
Camplify Holdings	30 Jun	132	(21.3)	nm	nm	nm	0.8	2.2	5.7

**Note:**

- 1 Enterprise value (EV) and earnings multiples calculated as at 31 December 2023, based upon latest available information with the exception of A2B which is calculated as at 21 December 2023 (being the last trading day prior to the announcement of the Scheme).
- 2 A brief description of each company's operations is set out at Appendix E.
- 3 EV includes net debt (interest bearing liabilities less non-restricted cash), net derivative liabilities, market capitalisation adjusted for material option dilution (for the purpose of reducing debt) and excludes surplus assets. For the avoidance of doubt, net debt excludes IFRS / AASB 16 lease liabilities. Foreign currencies have been converted to AUD at the exchange rate prevailing as at 31 December 2023.
- 4 Gearing equals net debt (cash adjusted for material option dilution) divided by EV.
- 5 Earnings and margins are based on FactSet broker average forecasts (excluding outliers and outdated forecasts) and have been adjusted to remove the estimated impact of IFRS / AASB 16.
- 6 A2B's market capitalisation has been notionally adjusted for the Special Dividend of \$0.60 per share. nm – not meaningful.

**Source:** FactSet, company announcements and LEA analysis.

206 The above multiples are based on the listed market price of each company's shares (and therefore exclude a premium for control). Empirical evidence from research undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover). This broadly translates to a premium of 20% to 25% at the EBITDA multiple or EV level, although this varies depending on the level of debt funding employed in each company.

207 In addition, we note that:

- (a) with the exception of CDG, most of the abovementioned companies are expected to generate higher levels of growth over the near term. In this regard we note that the multiples for these companies under steady state growth assumptions (which is assumed in our TV) would be lower than those set out above

<sup>73</sup> Notwithstanding CDG generates the largest proportion of its revenue from Singapore, we have included CDG in our analysis as it is one of the largest land transport operators in Australia and generated approximately 18% of its revenues from the Australian market during FY22.

- (b) none of the above listed companies are directly comparable to A2B. In that regard, we note that:
- (i) CDG and Kelsian Group generate a significant proportion of their revenue by providing contracted public transport services pursuant to long term government contracts and are significantly more capital intensive than A2B
  - (ii) Tyro Payments and SmartPay Holdings primarily generate revenue from payment processing fees from merchants that utilise the respective company's EFTPOS terminals (which is similar to the payment processing revenues generated by A2B). However, we note that Tyro Payments and SmartPay primarily service merchants in the hospitality and retail sectors which provides access to a significantly larger total addressable market compared to A2B (which is limited to taxi operators). The high multiples attributable to these businesses reflects the large addressable market and high growth expectations for these businesses<sup>74</sup>
  - (iii) Camplify Holdings (which primarily generates revenue by retaining a percentage of the transaction value of bookings processed on its peer-to-peer van-sharing platforms) does not currently generate any material earnings as it has pursued growth in the size and scale of its platforms. Accordingly, the multiples for Camplify Holdings are not considered meaningful
- (c) on 1 June 2023, Kelsian Group completed the acquisition of All Aboard America! Holdings Inc. (AAAH) for an enterprise value of approximately \$487 million. The historic FY23 multiple for Kelsian Group is not considered to be meaningful as it only includes a one month earnings contribution from the AAAHI acquisition
- (d) with the exception of CDG which is based on average analyst forecasts, the FY23 multiples set out above are based on actual results
- (e) the majority of the listed companies set out above are larger than A2B. In this regard we note that, all else equal, smaller listed companies generally trade on lower multiples than larger listed companies
- (f) the multiples are based on closing share prices at a point in time and are not necessarily representative of the range of multiples that the companies trade on over time.

***A2B's trading multiples over time***

208 We set out below the one year forward EBITDA multiples (based upon average analyst forecasts sourced from FactSet) exhibited by trading in A2B shares prior to COVID-19<sup>75</sup>:

<sup>74</sup> For instance, Tyro Payments generated a 25% CAGR in transaction volumes processed from FY19 to FY23.

<sup>75</sup> Subsequent to this period, the implied multiples for A2B are either not meaningful or based on low / depressed levels of earnings which are still exhibiting a recovery post COVID-19.

**A2B – one year forward EBITDA multiples**  
**1 January 2018 to 31 January 2020**



Source: FactSet and LEA analysis.

209 In respect of the above, we note that:

- (a) the implied multiples above are based on the listed market price of A2B shares (and therefore exclude a premium for control)
- (b) over this period, A2B's operations were primarily focused on taxi operator and passenger services and A2B exhibited a relatively stable level of earnings with relatively modest growth expectations. A2B generally traded on a one year forward EBITDA multiple between 4.5 times and 6.5 times (the average over the period was 5.2 times)
- (c) the calculated one year forward EBITDA multiples set out above do not include any adjustment for the notional sale and leaseback of A2B's property assets (which have now been sold). If these adjustments were made, the observed one year forward EBITDA multiples attributable to A2B's business operations would be lower
- (d) although it is not possible to discern with certainty, it would appear that the one year forward EBITDA estimates for A2B over the above period are not impacted by AASB 16 as A2B did not adopt AASB 16 until 1 July 2019 (i.e. FY20) and first reported the EBITDA impact of AASB 16 as part of its 1H20 results announcement on 27 February 2020.

***Transaction evidence***

210 In recent years, there have been a number of transactions involving the acquisition of entities that were (at the time of the transaction) engaged in provision of personal transportation services<sup>76</sup>. A summary of the transactions that we identified and for which multiples can be derived based upon publicly available information is set out in the following table:

<sup>76</sup> With the exception of the transactions relating to A2B, we have limited our transaction analysis to companies which primarily operated in Australia.

Transaction evidence – personal transportation services<sup>(1)</sup>

Date <sup>(2)</sup>	Target	Primary business	EV <sup>(3)</sup> A\$m	EV / EBITDA x
<b>Acquisitions / divestments completed by A2B</b>				
Apr 19	Gold Coast Cabs	Taxi services	2.5	2.5F
Jun 18	MTI	Taxi services, SaaS	6.6	na
Jun 17	CityFleet Networks (49% interest)	Taxi and bus services	27.3	5.6H
Jun 17	Yellow Cabs	Taxi services	19.5	5.2F
Dec 16	CDC Bus Joint Venture (49% interest)	Bus services	379.6	6.5H
<b>Other transaction evidence</b>				
Oct 22	Horizons West Bus and Coachlines	Bus services	30.4	5.8H
Apr 19	B&E Blanch Pty Ltd	Bus services	28.3	7.6H
May 18	Black & White Cabs	Taxi services	20.1	4.1 – 5.1F

**Note:**

- 1 A brief description of each transaction is set out at Appendix F.
- 2 Date of announcement.
- 3 Implied value of an acquisition of 100% if transaction does not already involve an acquisition of 100%. Foreign currencies have been converted to AUD at the exchange rate prevailing as at the date of announcement.

na – not available, F – forecast, H – historic.

**Source:** Company announcements, press commentary and LEA analysis.

211 In relation to the transaction evidence, it should be noted that:

- (a) except where noted, the transactions relate to the acquisition of 100% of the businesses and therefore implicitly incorporate a premium for control
- (b) the acquisitions of Yellow Cabs and Black & White Cabs are considered the most comparable transaction to A2B's operations, however the size of their respective businesses and fleet were significantly smaller than A2B's. In addition, regarding Black & White Cabs we note that:
  - (i) a significant proportion of the consideration offered related to potential contingent consideration of up to \$12 million (compared to the initial upfront consideration of \$8.1 million)
  - (ii) the contingent consideration was payable based on a formula of 4.0 times the contributed EBITDA from Black & White Cabs which exceeded \$2.0 million (before synergies) in each of FY19 and FY20 (capped at \$3.5 million EBITDA in those periods)
  - (iii) Black & White Cabs was expected to contribute EBITDA of \$3.5 million in FY19 (before synergies) which, prima facie, would result in 100% of the contingent consideration being paid. If this were to occur the implied multiple would be 5.7 times. However, if no earnout was payable<sup>77</sup>, the implied multiple would be some 4.1 times

<sup>77</sup> In this circumstance, Black & White Cabs would be have generated EBITDA of no more than \$2.0 million during either FY19 or FY20.

- (c) the majority of the other acquired companies are also smaller and have less diversified operations than A2B. In this regard we note that all else being equal, smaller companies generally transact on lower multiples than larger companies
- (d) the transaction multiples are generally calculated based on the most recent actual earnings (historic multiples) or expected future earnings for the current year at the date of the transaction (forecast multiples). The multiples are therefore not necessarily reflective of the multiple which would be derived from an assessment of each target company's "maintainable" earnings.

***Potential synergies***

212 CDG has not provided any specific guidance on the level of synergies it expects to realise from the acquisition of A2B. However, if the Scheme is approved and implemented, A2B will be delisted from the ASX, resulting in the elimination of listed public company costs.

213 That said:

- (a) as set out in RG 111, synergies that are not available to other potential bidders should not be taken into account in the valuation of the target company when assessing whether an offer is fair
- (b) the EBITDA multiples implied by recent transaction evidence generally reflected an expectation that synergies would be generated
- (c) the existence of synergies from business combinations is one of the key reasons why bidders pay a control premium to acquire a company.

214 Consequently, in our opinion, it would be inappropriate (in the circumstances of A2B) to expect the multiples implied by our DCF valuation to reflect other than a normal level of synergies.

**Conclusion on the reasonableness of the implied FY24 and FY25 multiples**

215 In concluding on the reasonableness of the implied FY24 and FY25 multiples, we note that:

- (a) the implied multiples are higher than the implied TV / EBITDA multiples which we consider are reasonable in the circumstances (refer conclusion on TV / EBITDA multiples below). This is appropriate, given A2B's short-to-medium term earnings growth expectations
- (b) the multiples are significantly less than those exhibited by the payment processing entities Tyro Payments and SmartPay Holdings (both of which are expected to exhibit higher rates of growth in EBITDA than those reflected in our DCF valuation of A2B)
- (c) the multiples are also less than those exhibited by Kelsian Group, which has broadly similar growth expectations but greater earnings stability due to the long term nature of its contracts. Kelsian Group is also significantly larger than A2B
- (d) the FY24 and FY25 EBITDA multiples upon which A2B was trading prior to the announcement of the Scheme (which reflected the market's short-to-medium term

growth expectations for the Company<sup>78</sup>) are consistent with those implied by our DCF valuation, after an allowance for a control premium has been made<sup>79</sup>.

216 Based upon the above, in our opinion, the implied FY24 and FY25 EBITDA multiples appear reasonable.

**Conclusion on reasonableness of TV / EBITDA multiples**

217 In concluding on the reasonableness of the implied TV / EBITDA multiples we note that:

- (a) whilst the listed company EBITDA multiples (after the application of a control premium) are generally higher than the implied TV / EBITDA multiples, these multiples are based on historic / near term earnings with a higher growth outlook (and are therefore less relevant for the TV / multiple cross-check). That said, we note the multiples for CDG (which has the most modest near term growth expectations) are more consistent with the implied TV / EBITDA multiples (albeit CDG is not considered to be directly comparable to A2B)
- (b) the implied TV / EBITDA multiples are broadly consistent with the historical forward EBITDA multiples upon which A2B traded prior to COVID-19 (i.e. with the multiples observed for A2B when it exhibited a relatively stable level of earnings with relatively modest growth expectations) after allowing for:
  - (i) the application of a control premium (which would increase the observed EBITDA multiples relative to those set out at paragraph 208)
  - (ii) the impacts from the sale and leaseback of the A2B's property assets (which would decrease the observed EBITDA multiples)
- (c) whilst the transactions involving companies engaged in the provision of taxi and personal transport services are likely to reflect varying rates of growth (noting this information is generally not available) we would expect the appropriate TV / EBITDA multiples for A2B to be no less than these EBITDA multiples given the significantly larger size of A2B's business compared to these companies.

218 Based on the above, in our opinion, the implied TV / EBITDA multiples appear reasonable.

**Other assets / (liabilities)**

219 As at 31 December 2023, A2B had a number of other non-core assets / (liabilities) for which it is appropriate that an allowance be made when assessing the value of the equity in A2B. The assets and liabilities are as follows, and in aggregate amount to a net asset position of \$1.0 million to \$1.5 million

- (a) **Unlisted investments** – A2B held investments in unrelated taxi network operations which were carried at some \$1.0 million as at 31 December 2023. For the purposes of our valuation, we consider it appropriate to allow for the value of these investments (noting that the earnings contribution from these investments is not reflected in our assessed value of A2B's business operations). Based on our review of the underlying

<sup>78</sup> A2B's historical forward EBITDA multiples are less relevant for the FY24 and FY25 cross-check as these multiples reflect lower growth expectations.

<sup>79</sup> A2B's FY24 and FY25 EBITDA multiples (based upon analyst estimates) were 8.0 times and 7.0 times respectively (after allowing for a 32.5% control premium).

financial performance and position of these investments, we have adopted a value range of \$1.0 million to \$1.5 million net of tax

- (b) **Finance lease receivables** – as at 31 December 2023, A2B had finance lease receivables of \$7.8 million with respect to vehicle and insurance loans provided to drivers within its network
- (c) **Bus receivable** – as at 31 December 2023, A2B still had outstanding (deferred) consideration of \$0.6 million in respect of the sale of its SA bus business
- (d) **Property sale transaction costs** – A2B had accrued costs of \$1.9 million as at 31 December 2023 which were associated with the sale of its O’Riordan Street and Oakleigh properties
- (e) **Payment to Mark Bayliss** - Mr Bayliss will be entitled to receive a one-off payment of \$0.3 million (pre-tax) pursuant to any change of control transaction (such as implementation of the Scheme) for his role at A2B, including his role in the sale of A2B’s properties
- (f) **ATO payment liability** – during the COVID-19 pandemic, A2B deferred certain liabilities with the Australian Taxation Office (ATO) (GST and PAYG). The total amount of these liabilities as at 31 December 2023 was \$4.7 million
- (g) **Non-controlling interests** – our assessed value of A2B’s business operations includes an element of value which is attributable to A2B’s non-controlling interests. As at 31 December 2023, the carrying value of A2B’s non-controlling interests was some \$1.6 million which represents an implied profit before tax (as a proxy for EBITDA) multiple of 4.1 times<sup>80</sup>. We consider these implied multiples to be reasonable, having regard to the minority interest status of these equity interests (including their lack of marketability). Accordingly, we have adopted a value attributable to A2B’s non-controlling interests of \$1.6 million.

### Net cash

220 As at 31 December 2023, A2B had net cash of \$8.5 million after making an allowance for the \$73.8 million payable with respect to the Special Dividend (which was paid on 30 January 2024). In addition, we note that:

- (a) some \$0.5 million of A2B’s reported cash as at 31 December 2023 was attributable to non-controlling interests referred to above
- (b) the reported net debt position does not reflect the unpaid proportion of the unavoidable transaction costs associated with the Scheme<sup>81</sup> for which A2B is responsible. None of these expenses (estimated at some \$1.2 million pre-tax<sup>82</sup>) had been paid or accrued as at 31 December 2023

221 Having regard to the above, we have adopted net cash of \$7.1 million for valuation purposes.

<sup>80</sup> Based on the share of A2B’s reported net profit after tax in FY23 that was attributable to these non-controlling interests (i.e. \$0.3 million).

<sup>81</sup> That is, costs that would be incurred even if the Scheme were not to proceed.

<sup>82</sup> Being some \$0.8 million post-tax.



### Share capital outstanding

- 222 A2B has some 123.0 million fully paid ordinary shares on issue.
- 223 In addition, there are 2.5 million performance rights which have been issued to key management personnel, executives and other employees as part of A2B's long term incentive plan. Under the terms of the relevant plan rules, in the event of a change of control transaction the A2B Board has discretion to determine the treatment of any unvested performance rights. The A2B Board intends to exercise its discretion and vest all of the unvested performance rights subject to the Scheme becoming effective and the ASX granting any waivers to the extent necessary to permit such an exercise of discretion by the A2B Board<sup>83</sup>.
- 224 Accordingly, for valuation purposes we have adopted 125.5 million fully diluted shares on issue.

### Valuation summary

- 225 Given the above, we have assessed the value of 100% of the equity in A2B on a controlling interest basis as follows:

A2B – valuation summary <sup>(1)</sup>			
	Paragraph	Low \$m	High \$m
Assessed enterprise value	194	155.0	185.0
Other assets / (liabilities)	219	1.0	1.5
Net cash	221	7.1	7.1
<b>Equity value – controlling interest basis</b>		<b>163.2</b>	<b>193.7</b>
Fully diluted shares on issue (million)	224	125.5	125.5
<b>A2B value per share – controlling interest basis (\$)</b>		<b>1.30</b>	<b>1.54</b>

**Note:**

- 1 Rounding differences may exist.

### Comparison with listed market price

- 226 We have also considered the listed market prices of A2B shares up to and including 21 December 2023 (being the last trading day prior to the announcement of the Scheme) adjusted for the Special Dividend of \$0.60 per share declared on 22 December 2023 and paid on 30 January 2024 (noting our assessed value of A2B shares has been undertaken on an ex-Special Dividend basis). These adjusted market prices are shown below:

<sup>83</sup> Noting that subject to the Agreement, A2B must ensure by the Effective Date there are no outstanding performance rights on issue.

**A2B – share prices prior to the announcement of the Scheme**

	Low \$	High \$	Close / VWAP \$
<b>Unadjusted A2B share trading<sup>(1)</sup></b>			
Closing share price on 21 December 2023	na	na	1.83
1 month <sup>(2)</sup> VWAP to 21 December 2023	1.57	1.84	1.77
30 trading days <sup>(2)</sup> to 21 December 2023	1.47	1.84	1.74
3 month VWAP to 21 December 2023	1.47	1.84	1.71
<b>Adjusted A2B share trading<sup>(3)</sup></b>			
Closing share price on 21 December 2023	na	na	1.23
1 month <sup>(2)</sup> VWAP to 21 December 2023	0.97	1.24	1.17
30 trading days <sup>(2)</sup> to 21 December 2023	0.87	1.24	1.14
3 month VWAP to 21 December 2023	0.87	1.24	1.11

**Note:**

- Share trading in A2B is based on total on-market and off-market trades with the exception of two significant block trades which occurred on 19 October 2023 (1.6 million shares at \$1.52) and 7 November 2023 (2.0 million shares at \$1.49).
- Represents the calendar month to 21 December 2023, which differs to the “30 day VWAP” which is based upon 30 business days of trading (i.e. from 10 November 2023 to 21 December 2023).
- The share prices of A2B have been adjusted for the Special Dividend of \$0.60 per share. We note that prior to the announcement of the Scheme, the market was anticipating a fully franked special dividend of \$0.55 per share and the extent to which the \$0.05 per share difference (between the anticipated special dividend and the actual Special Dividend) was fully reflected in the A2B share price is unable to be determined. The adjusted A2B share price would be marginally higher in the event that the \$0.05 per share difference was not fully reflected in the A2B share price.

na – not applicable.

**Source:** FactSet and LEA analysis.

- 227 Having regard to the above, we have adopted an “undisturbed” share price for A2B on an ex-Special Dividend basis of \$1.10 to \$1.20 for the purposes of our comparison.
- 228 Empirical evidence from research undertaken by LEA indicates that the average premium paid above the listed market price in successful takeovers in Australia ranges between 30% and 35% (assuming the pre-bid market price does not reflect any speculation of the takeover)<sup>84</sup>.
- 229 Adding a 30% to 35% premium for control to the adopted “undisturbed” share price results in a theoretical “control” value of \$1.43 to \$1.62 per A2B share on an ex-Special Dividend basis, which is broadly consistent with of our assessed valuation range<sup>85</sup>.

<sup>84</sup> LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period 2000 to June 2023. LEA’s study covered around 500 transactions in all sectors excluding real estate investment trusts, based on data sourced from Bloomberg, Connect4, FactSet and public company transaction documents and ASX announcements. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement.

<sup>85</sup> Noting that the high end of this range is broadly based upon the one month VWAP and that (as discussed in Section VI) trading in A2B shares during this period is likely to be partly (positively) affected by the anticipated declaration of the fully franked Special Dividend. In the absence of this factor (and all else being equal), the high end of the theoretical “control” value range would be less (as too would the low end, albeit to a lesser extent).

## VI Evaluation of the Scheme

230 In our opinion, the Scheme is fair and reasonable and in the best interests of A2B Shareholders in the absence of a superior proposal. We have formed this opinion for the reasons set out below.

### Assessment of “fairness”

231 As set out in Section V, we have assessed the value of A2B on a 100% controlling interest basis at between \$1.30 to \$1.54 per share.

232 If the Scheme is approved and implemented, A2B Shareholders will receive \$1.45 cash for each A2B share they hold on the Scheme Record Date (Scheme Consideration).

233 Pursuant to RG 111, a scheme is “fair” if the value of the scheme consideration is equal to, or greater than the value of the securities the subject of the scheme. This comparison is shown below:

Comparison of Scheme Consideration to value of A2B			
	Low	Mid-point	High
	\$ per share	\$ per share	\$ per share
Value of Scheme Consideration	1.45	1.45	1.45
Value of 100% of A2B	1.30	1.42	1.54
<b>Extent to which the Scheme Consideration exceeds (or is less than) the value of A2B</b>	<b>0.15</b>	<b>0.03</b>	<b>(0.09)</b>

234 As the Scheme Consideration lies within our assessed valuation range for A2B shares on a 100% controlling interest basis, in our opinion, the Scheme Consideration is “fair” to A2B Shareholders when assessed in accordance with the guidelines set out in RG 111.

### Assessment of “reasonableness” and “in the best interests”

235 Pursuant to RG 111, a transaction is reasonable if it is fair. Accordingly, in our opinion, the Scheme is also “reasonable”.

236 There is no legal definition of the expression “in the best interests”. However, RG 111 notes that if an expert concludes that a scheme is “fair and reasonable”, or “not fair but reasonable”, then the expert will also be able to conclude that the scheme is “in the best interests” of members of the company.

237 Generally, in our experience, if a transaction is “fair” and “reasonable” under RG 111 it will also be “in the best interests” of shareholders. This is because if the consideration payable pursuant to a scheme is fair, shareholders are implicitly receiving consideration for their shares which is consistent with the full underlying value of those shares.

238 We therefore consider the Scheme is also “in the best interests” of A2B Shareholders in the absence of a superior proposal.

**Other considerations**

239 In assessing whether the Scheme is reasonable and in the best interests of A2B Shareholders LEA has also considered, in particular:

- (a) the extent to which a control premium is being paid to A2B Shareholders
- (b) the extent to which A2B Shareholders are being paid a share of any synergies likely to be generated pursuant to the Scheme
- (c) the listed market price of A2B shares, both prior to and subsequent to the announcement of the Scheme
- (d) the likely market price of A2B shares if the Scheme is not approved
- (e) the value of A2B to an alternative offeror and the likelihood of a higher alternative offer being made for A2B prior to the date of the Scheme meeting
- (f) other qualitative and strategic issues associated with the Scheme; and
- (g) the advantages and disadvantages of the Scheme from the perspective of A2B Shareholders.

240 These issues are discussed in detail below.

**Extent to which a control premium is being paid**

241 It is customary when assessing the merits of a proposed change of control transaction to assess the extent of the premium offered under the proposal by comparing the offer to the pre-bid market prices of the target company's shares.

242 Research undertaken by LEA<sup>86</sup> indicates that average premiums paid in successful takeovers in Australia generally range between 30% and 35% above the unaffected market price of the target company's shares<sup>87</sup>. This premium range reflects the fact that:

- (a) the owner of 100% of the shares in a company obtains access to all the free cash flows of the company being acquired, which it would otherwise be unable to do as a minority shareholder
- (b) the controlling shareholder can direct the disposal of surplus assets and the redeployment of the proceeds
- (c) a controlling shareholder can control the appointment of directors, management policy and the strategic direction of the company
- (d) a controlling shareholder is often able to increase the value of the entity being acquired through synergies and/or rationalisation savings.

<sup>86</sup> LEA has analysed the control premiums paid in successful takeovers and other change in control transactions involving cash consideration in Australia over the period January 2000 to June 2023. LEA's study covered around 500 transactions in all sectors excluding real estate investment trusts and listed investment companies, based on data sourced from Bloomberg, FactSet, Connect4 and ASX company announcements. Scrip transactions were excluded from the analysis because the value of the scrip consideration can vary materially depending on the date of measurement. Negative premiums and outliers (premiums over 60%) were also excluded.

<sup>87</sup> Taken to be the share price one month prior to the earlier of the transaction announcement or market speculation that a transaction would occur. This price was adjusted for the movement in the S&P/ASX All Ordinaries Accumulation Index over the one month period.

243 We have calculated the premium implied by the Scheme Consideration by reference to the trading in A2B shares for periods up to and including 21 December 2023 (being the last trading day prior to the announcement of the Scheme) which we have adjusted for the \$0.60 per share Special Dividend:

Implied offer premium relative to recent A2B share prices			
	A2B share price <sup>(1)</sup>	Adjusted A2B share price <sup>(2)</sup>	Implied control premium <sup>(3)</sup>
	\$	\$	%
Closing share price on 21 December 2023 <sup>(4)</sup>	1.83	1.23	18
1 month VWAP to 21 December 2023 <sup>(5)</sup>	1.77	1.17	24
30 trading day VWAP to 21 December 2023 <sup>(5)</sup>	1.74	1.14	27
3 month VWAP to 21 December 2023 <sup>(6)</sup>	1.66	1.11	31

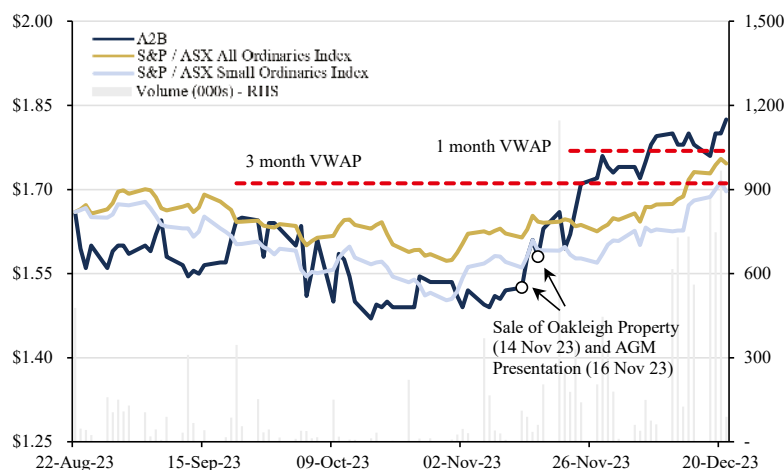
**Note:**

- 1 Share trading in A2B is based on total on-market and off-market trades with the exception of two significant block trades which occurred on 19 October 2023 (1.6 million shares at \$1.52) and 7 November 2023 (2.0 million shares at \$1.49).
- 2 The share prices of A2B have been adjusted for the Special Dividend of \$0.60 per share. We note that prior to the announcement of the Scheme, the market was anticipating a fully franked special dividend of \$0.55 per share and the extent to which the \$0.05 per share difference (between the anticipated special dividend and the actual Special Dividend) was fully reflected in the A2B share price is unable to be determined. The implied control premiums would be marginally lower in the event that the \$0.05 per share difference was not fully reflected in the A2B share price.
- 3 Based on Scheme Consideration divided by the adjusted A2B share price.
- 4 Being the last trading day prior to the announcement of the Scheme.
- 5 Represents the calendar month to 21 December 2023, which differs to the "30 day VWAP" which is based upon 30 business days of trading (i.e. from 10 November 2023 to 21 December 2023).
- 6 Includes a relatively immaterial period of trading during which there was an entitlement to the final dividend for FY23 of \$0.05 per share that was declared on 22 August 2023 (A2B shares traded ex-dividend on 28 September 2023).

244 Whilst the premium implied by the three month VWAP is consistent with the range of average premiums generally paid in successful takeovers in Australia<sup>88</sup>, we note that the premiums based on the more recent adjusted trading in A2B shares (e.g. the closing price on 21 December 2023 and one month VWAP) are below those generally observed. However, we note that the A2B share price exhibited a significant increase (on improved daily volumes) leading up to the announcement of the Scheme (as depicted below):

<sup>88</sup> Assuming the pre-bid market price does not reflect any speculation of the takeover.

**A2B share trading prior to the announcement of the Scheme<sup>(1)(2)</sup>  
22 August 2023 to 21 December 2023<sup>(3)</sup>**



**Note:**

- 1 Share trading in A2B is based on total on-market and off-market trades with the exception of two significant block trades which occurred on 19 October 2023 (1.6 million shares at \$1.52) and 7 November 2023 (2.0 million shares at \$1.49).
- 2 The S&P/ASX All Ordinaries Index and the S&P/ASX Small Ordinaries Index have been rebased to A2B's closing share price of \$1.66 on 22 August 2023.
- 3 Being the period subsequent to the release of A2B's financial results for FY23 (on 22 August 2023) up to the last trading day prior to the announcement of the Scheme.

**Source:** FactSet and LEA analysis.

245 Regarding the above, we note that:

- (a) over the period from 1 November 2023<sup>89</sup> to 21 December 2023, the A2B share price increased by some 20.9% (or \$0.32 per share)<sup>90</sup>, which exceeded the observed increase in the S&P/ASX All Ordinaries Index and the S&P/ASX Small Ordinaries Index over the same period of 10.0% and 11.7% respectively
- (b) there were only a limited number of market sensitive announcements made by A2B between 1 November 2023 and 21 December 2023 that may explain A2B's excess return:
  - (i) on 14 November 2023 (prior to market open), A2B announced that it had exchanged contracts for the sale of its Oakleigh property for \$8 million. Although the sale price exceeded the carrying value of the property as at 30 June 2023 (\$2.2 million) it is unlikely to have materially differed from market expectations<sup>91</sup>. Further, the announcement appeared to have no immediate price impact on A2B shares (A2B shares opened on that day at prices that were consistent with the prior day's close). That said, A2B shares closed up \$0.055 per share, or 3.6% on the day

<sup>89</sup> When A2B, the S&P/ASX All Ordinaries Index and the S&P/ASX Small Ordinaries Index were trading around their lowest levels over the period set out above.

<sup>90</sup> Based on the closing price on the 21 December 2023 of \$1.825.

<sup>91</sup> A2B's three property assets were independently valued at \$102 million to \$114 million in 2022. Two of the property assets were sold (prior to 1 November 2023) for prices that were said to be consistent with the property valuations (\$97 million), implying a value for the Oakleigh property (based upon the 2022 property valuations) of at least \$5 million.

- (ii) on 16 November 2023, A2B released its FY23 AGM presentation materials which, inter alia, reaffirmed its FY24 EBITDA guidance<sup>92</sup> despite the “softer market environment”. We note that A2B shares closed down \$0.03 per share, or 1.9% on the day
- (c) prior to 1 November 2023, A2B had indicated that it intended to return the net proceeds from the sale of its property assets to A2B shareholders via a fully franked Special Dividend of \$0.55 per share. The value of the Special Dividend was material in the context of A2B’s share price, particularly when considering the associated franking credits<sup>93</sup>. Although the timing of the Special Dividend was dependent upon the property settlement dates (particularly O’Riordan Street), it was expected to be declared by no later than 31 December 2023. We note that the A2B share price (and trading volumes) increased as the anticipated Special Dividend declaration date approached.

246 Although it is not possible to quantify with any certainty, in our view, the anticipated declaration of the fully franked Special Dividend contributed to the appreciation in the A2B share price (and trading volumes) in the period immediately prior to the announcement of the Scheme. In the absence of this factor (which does not affect the value of A2B’s underlying business) and all else being equal, the premiums implied by the close and one month VWAP would be higher than those set out in the table at paragraph 243 and in all likelihood more closely approximate the lower end of the range of average premiums generally paid in successful takeovers in Australia<sup>94</sup>.

247 Having regard to the implied control premiums and the discussion above, in our opinion, A2B Shareholders are being compensated for the fact that control of A2B will pass to the CDG Group if the Scheme is approved and implemented<sup>95</sup>.

**Extent to which A2B Shareholders are being paid a share of synergies**

248 The CDG Group has not provided any specific guidance on the level of synergies it expects to realise from the acquisition of A2B. However, if the Scheme is approved and implemented, A2B will be delisted from the ASX, resulting in the elimination of listed public company costs (e.g. Director fees, listing fees, share registry fees, shareholder communication costs etc.). In our view, it is also reasonable to expect that the CDG Group will generate additional synergies as a result of the transaction noting for instance, there is a reasonable degree of overlap between A2B and the CDG Group’s physical office locations throughout Australia.

249 Whilst the level of synergies expected to be generated by the CDG Group is unknown, our valuation range incorporates a premium for control. Further, the existence of synergies from

<sup>92</sup> A2B previously provided FY24 EBITDA guidance (of circa \$22 million) on 22 August 2023.

<sup>93</sup> We note that franking credits provide additional value (i.e. value over and above the cash value of the dividend) to those Australian resident shareholders who are able to benefit from the franking credits and that a portion of this value can often be reflected in the share price of the subject company prior to it trading ex-dividend (as is evidenced in respect of A2B at paragraphs 251 and 252(a)).

<sup>94</sup> For example, if 25% or 50% (or \$0.03 or \$0.08 per share) of the excess return over the period was attributed to the Special Dividend, the implied premiums based upon the close would be 22% and 27% respectively. Similarly, the implied premiums based on the one month VWAP would be 28% and 33% respectively. The same issue also impacts the implied premium based upon the three month VWAP, however, to a lesser extent.

<sup>95</sup> Noting however, that if the implied premium is measured solely by reference to the one month VWAP, the implied premium is marginally less than / toward the lower end of the range of the average premiums generally paid.

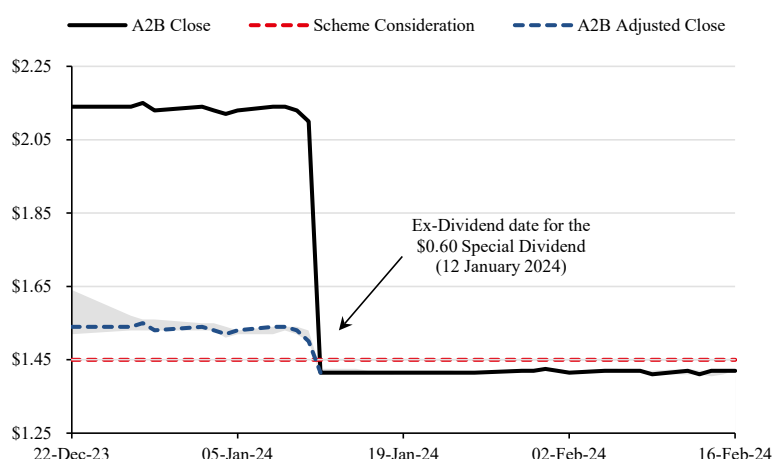
business combinations is one of the key reasons why bidders pay a premium to acquire a company.

250 Given that the Scheme Consideration falls within our valuation range (noting our valuation includes an allowance for public company cost saving synergy benefits) and the observed control premiums are also broadly consistent with the range of average premiums generally paid in successful takeover in Australia, it would therefore appear that a proportion of the synergy benefits expected to be realised by the CDG Group are being reflected in the Scheme Consideration.

**Recent share prices subsequent to the announcement of the Scheme**

251 The following chart depicts the share trading in A2B shares subsequent to the announcement of the Scheme relative to the Scheme Consideration offered:

**A2B share trading post announcement of the Scheme<sup>(1)(2)</sup>  
22 December 2023 to 16 February 2024**



**Note:**

- 1 The share prices of A2B over the period from 22 December 2023 to 11 January 2024 (when A2B shares traded cum-dividend) have been adjusted for the Special Dividend of \$0.60 (refer to the A2B Adjusted Close in the chart above).
- 2 The intraday trading range for A2B shares is represented by the grey shaded area and for the period 22 December 2023 to 11 January 2024 is based on the adjusted A2B share prices.

Source: FactSet and LEA analysis.

252 Regarding the above we note:

- (a) over the period from 22 December 2023 to 11 January 2023, A2B shares (adjusted for the Special Dividend of \$0.60) traded in the range of \$1.50 to 1.64 per share with a VWAP of \$1.54 per share<sup>96</sup>. While trading over this period exceeded the Scheme Consideration (by approximately \$0.09 per share), we note that the Special Dividend included an additional \$0.25 per share in franking credits which is likely to have provided additional value (i.e. value over and above the cash value of the dividend of \$0.60 per share) to those Australian resident shareholders who were able to benefit from

<sup>96</sup> Excluding share trading on 22 December 2023, A2B shares traded in the range of \$1.50 to \$1.57 per share with a VWAP of \$1.53 per share.



the franking credits. We have not adjusted the A2B share price for the additional value that is likely to have been attributed to the franking credits

- (b) subsequent to 12 January 2024 (when A2B shares traded ex the Special Dividend) up to 16 February 2024, A2B shares have traded in the range of \$1.41 to 1.43 per share with a VWAP of \$1.42 per share which is marginally less than the Scheme Consideration.

253 In our view, the abovementioned trading suggests that in the absence of a superior proposal, the consensus market view is that the Scheme is likely to be successful.

**Likely price of A2B shares if the Scheme is not implemented**

254 If the Scheme is not implemented and no alternative proposal emerges (the potential for which is discussed below), we expect that, at least in the short term, A2B shares will trade at a significant discount to our valuation and the Scheme Consideration due to the difference between the value of A2B shares on a minority interest basis and their value on a 100% controlling interest (i.e. takeover) basis.

255 In this regard we note that A2B shares (adjusted for the Special Dividend<sup>97</sup>) last traded at \$1.23 per share on 21 December 2023 (being the last trading day prior to the announcement of the Scheme). We also note that over the one month to 21 December 2023, A2B shares (adjusted for the Special Dividend) traded within a range of \$0.97 and \$1.24 per share with a VWAP of \$1.17 per share.<sup>98</sup>

256 If the Scheme is not implemented those A2B Shareholders who wish to sell their A2B shares are therefore likely, at least in the short term, to realise a significantly lower price for their shares than will be payable under the Scheme.

**Likelihood of an alternative offer / superior proposal**

257 We have been advised by the A2B Directors that no superior alternative proposal for A2B has been received since the announcement of the Scheme on 22 December 2023.

258 Whilst there has effectively been (and remains) an opportunity for other third parties contemplating an acquisition of A2B (or an alternative transaction) to table a proposal, A2B Shareholders should note:

- (a) the “No-Shop”, “No-Talk” and “No-Due Diligence” (and break fee of \$1.82 million) obligations to which A2B is subject pursuant to the Agreement, which are summarised in Section I of this report and discussed in further detail in the Scheme Booklet
- (b) as at the date of this report, the CDG Group held some 11.6 million shares in A2B (representing 9.44% of the shares on issue)
- (c) the A2B business is complementary to the CDG Group’s business (particularly its Australian based operations) and the potential exists for operational synergies between the two businesses. We note that there are relatively limited other local trade buyers that would also be likely to benefit from similar operational synergies.

<sup>97</sup> Noting the Special Dividend was paid on 30 January 2024.

<sup>98</sup> Noting that trading in A2B shares during this period is likely to be partly (positively) affected by the anticipated declaration of the fully franked Special Dividend. In the absence of this factor (and all else being equal), the prices for A2B shares are likely to have been lower.

259 Although it is possible that a competing or superior proposal may emerge prior to the Scheme meeting, in our opinion, the factors set out above diminish the likelihood of this outcome.

### Summary of opinion on the Scheme

260 We summarise below the likely advantages and disadvantages for A2B Shareholders if the Scheme proceeds.

#### Advantages

261 In our opinion, the Scheme has the following benefits for A2B Shareholders:

- (a) the Scheme Consideration of \$1.45 cash per share is within our assessed value range for A2B shares on a 100% controlling interest basis. Thus, in our view, A2B Shareholders are being paid an appropriate price to compensate them for the fact that control of A2B will pass to the CDG Group if the Scheme is approved
- (b) the Scheme Consideration represents a significant premium to the adjusted market prices of A2B shares prior to the announcement of the Scheme<sup>99</sup>. Furthermore, the premium based upon the adjusted three month VWAP is consistent with the observed range of premiums generally paid to target company shareholders in comparable circumstances (the premium based on the adjusted one month VWAP is marginally less than / toward the lower end of the range of observed premiums<sup>100</sup>)
- (c) if the Scheme does not proceed, and in the absence of an alternative offer or proposal, the price of A2B shares is likely to trade at a significant discount to our valuation and the Scheme Consideration due to the difference between the value of A2B shares on a minority interest basis and their value on a 100% controlling interest (i.e. takeover) basis.

#### Disadvantages

262 A2B Shareholders should note that if the Scheme is implemented they will no longer hold an interest in A2B. A2B Shareholders will therefore not participate in any future value created by the Company over and above that reflected in the Scheme Consideration.

263 However, as the Scheme Consideration lies within our assessed value of A2B shares, in our opinion, the present value of A2B's future potential (in the absence of the Scheme) is reflected in the Scheme Consideration.

#### Conclusion

264 Given the above analysis, we consider the advantages of the Scheme outweigh the disadvantages. Accordingly, in our opinion, the acquisition of A2B shares under the Scheme is fair and reasonable and in the best interests of A2B Shareholders in the absence of a superior proposal.

<sup>99</sup> Adjusted for the Special Dividend of \$0.60 per share declared on 22 December 2023 and paid on 30 January 2024.

<sup>100</sup> Trading in A2B shares during this period is likely to be partly (positively) affected by the anticipated declaration of the fully franked Special Dividend. In the absence of this factor (and all else being equal), the premiums implied by the one month VWAP would be higher than those set out in the table at paragraph 243 and in all likelihood more closely approximate the lower end of the range of average premiums generally paid in successful takeovers in Australia.

## A Financial Services Guide

### Lonergan Edwards & Associates Limited

- 1 Lonergan Edwards & Associates Limited (ABN 53 095 445 560) (LEA) is a specialist valuation firm which provides valuation advice, valuation reports and independent expert's reports (IER) in relation to takeovers and mergers, commercial litigation, tax and stamp duty matters, assessments of economic loss, commercial and regulatory disputes.
- 2 LEA holds Australian Financial Services Licence No. 246532, which authorises it to provide a broad range of financial services to retail and wholesale clients, including providing financial product advice in relation to various financial products such as securities, derivatives, interests in managed investment schemes, superannuation products, debentures, stocks and bonds.

### Financial Services Guide

- 3 LEA has been engaged by A2B to provide general financial product advice in the form of an IER in relation to the Scheme. The *Corporations Act 2001 (Cth)* (Corporations Act) requires that LEA include this Financial Services Guide (FSG) with our IER.
- 4 This FSG is designed to assist retail clients in their use of the general financial product advice contained in the IER. This FSG contains information about LEA generally, the financial services we are licensed to provide, the remuneration we may receive in connection with the preparation of the IER, and if complaints against us ever arise how they will be dealt with.

### General financial product advice

- 5 The IER contains general financial product advice only and has been prepared without taking into account your personal objectives, financial situation or needs. You should consider your own objectives, financial situation and needs when assessing the suitability of the IER to your situation. You may wish to obtain personal financial product advice from the holder of an Australian Financial Services Licence to assist you in this assessment.

### Fees, commissions and other benefits we may receive

- 6 LEA charges fees to produce reports, including this IER. These fees are negotiated and agreed with the entity who engages LEA to provide a report. Fees are charged on an hourly basis or as a fixed amount depending on the terms of the agreement with the entity who engages us. In the preparation of this IER, LEA is entitled to receive a fee estimated at \$195,000 plus GST.
- 7 Neither LEA nor its directors and officers receives any commissions or other benefits, except for the fees for services referred to above.
- 8 All of our employees receive a salary. Our employees are eligible for bonuses based on overall performance and the firm's profitability, and do not receive any commissions or other benefits arising directly from services provided to our clients. The remuneration paid to our directors reflects their individual contribution to the company and covers all aspects of performance. Our directors do not receive any commissions or other benefits arising directly from services provided to our clients.

**Appendix A**

- 9 We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

**Complaints**

- 10 If you have a complaint, please raise it with us first. LEA can be contacted by sending a letter to the following address:

Level 7  
64 Castlereagh Street  
Sydney NSW 2000  
(or GPO Box 1640, Sydney NSW 2001)

- 11 We will endeavour to satisfactorily resolve your complaint in a timely manner. Please note that LEA is only responsible for the preparation of this IER. Complaints or questions about the Scheme Booklet should not be directed toward LEA as it is not responsible for the preparation of this document.
- 12 If we are not able to resolve your complaint to your satisfaction within 30 days of your written notification, you are entitled to have your matter referred to the Australian Financial Complaints Authority (AFCA), an external complaints resolution service. You will not be charged for using the AFCA service.

**Compensation arrangements**

- 13 LEA has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of the Corporations Act.

## B Qualifications, declarations and consents

### Qualifications

- 1 LEA is a licensed investment adviser under the Corporations Act. LEA's authorised representatives have extensive experience in the field of corporate finance, particularly in relation to the valuation of shares and businesses and have prepared hundreds of IERs.
- 2 This report was prepared by Mr Nathan Toscan and Ms Julie Planinic, who are each authorised representatives of LEA. Mr Toscan and Ms Planinic have over 21 years' and 24 years' experience respectively in the provision of valuation advice (and related advisory services).

### Declarations

- 3 This report has been prepared at the request of the A2B Directors to accompany the Scheme Booklet to be sent to A2B Shareholders. It is not intended that this report serve any purpose other than as an expression of our opinion as to whether or not the Scheme is fair and reasonable to and in the best interests of A2B Shareholders.
- 4 LEA expressly disclaims any liability to any A2B Shareholder who relies or purports to rely on our report for any other purpose and to any other party who relies or purports to rely on our report for any purpose whatsoever.

### Interests

- 5 At the date of this report, neither LEA, Mr Toscan nor Ms Planinic have any interest in the outcome of the Scheme. With the exception of the fee shown in Appendix A, LEA will not receive any other benefits, either directly or indirectly, for or in connection with the preparation of this report.
- 6 LEA has not had within the previous two years, any business or professional relationship with A2B or the CDG Group or any financial or other interest that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Scheme.
- 7 We have considered the matters described in ASIC RG 112 – *Independence of experts*, and consider that there are no circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective independent assistance in this engagement.
- 8 LEA has had no part in the formulation of the Scheme. Its only role has been the preparation of this report.

### Indemnification

- 9 As a condition of LEA's agreement to prepare this report, A2B agrees to indemnify LEA in relation to any claim arising from or in connection with its reliance on information or documentation provided by or on behalf of A2B which is false or misleading or omits material particulars or arising from any failure to supply relevant documents or information.



## Appendix B

### Consents

- 10 LEA consents to the inclusion of this report in the form and context in which it is included in the Scheme Booklet.

For personal use only

## C Valuation methodologies

### Valuation approaches

- 1 RG 111 outlines the appropriate methodologies that a valuer should consider when valuing assets or securities for the purposes of, amongst other things, schemes of arrangement, takeovers, share buy-backs, selective capital reductions and prospectuses. These include:
  - (a) the DCF methodology
  - (b) the application of earnings multiples appropriate to the businesses or industries in which the company or its profit centres are engaged, to the estimated future maintainable earnings or cash flows of the company, added to the estimated realisable value of any surplus assets
  - (c) the amount that would be available for distribution to shareholders in an orderly realisation of assets
  - (d) the quoted price of listed securities, when there is a liquid and active market and allowing for the fact that the quoted market price may not reflect their value on a 100% controlling interest basis
  - (e) any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.
- 2 Under the DCF methodology the value of the business is equal to the NPV of the estimated future cash flows including a terminal value. In order to arrive at the NPV the future cash flows are discounted using a discount rate which reflects the risks associated with the cash flow stream.
- 3 Methodologies using capitalisation multiples of earnings or cash flows are commonly applied when valuing businesses where a future “maintainable” earnings stream can be established with a degree of confidence. Generally, this applies in circumstances where the business is relatively mature, has a proven track record and expectations of future profitability and has relatively steady growth prospects. Such a methodology is generally not applicable where a business is in start-up phase, has a finite life, or is likely to experience a significant change in growth prospects and risks in the future.
- 4 Capitalisation multiples can be applied to either estimates of future maintainable operating cash flow, EBITDA, earnings before interest, tax and amortisation (EBITA), EBIT or net profit after tax. The appropriate multiple to be applied to such earnings is usually derived from stock market trading in shares in comparable companies which provide some guidance as to value and from precedent transactions within the industry. The multiples derived from these sources need to be reviewed in the context of the differing profiles and growth prospects between the company being valued and those considered comparable. When valuing controlling interests in a business an adjustment is also required to incorporate a premium for control. The earnings from any non-trading or surplus assets are excluded from the estimate of the maintainable earnings and the value of such assets is separately added to the value of the business in order to derive the total value of the company.

**Appendix C**

- 5 An asset based methodology is applicable in circumstances where neither a capitalisation of earnings nor a DCF methodology is appropriate. It can also be applied where a business is no longer a going concern or where an orderly realisation of assets and distribution of the proceeds is proposed. Using this methodology, the value of the net assets of the company are adjusted for the time, cost and taxation consequences of realising the company's assets.



## D Assessment of appropriate discount rate

### Overview

- 1 The determination of the discount rate, or cost of capital for a business requires identification and consideration of the factors that affect the returns and risks of that business, together with the application of widely accepted methodologies for determining the returns demanded by the debt and equity providers of the capital employed in the business.
- 2 The discount rate applied to the projected cash flows of a business represents the financial return that will be demanded before an investor would be prepared to acquire (or invest in) the business.
- 3 Discount rates for businesses are frequently evaluated using the weighted average cost of capital (WACC) formula, which is a function of the cost of equity, the cost of debt and gearing (being the weighting attributed to cost of equity and cost of debt).
- 4 The generally accepted WACC formula is the post-tax WACC, as shown below:

#### WACC formula

$$WACC = R_e \frac{E}{V} + R_d(1 - t) \frac{D}{V}$$

where:

- $R_e$  = expected equity investment return or cost of equity in nominal terms
- $R_d$  = interest rate on debt (pre-tax)
- $t$  = corporate tax rate
- $E$  = market value of equity
- $D$  = market value of debt
- $V$  = market value of debt plus equity

- 5 Our assessment of the appropriate parameters to be used when determining the discount rate for A2B is set out below.

### Cost of equity

- 6 We have used the capital asset pricing model (CAPM) to derive the cost of equity for A2B. The formula for deriving the cost of equity using CAPM is as follows:

#### Cost of equity calculation

$$R_e = R_f + \beta_e [E(R_m) - R_f] + SP$$

where:

- $R_e$  = expected equity investment return or cost of equity in nominal terms
- $R_f$  = risk-free rate of return
- $E(R_m)$  = expected market return
- $E(R_m) - R_f$  = market risk premium (MRP)
- $\beta_e$  = equity beta
- $SP$  = specific risk premium

- 7 The individual components of the CAPM are discussed below.

## Appendix D

**Risk-free rate**

- 8 The risk-free rate is the theoretical rate of return on an investment with no risk of financial loss. It represents the return that an investor would expect to receive from a completely risk-free investment over a given period of time.
- 9 The risk-free rate is normally approximated by reference to a long-term government bond with a maturity equivalent to the timeframe over which the returns from the assets being valued are expected to be received. Typically in the Australian context, the yields on long-term Commonwealth Government Bonds (CGBs) are used as a proxy for the long-term risk-free rate.
- 10 For the purposes of our valuation we have adopted a long-term risk-free rate of 4.5% per annum which is broadly consistent with the average yield on 27-year CGBs<sup>101</sup> during December 2023 of 4.51%.

**Market risk premium**

- 11 The MRP represents the additional return above the risk-free rate that investors require in order to invest in a well-diversified portfolio of equity securities (i.e. the equity market as a whole). Having regard to academic studies and empirical evidence, as well as the average market risk premium calculated over the longer term, we have adopted a long-term MRP of 6.0%.

**Equity beta**

- 12 Beta is a measure of the expected volatility of the return on an investment relative to the market as a whole. The CAPM assumes that beta is the only reason expected returns on an asset differ from the expected return on the market as a whole. A beta greater than 1.0 suggests that an investment's returns are expected to be more volatile and risky than average (and accordingly a higher return than the market is required), whereas a beta less than 1.0 suggests that future returns will be less volatile and risky. Betas are primarily affected by:
- (a) the extent to which the economic cycle affects a business' ability to generate revenue, for example companies in the consumer discretionary sector (e.g. clothing retailers) have greater systematic risk than companies in the consumer staples (e.g. grocery retailers), or utilities sectors
  - (b) the degree of operational leverage that exists within the business. All else being equal, companies with high fixed costs (or semi-fixed costs) will exhibit greater volatility in returns to equity investors compared to those with a more variable cost structure
  - (c) the amount of debt, or financial leverage employed by the company, as this magnifies the volatility in returns to equity investors.
- 13 Expected equity betas are not observable. Historical betas are usually estimated and used as a reference to determine the appropriate forward-looking betas. In addition, factors such as betas of comparable companies and relevant industry sectors are also considered as are the

<sup>101</sup> Maturing in June 2051, noting that this is the longest term CGB on issue.

## Appendix D

general risk characteristics of the industry in which the subject business operates. The determination of the appropriate beta to apply is, therefore, ultimately a matter of judgement.

- 14 In determining the appropriate equity beta for A2B, we have considered (inter-alia):
- (a) the general risk characteristics of companies that provide taxi / personal transportation services as well as those risks more specifically relating to A2B
  - (b) the beta estimates for A2B as well as listed companies which provide broadly similar services to A2B (e.g. payment processing) and/or are exposed to similar industry conditions and key drivers as A2B (noting we do not consider there to be any directly comparable companies to A2B)
  - (c) the beta estimates for relevant industries / sectors.

### *General characteristics of taxi / personal transport service companies*

- 15 In assessing the appropriate beta that should be attributable to companies that operate (directly or indirectly) within the taxi / personal transport services industry, we consider the following general risk characteristics to be relevant:
- (a) a significant proportion of demand for taxi services is linked to discretionary spending on entertainment and leisure activities in addition to travel. Accordingly, demand for taxi services associated with these activities is relatively elastic and is influenced by the economic cycle (e.g. when the economy dips, people tend to reduce their spending on entertainment and leisure activities and vice versa). While a reasonable proportion of industry revenue has historically been associated with relatively inelastic services, such as business travel and household travel for essential functions (e.g. grocery shopping or medical appointments), changes in consumer preference and the ability to fulfil these requirements online (such as online meetings, online shopping and virtual medical appointments) may have permanently reduced the proportion of industry revenue generated from these activities (i.e. overall demand for taxi services is likely to have become relatively more discretionary in nature)
  - (b) barriers to entry for taxi operators have significantly reduced in recent years as a number of Australian States and Territories have deregulated requirements for taxi licenses
  - (c) an increase in the availability of substitutes (particularly ridesharing services which offer a similar service) poses a risk to the demand for taxi services, both from passengers as well as drivers, due to the flexibility to switch between various rideshare platforms to optimise earnings
  - (d) larger network operators (such as A2B) are reliant on the reputation of their key brands, and any factors or events that diminish the reputation of a company, its key brands or related intellectual property may adversely affect operating and financial performance
  - (e) pricing for taxi rank and hail fares (which continue to account for a significant proportion of industry revenue) are subject to regulated pricing notwithstanding that operators are exposed to input price risks associated with the volatility of fuel prices and labour costs

## Appendix D

- (f) operators that also provide payment services are subject to additional regulatory requirements such as anti-money laundering, counter terrorist financing, and know your customer requirements. Failure to comply with these regulatory requirements can lead to material financial penalties and litigation.

16 Based on the above, we would expect a company which provides taxi / personal transport services to exhibit a higher level of systematic risk than the market as whole (i.e. exhibit a beta of greater than 1.0).

### *Risks more specific to A2B*

- 17 In assessing the appropriate beta for A2B's operations, we have also considered the following risk characteristics attributable to its business:
- (a) with the exception of the disruption attributable to increased competition from ridesharing platforms and COVID-19, the Australian taxi services industry is relatively mature and A2B has historically maintained a relatively consistent market share
  - (b) a significant proportion of A2B's operating expenses (such as employee expenses and occupancy costs) are considered fixed in nature. Accordingly, A2B's business has a significant degree of operating leverage and can exhibit large variations in earnings attributable to changes in passenger revenues and volumes (as illustrated by the financial performance of the business post COVID-19)
  - (c) notwithstanding A2B has various contracts with longer term durations (of between one and five years) the Company generates a significant proportion of its revenue from network subscriptions which operate under agreements with taxi operators than can be terminated with relatively short notice.

### *Betas of listed comparable companies*

18 The equity betas of the listed companies identified as being broadly comparable to A2B are shown below<sup>102</sup> (for completeness we have also included the equity betas for some of the larger global ridesharing companies):

Listed company betas						
Company	Relative Index	EV <sup>(1)</sup> A\$m	Mkt cap <sup>(1)</sup> A\$m	Gearing <sup>(2)</sup> %	Beta <sup>(3)</sup> #	r-squared <sup>(4)</sup> #
A2B	ASX All Ordinaries	127	150 <sup>(1)</sup>	(18.1)	1.47	0.40
CDG	FTSE Straits Times	3,255	3,369	(3.5)	1.13	0.60
<b>Australian / NZ</b>						
Kelsian Group	ASX All Ordinaries	2,415	1,886	21.9	1.19	0.29
Tyro Payments	ASX All Ordinaries	553	577	(4.4)	2.49	0.41
SmartPay Holdings	S&P / NZX50	319	328	(2.8)	1.75	0.44
Camplify Holdings	ASX All Ordinaries	132	160	(21.3)	1.65	0.13

<sup>102</sup> Descriptions of these companies can be found at Appendix E).

Appendix D

Listed company betas						
Company	Relative Index	EV <sup>(1)</sup> A\$m	Mkt cap <sup>(1)</sup> A\$m	Gearing <sup>(2)</sup> %	Beta <sup>(3)</sup> #	r-squared <sup>(4)</sup> #
<b>International – Ridesharing services</b>						
Uber	S&P 500	185,379	185,812	(0.8)	1.30	0.27
DiDi	S&P 500	19,544	28,113	(43.8)	0.72	0.04
Lyft	S&P 500	7,171	8,450	(17.8)	1.99	0.29

**Note:**

- 1 Market capitalisation and EV calculated as at 31 December 2023, based upon latest available information, with the exception of A2B which is calculated as at 21 December 2023 (being the last trading day prior to the announcement of the Scheme). The market capitalisation for A2B has also been adjusted to exclude the Special Dividend of \$0.60 per share. Foreign currencies have been converted into AUD at the exchange rate prevailing as at 31 December 2023.
- 2 Gearing equals net debt (cash adjusted for material option dilution) divided by EV.
- 3 Equity betas were obtained from FactSet and are based on four years of monthly returns (i.e. 48 monthly observations) to 31 December 2023, with the exception of A2B which is based on the four years of monthly returns to 21 December 2023 (being the last trading day prior to the announcement of the Scheme) and Camplify Holdings and DiDi, which were both listed in June 2021 and are therefore limited to 30 observations.
- 4 R-squared is a statistical measure of how well the regression line approximates real data points. It has a value between zero and 1.0. The closer r-squared is to 1.0 the more reliable the beta estimate.

nm – not meaningful. na – not available.

**Source:** FactSet and LEA analysis.

19 In respect of the above, we note that:

- (a) the equity betas and r-squared values<sup>103</sup> (other than those which relate to Camplify Holdings and Didi<sup>104</sup>) are calculated based on four years of monthly returns and include observations from March 2020 which exhibited significantly higher levels of volatility due to COVID-19<sup>105</sup>
- (b) having regard to point (a) above and the general increase in volatility experienced by the abovementioned companies due to COVID-19, we have also considered the equity betas for the abovementioned companies prior to COVID-19 (i.e. based on returns over the four years ended 31 January 2020) and note that:
  - (i) Tyro Payments, Camplify Holdings, Uber, DiDi and Lyft all listed between 2019 and 2021 and beta estimates for these companies were either not available or based on a relatively limited number of observations

<sup>103</sup> R-squared values provide an indication of the proportion of the volatility of company returns that is associated with movements in the market. Given that almost all companies experienced a decline in March 2020, the r-squared values for betas will in almost all cases be higher when March 2020 has been included (relative to r-squared values for betas calculated excluding March 2020).

<sup>104</sup> Which were both listed in June 2021 and the equity betas for these companies do not include observations from March 2020. That said, the beta estimates for these companies are limited to 30 observations.

<sup>105</sup> For instance, the total market value of the Australia equity market experienced a decline of more than 22% in March 2020, the highest monthly decline since October 1987.

## Appendix D

- (ii) the beta estimates for A2B and CDG were lower than those set out above (1.23 and 0.64 respectively<sup>106</sup>). Further historical beta estimates for A2B are set out below at paragraph D20
- (iii) the beta estimates for Kelsian and SmartPay are not considered reliable due to the low r-squared values
- (c) the betas vary widely reflecting differences in size, leverage (i.e. gearing) and operational risks. The calculated beta estimates also vary depending on the index used (and the main constituents of that index)
- (d) it is important to consider the related r-squared values shown above. The r-square value measures the reliability of the beta estimate, and ranges from zero (being not reliable) to 1.0 (highly reliable). For instance, DiDi exhibits a very low r-squared value, indicating that the equity beta estimate for this company is not reliable
- (e) the beta estimates for the higher growth payment processing technology businesses such as Tyro Payments and SmartPay Holdings are significantly greater than the observed beta estimates for transport providers CDG and Kelsian Group, which generate a significant proportion of their revenues from long term government transport contracts
- (f) although each of the companies operate one or more business divisions that share some similarity to A2B, none of the listed companies are directly comparable. Nevertheless, we note that the observed betas (with the exception of DiDi which is not considered reliable) are greater than 1.0 with an average of around 1.7. In other words, the average beta attributable to the cohort of companies is higher than the average of the market as a whole.

***A2B beta over time***

- 20 In addition to the above, we have also considered the historical beta estimates for A2B (as calculated by SIRCA Limited) over the 10 year period from September 2013 to September 2023<sup>107</sup>:

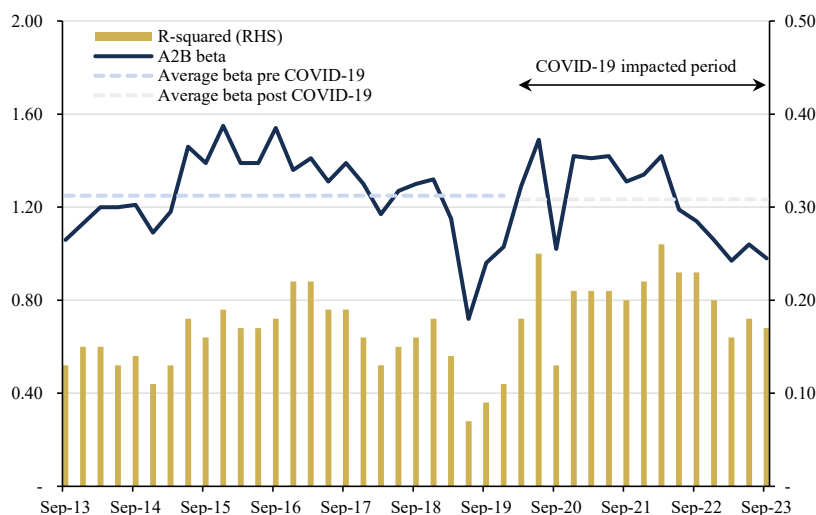
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<sup>106</sup> Both of which exhibited an r-squared value of 0.16.

<sup>107</sup> Being the most recent data available as at the date of our report.

**Appendix D**

**A2B – historical beta over time<sup>(1)</sup>**



**Note:**

1 Equity betas from March 2020 are based on 47 monthly returns as SIRCA Limited excludes share trading in March 2020 from its calculations due to the additional volatility caused by the COVID-19 pandemic during that month. Equity betas prior to this period are based on 48 monthly returns.

Source: SIRCA Limited.

21 Regarding the above, we note that:

- (a) subsequent to the divestment of the Company’s 49% interest in ComfortDelGro Pty Limited (a joint venture private bus business) on 21 December 2016, A2B’s operations were primarily focused on taxi operator and passenger services
- (b) over the period set out above, A2B generally exhibited a beta greater than 1.0 (typically between 1.2 and 1.4) with an average beta of 1.24<sup>108</sup>. The average r-squared value over this period was 0.17
- (c) A2B’s share price has historically been underpinned by the value of its property investments which exhibit significantly lower volatility relative to A2B’s business operations. All else equal, we would expect A2B’s observed beta excluding these property assets to be higher than those illustrated above.

**Industry / sector betas**

22 We have also considered the beta estimates for the Australian “Transportation” industry (within the Industrials sector) as well as the “Automobile & Components” and “Consumer Services” industries (within the Consumer Discretionary sector):

<sup>108</sup> The average beta excluding observations around June 2019 (which exhibited low r-squared values) are marginally higher.

## Appendix D

Beta estimates of select Australian industry groups <sup>(1)</sup>						
Data period ended	Transportation		Automobile & Components		Consumer Services	
	Beta	r-squared	Beta	r-squared	Beta	r-squared
30 September 2023 <sup>(2)</sup>	0.84	0.52	1.24	0.39	1.14	0.57
30 June 2023	0.81	0.50	1.24	0.42	1.12	0.56
31 March 2023	0.83	0.51	1.18	0.39	1.12	0.55
31 December 2022	0.84	0.51	1.16	0.38	1.10	0.54
30 September 2022	0.75	0.46	1.16	0.39	1.12	0.58
30 June 2022	0.71	0.43	1.09	0.34	1.12	0.56

**Note:**

- 1 Equity betas from March 2020 are based on 47 monthly returns as SIRCA Limited excludes share trading in March 2020 from its calculations due to the additional volatility caused by the COVID-19 pandemic during that month.
- 2 Being the most current data available.

Source: SIRCA Limited.

- 23 In respect of the above, we note that:
- (a) sector / industry betas are generally more reliable than the equity beta estimates of individual stocks (as evidenced by the r-squared values which are generally higher)
  - (b) the Transportation industry comprises a number of companies with industrial / infrastructure type operations such as freight and logistics, airports, roads and railways and marine ports which are generally more defensive in nature. In Australia, the industry comprises a relatively limited number of companies (approximately 26), the largest of which are Transurban Group (one of the world's largest toll road operators), Auckland International Airport, Qantas and Atlas Arteria (also a toll road operator)<sup>109</sup>
  - (c) the Automobile & Components industry includes approximately 11 companies that manufacture and produce tyres and rubber, passenger automobiles and motorcycles. The largest of these companies include ARB Corporation and GUD Holdings
  - (d) the Consumer Services industry includes approximately 50 companies engaged in a variety of discretionary service offerings including hotels and resorts, leisure facilities, restaurants, casinos and gaming, education services and other specialised services. The larger companies in this industry include Aristocrat Leisure (a global gambling content and games publisher), IDP education, Domino's Pizza and travel service providers Flight Centre, Web Jet and Corporate Travel Management.
- 24 Based upon the above industry / sector beta data, it is reasonable to expect the beta for a company that operates within the personal transportation sector:
- (a) to be greater than that attributable to the Transportation industry given that industry's beta is heavily weighted toward the larger entities that have "defensive" infrastructure characteristics

<sup>109</sup> A2B, Kelsian Group and Camplify Holdings are included in this sector.



## Appendix D

- (b) to be broadly similar to the observed beta estimates for the Automobiles & Components industry which provides some indication of the variability in demand for personal transportation vehicles
- (c) to be broadly similar to, albeit higher than, the Consumer Services industry given the demand for taxi services is underpinned by a number of the services provided by businesses which operate in this sector (e.g. restaurants and leisure facilities). However, this industry also includes some services (such as education) which can be considered less discretionary in nature.

### **Conclusion on beta**

- 25 Having regard to the above, we have adopted an equity beta of 1.3 to 1.4 for A2B (before allowing for any specific risk premium). The range is broadly consistent with the historical beta exhibited by A2B, excluding the COVID-19 impacted March 2020 period, and noting that A2B has higher operational risk post the sale of its property assets. It is also consistent with, albeit marginally higher than the observed betas for the broadly comparable Automobile & Components and Consumer Services industry groups.

### **Specific risk premium**

- 26 Company specific risk (sometimes called unique or unsystematic risk) represents the uncertainty that arises from factors other than those that are already reflected in the adopted beta (i.e. in the systematic risk). The specific risk premium is intended to account for differences in risk between the subject business and those public companies (and/or sectors and industries) that have been considered in the determination of beta as well as the earnings estimation risks that cannot practically and/or reliably be reflected in subject business' forecast cash flows.
- 27 In respect of A2B we have considered the following additional risk factors, amongst others:
- (a) in-vehicle technology roll-out – A2B is undertaking a major project, upgrading all in-car technology (before 3G is switched off in June 2024) to ensure the continuity and growth of payment processing volumes. Any material delays or technological issues could affect A2B's ability to process in car payments
  - (b) general cash flow forecast risk – there is a general risk associated with achievement of the forecast growth reflected in the cash flow projections that have been adopted for valuation purposes, noting that these projections include some additional benefits expected to be realised from A2B's recently implemented and ongoing strategic initiatives. That said, we note that we have undertaken various scenario / sensitivity analyses to partly mitigate this risk
  - (c) inflation and interest rate environment – the current short-to-medium outlook for consumer discretionary businesses is highly uncertain due to the high inflation and interest rate environment<sup>110</sup>. This heightened level of uncertainty (which commenced around mid-2022) is only partly reflected in the observed betas (set out above) given that the betas have generally been calculated over a four year period (and during the

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<sup>110</sup> It is unclear as to how long it will take for the current high inflation environment to return to normalised levels and how high interest rates will need to be (and remain at) in order to reduce inflation.

## Appendix D

vast majority of that four year period, the inflation and interest rate environment has been relatively benign).

- 28 Having regard to the above we have, on balance, allowed for a specific risk premium of nil to 1.0%. The inclusion of the additional risk premium has an effect equivalent to increasing the adopted beta to a range of between 1.30 and 1.57 with a midpoint of 1.43.

**Cost of debt**

- 29 It is appropriate to use a cost of debt equivalent to that likely to be incurred by A2B assuming it were to raise debt finance in the capital market on the valuation date.
- 30 A long term cost of debt of 6.5% to 7.0% per annum has been adopted. This reflects a borrowing margin of 2.0% to 2.5% above the adopted risk-free rate. In forming this opinion, we have considered, inter alia<sup>111</sup>:
- (a) the interest rates on A2B's existing bank borrowings (calculated as BBSY plus a margin) attracted interest rates above 5.0% towards the end of FY23 and based on current BBSY rates, are currently around 5.5% to 5.75%
  - (b) the spread between A and BBB rated bonds and CGBs with maturities of 10 years, which were 1.7% and 2.5% respectively as at 31 August 2023<sup>112</sup> as well as the long-term average spread for each, being 1.7% and 2.4% respectively (based upon the period 31 January 2005 to 31 August 2023)
  - (c) the yield on 10 year A and BBB rated bonds as at 30 November 2023<sup>113</sup>, being 5.8% and 6.7% respectively as well as the long-term average yield for each, being 5.4% and 6.1% respectively (based upon the period 31 January 2005 to 30 November 2023).
- 31 The abovementioned corporate bond data is graphically depicted in the following charts:

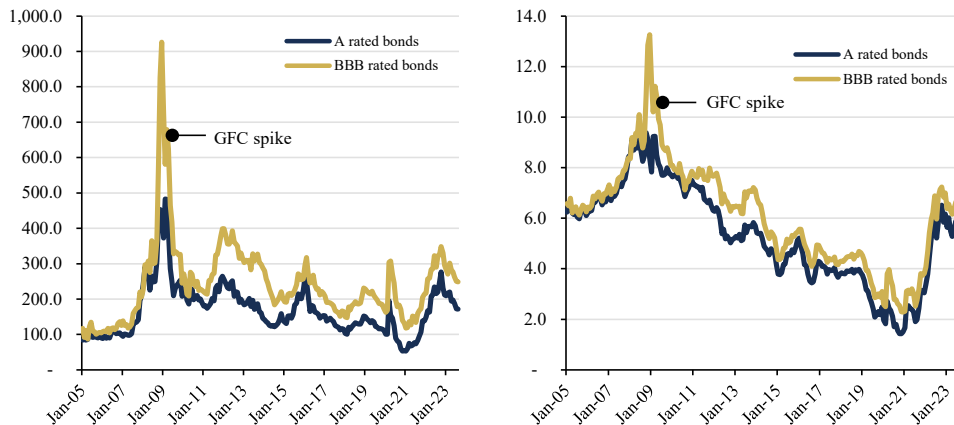
<sup>111</sup> RBA Statistical Tables – F3 *Aggregate Measures Of Australian Corporate Bond Spreads And Yields: Non-Financial Corporate Bonds*.

<sup>112</sup> RBA Statistical Tables – F3 *Aggregate Measures Of Australian Corporate Bond Spreads And Yields: Non-Financial Corporate Bonds*. Being the latest available data, noting that from 14 November 2023 the RBA ceased the publication of data on these spreads due to commercial reasons.

<sup>113</sup> Being the latest available data.

Appendix D

**10 year A and BBB corporate bonds – spreads and yields<sup>(1)</sup>**  
**Spreads to 10 year CGBs (basis points)<sup>(2)</sup>**      **Yields (%)**



**Note:**  
 1 Based upon earliest to latest available data, noting that data on bonds with longer dated maturities is not available.  
 2 100 basis points is equal to 1%.  
 Source: RBA Statistical Tables – F3 Aggregate Measures Of Australian Corporate Bond Spreads And Yields: Non Financial Corporate Bonds.

- 32 As interest costs are tax deductible we have tax affected the cost of debt at an assumed corporate rate of 30%.

**Gearing (or debt to debt plus equity) ratio**

- 33 The gearing level adopted should represent the level of debt that the asset can reasonably sustain and is not necessarily equivalent to the gearing level of the entity owning the asset. The factors that affect the “optimum” level of gearing will differ between assets. Generally, the major issues to address in determining this optimum level will include:
- (a) the variability in earnings stream
  - (b) working capital requirements
  - (c) the level of investment in tangible assets
  - (d) the nature and risk profile of the tangible assets.
- 34 When determining the appropriate level of gearing for valuation purposes, we have considered, inter alia:
- (a) the debt facility that could prima facie be supported by A2B having regard to its current and forecast earnings and the debt covenants for its existing working capital debt facility (e.g. debt / EBITDA)
  - (b) the relatively low tangible asset backing of the Company (given the recent divestment of its property assets) but high net working capital balances to which a financier may apply a floating charge

## Appendix D

- (c) the observed gearing ratios of the broadly comparable listed companies (noting the majority of these companies held net cash balances).

35 Having regard to the above, we have adopted a gearing ratio of 10% to 15%.

### Calculation of WACC for A2B

36 Based on the above, we have adopted the following (after tax) discount rate range for A2B over the Forecast Period (noting that we have allowed for the uncertainty associated with the longer-term risk posed by AVs in the determination of our TV at the end of the Forecast Period):

A2B – assessment of (post corporate-tax) discount rate <sup>(1)</sup>			
Parameters	Paragraph	Low %	High %
Risk-free rate	D10	4.5	4.5
MRP	D11	6.0	6.0
Beta (before specific risk premium)	D25	1.3	1.4
Cost of equity prior to additional risk premium		12.3	12.9
Specific risk premium	D28	-	1.0
<b>Adjusted cost of equity</b>		12.3	13.9
Cost of pre-tax debt	D30	6.5	7.0
Assumed tax rate	D32	30.0	30.0
<b>Cost of post-tax debt</b>		4.6	4.9
Proportion of equity funding	D35	90.0	85.0
Proportion of debt funding	D35	10.0	15.0
<b>WACC / discount rate (after tax)</b>		<b>11.5</b>	<b>12.6</b>

**Note:**

- 1 Rounding differences may exist.

37 The most recent (post-tax) discount rate adopted by A2B for the purpose of its annual impairment testing of the carrying value of its goodwill was 12.5% as at 30 June 2023. This rate lies within, albeit toward the higher end our assessed post-tax discount rate range<sup>114</sup>.

<sup>114</sup> Noting that there has been no significant movement in longer term government bond yields or spreads since 30 June 2023.

## E Listed company descriptions

### A2B

- 1 Refer to profile of A2B in Section III.

### CDG Group

- 2 CDC is a wholly-owned subsidiary of CDG and is one of Australia's largest bus operators, providing transport services to both metropolitan and regional communities across NSW, VIC, the ACT, the NT, QLD, and WA through a fleet of over 4,000 vehicles and 4,800 employees. CDG, which is listed on the Singapore Exchange, was established in March 2003 through the merger of Comfort Group Ltd and DelGro Corporation Ltd and is one of the world's largest land transport companies, operating across 78 locations in seven countries with a global fleet of 34,000 vehicles and more than 22,500 employees.

### Kelsian Group

- 3 Kelsian Group is Australia's largest land and marine transport service provider and tourism operator, with established operations in Australia, the US, London and Singapore. Kelsian primarily provides contracted public transport services pursuant to long-term government contracts and has over 11,000 employees which operate more than 4,800 buses, 113 marine vessels and 24 light rail vehicles. During FY23, Kelsian expanded its operations into the US through the acquisition of AAAHI, which provides passenger motorcoach services to a range of corporate and government clients.

### Tyro Payments

- 4 Tyro Payments offers cloud-based integrated EFTPOS banking solutions to merchants. It primarily generates revenue from payment processing fees in addition to other services including terminal rental income, sales of terminal accessories and complimentary banking services. As at 30 June 2023, the company serviced more than 68,000 merchants which primarily operated in the hospitality and retail sectors.

### SmartPay Holdings

- 5 SmartPay Holdings is a full service EFTPOS provider that supports over 30,000 businesses across Australia and New Zealand. The company has over 48,000 EFTPOS terminals in the marketplace and primarily generates revenue from transactional revenue and terminal rental fees. SmartPay Holdings is headquartered in Auckland, New Zealand and employs approximately 180 staff.

### Camplify Holdings

- 6 Camplify Holdings operates peer-to-peer van-sharing platforms which connect caravan / recreational vehicle owners with travellers in Australia, New Zealand the United Kingdom and Europe. Camplify primarily generates revenue by retaining a percentage of the transaction value of bookings processed on its peer-to-peer van-sharing platforms and during FY23, processed approximately 82,000 bookings from over 28,000 recreational vehicles on its platforms.

**F Transaction evidence****A2B completed acquisitions / divestments****Gold Coast Cabs**

- 1 On 2 July 2019, A2B announced it had acquired the business operations and various assets of Gold Coast Cabs. At the time of the acquisition, Gold Coast Cabs was the taxi network and operations business of Regent Taxis Limited which had been trading for over 80 years in the Gold Coast and was the largest regional taxi business in QLD.

**MTI**

- 2 On 20 June 2018, A2B announced it had entered into an agreement to acquire all of the issued shares in MTI. At the time of the acquisition, MTI provided automotive dispatch and booking technology to the taxi industry, with an established presence in North America, Europe, Australia and New Zealand, and also owned Mantax Taxis which operated a network of black cabs in Manchester, England.

**CityFleet Networks**

- 3 On 29 June 2017, A2B announced the sale of its 49% interest in CityFleet Networks to its joint venture partner CDG. At the time of the transaction, CityFleet Networks provided account, booking and dispatch services for taxis and private hire vehicles in London, Liverpool and Aberdeen and coach services in London.

**Yellow Cabs**

- 4 On 22 June 2017, A2B announced that in February 2017 it had entered into an agreement to acquire the business operations of Yellow Cabs. At the time of the transaction, Yellow Cabs was the largest taxi network in QLD with a taxi fleet of 1,187 vehicles and also provided courier services through a variety of utility vehicles.

**CDC Bus JV**

- 5 On 21 December 2016, A2B announced the sale of its 49% interest in ComfortDelGro Cabcharge Pty Ltd (CDC Bus JV) to its joint venture partner CDG. The CDC Bus JV was formed in 2005 following the acquisition of the Westbus Group by the joint venture company. Since then, the business has grown to become one of the largest private bus operators in NSW and VIC, operating contracted scheduled bus, school bus, private contract and charter bus services through a fleet of 1,712 buses supported by more than 2,300 staff.

**Other transactions****Horizons West Bus and Coachlines**

- 6 On 28 October 2022, Kelsian announced the acquisition of the business assets of Horizons West Bus and Coachlines, which specialises in providing contracted and charter bus services to schools, universities and government entities in WA with approximately 157 employees operating a fleet of 138 buses from two depots.

## Appendix F

### **B&E Blanch Pty Ltd**

- 7 On 23 April 2019, CDC entered into an agreement to acquire all of the issued shares of B&E Blanch Pty Ltd. At the time of the acquisition, B&E Blanch provided dedicated route and school bus services in North Coast NSW under long-term contracts with Transport for NSW and managed three depots which operated a fleet of 48 buses.

### **Black & White Cabs**

- 8 On 15 May 2018, P2P Transport announced the acquisition of Black & White Cabs which provided passenger transport and dispatch services to a fleet of more than 1,400 vehicles in its network in the QLD and WA markets. The services provided by the business included tablet-based dispatch technology for vehicles, passenger booking app that allowed fixed price fares and discounted bookings, vehicle fit out, insurance services and funding.

## G Glossary

Term	Meaning
1H	Six months to 31 December
A\$ / AUD	Australian dollar
A2B / the Company	A2B Australia Limited
A2B Shareholders	A2B shareholders other than Excluded Shareholders
AAAHI	All Aboard America! Holdings Inc.
AASB 16	Australian Accounting Standard AASB 16 – <i>Leases</i>
ACCC	Australian Competition and Consumer Commission
ACT	Australian Capital Territory
AFCA	Australian Financial Complaints Authority
AGM	Annual General Meeting
Agreement	Scheme Implementation Deed between A2B, CDG and CDC
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
AV	Autonomous vehicle
B2B	Business to Business
B2C	Business to Consumer
BBSY	Bank Bill Swap Bid Rate
CAGR	Compound annual growth rate
CAPM	Capital asset pricing model
CDC	ComfortDelGro Corporation Australia Pty Ltd
CDC Bus JV	ComfortDelGro Cabcharge Pty Ltd, a joint venture business between A2B and CDG
CDG	ComfortDelGro Corporation Limited
CDG Group	CDG and its subsidiaries including CDC
CGB	Commonwealth Government Bonds
Corporations Act	<i>Corporations Act 2001 (Cth)</i>
Corporations Regulations	<i>Corporations Regulations 2001</i>
Cruise	Cruise LLC
D&A	Depreciation and amortisation
DCF	Discounted cash flow
DCF Model	Simplified, high level financial model of A2B's operations developed by LEA for the purpose of deriving a DCF valuation
EBIT	Earnings before interest and tax
EBITA	Earnings before interest, tax and amortisation of acquired intangibles
EBITDA	Earnings before interest, tax depreciation and amortisation
EV	Enterprise value
Excluded Shareholders	Any member of the CDG Group and any A2B shareholder who holds A2B shares on behalf of or for the benefit of any member of the CDG Group, and does not hold A2B shares on behalf of or for the benefit of any other person
Exclusivity Period	Period from and including the date of the Agreement up to the earlier of the Implementation Date, the termination of the Agreement in accordance with its terms and the End Date (defined in the Agreement as 31 July 2024 or such other date as agreed in writing by CDC and A2B)
Forecast Period	4.5 year period from 1 January 2024 to 30 June 2028
FSG	Financial Services Guide
FY	Financial year
GFC	Global financial crisis



Appendix G

Term	Meaning
IER	Independent expert's report
LEA	LonerGAN Edwards & Associates Limited
LTM	Last 12 months
MRP	Market risk premium
MTI	Mobile Technologies International Pty Limited
No-Due Diligence	During the Exclusivity Period, A2B will not enable any person other than CDC and its representatives to undertake due diligence investigations on any A2B Group Member or their business and operations, or make available any non-public information to any person other than CDC and its representatives relating to any A2B Group Member or their business and operations
No-Shop	During the Exclusivity Period, A2B will not solicit, invite, encourage or initiate any competing transaction
No-Talk	During the Exclusivity Period, A2B will not facilitate, negotiate or enter into or participate in any discussions or negotiations which may reasonably be expected to lead to a competing transaction
NPV	Net present value
NSW	New South Wales
NT	Northern Territory
P2P	P2P Transport Limited
QLD	Queensland
RBA	Reserve Bank of Australia
RG 111	Regulatory Guide 111 – <i>Content of expert reports</i>
SaaS	Software as a Service
Scheme	Scheme of arrangement between A2B and its shareholders other than Excluded Shareholders
Scheme Consideration	\$1.45 cash per A2B share
Special Dividend	Fully franked special dividend of \$0.60 per A2B share paid on 30 January 2024 to those A2B shareholders who held A2B shares on the dividend record date of 15 January 2024
TSR	Total shareholder return
TV	Terminal value
US	United States of America
VIC	Victoria
VWAP	Volume weighted average price
WA	Western Australia
WACC	Weighted average cost of capital
WANOS	Weighted average number of shares outstanding
Waymo	Waymo LLC
YoY	Year on year
Yellow Cabs	Yellow Cabs (Queensland) Pty Limited

Annexure



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# Scheme of Arrangement

# Scheme of Arrangement

A2B Australia Limited (ABN 99 001 958 390) (“A2B”)  
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# Scheme of Arrangement

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## Scheme of Arrangement

### Details

Parties	A2B and Scheme Participants	
<b>A2B</b>	Name	<b>A2B Australia Limited</b>
	ABN	99 001 958 390
	Formed in	Australia
	Address	9/13 O’Riordan Street Alexandria NSW 2015 AUSTRALIA
	Email	mark.bayliss@a2baustralia.com and howard.edelman@a2baustralia.com, with a copy (for information purposes only) to mark.vanderneut@au.kwm.com and katherine.chork@au.kwm.com
	Attention	Mark Bayliss and Howard Edelman
<b>Scheme Participants</b>	Each person registered as a holder of fully paid ordinary shares in the capital of A2B as at the Record Date (other than an Excluded Shareholder)	
<b>Governing law</b>	New South Wales, Australia	
<b>Recitals</b>	<b>A</b>	A2B, CDC and CDG have agreed by executing the Scheme Implementation Agreement to implement the terms of this Scheme.
	<b>B</b>	Pursuant to clause 2.4 ( <i>CDC may elect Nominee</i> ) of the Scheme Implementation Agreement, CDC has nominated CDC Private Mobility Pty Ltd (ACN 674 449 640), a wholly-owned Subsidiary of CDC (“ <b>Nominee</b> ”) to perform its obligations to acquire all of the Scheme Shares.
	<b>C</b>	This Scheme imposes obligations on CDC, the Nominee and CDG that CDC, the Nominee and CDG have agreed to but does not impose an obligation on CDC, the Nominee or CDG to perform those obligations.
	<b>D</b>	CDC, the Nominee and CDG have executed the Deed Poll for the purpose of covenanting in favour of the Scheme Participants to perform (or procure the performance) of their obligations as contemplated by this Scheme.

# Scheme of Arrangement

## General terms

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### 1 Definitions and interpretation

#### 1.1 Definitions

Unless the contrary intention appears, these meanings apply:

**A2B Share** means a fully paid ordinary share in the capital of A2B.

**A2B Shareholder** means each person registered in the Register as a holder of A2B Shares.

**ACCC** means the Australian Competition and Consumer Commission.

**ASIC** means the Australian Securities and Investments Commission.

**ASIC Relief** means an exemption or declaration granted by ASIC which gives relief from certain requirements of the Corporations Act.

**ASX** means ASX Limited (ABN 98 008 624 691) or the market operated by it, as the context requires.

**ASX Settlement** means ASX Settlement Pty Limited (ABN 49 008 504 532).

**Authorised Officer** means a director or secretary of a party, or any other person nominated by a party to act as an Authorised Officer for the purposes of this Scheme.

**Business Day** means a business day as defined in the Listing Rules.

**CDC** means ComfortDelGro Corporation Australia Pty Ltd (ABN 84 002 072 004).

**CDC Group** means CDC, CDG and each Subsidiary of CDG and **CDC Group Member** means any member of the CDC Group.

**CDG** means ComfortDelGro Corporation Limited (UEN 200300002K), a company formed in Singapore.

**CHES** means the Clearing House Electronic Subregister System operated by ASX Settlement and ASX Clear Pty Limited (ABN 48 001 314 503).

**Corporations Act** means the *Corporations Act 2001* (Cth) and a reference to the Corporations Act or a provision of it includes as modified by applicable ASIC Relief.

**Court** means the Supreme Court of New South Wales, or such other court of competent jurisdiction under the Corporations Act agreed in writing by CDC and A2B.

**Deed Poll** means the deed poll dated 19 February 2024 executed by CDC, CDG and the Nominee substantially in the form of Annexure D to the Scheme Implementation Agreement or as otherwise agreed by CDG and A2B under which CDC, CDG and the Nominee covenant in favour of each Scheme

Participant to perform the actions attributed to CDC, CDG and the Nominee under this Scheme.

**Details** means the section of this Scheme headed "Details".

**Effective**, when used in relation to this Scheme, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

**Effective Date** means the date on which the Scheme becomes Effective.

**Employee Share Right** means a performance right issued under the long-term incentive plans operated by A2B.

**Encumbrance** means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or 12(2) of the PPSA, or any agreement to create any of them or allow them to exist but excluding any "security interest" as defined in section 12(3) of the PPSA.

**End Date** means the "End Date" determined in accordance with the Scheme Implementation Agreement.

**Excluded Shareholders** means any A2B Shareholder who is a CDC Group Member and any A2B Shareholder who holds any A2B Shares on behalf of, or for the benefit of, any CDC Group Member and does not hold A2B Shares on behalf of, or for the benefit of, any other person, in each case at the Record Date.

**Immediately Available Funds** means by immediate electronic funds transfer or other form of cleared funds acceptable to A2B.

**Implementation Date** means the 5<sup>th</sup> Business Day following the Record Date or such other date as agreed in writing by CDC and A2B.

**Listing Rules** means the Listing Rules of ASX modified to the extent of any express written waiver by ASX.

**Nominee** has the meaning given in the Details.

**PPSA** means the *Personal Property Securities Act 2009* (Cth).

**Record Date** means 7.00pm on the 2<sup>nd</sup> Business Day following the Effective Date or such other date as agreed in writing by CDC and A2B.

**Register** means the register of members of A2B maintained by or on behalf of A2B in accordance with section 168(1) of the Corporations Act.

**Registered Address** means, in relation to an A2B Shareholder, the address shown in the Register as at the Record Date.

**Registry** means Link Market Services Limited (ACN 083 214 537), or any replacement share registry services provider to A2B.

**Regulatory Authority** includes:

- (a) ASX, ACCC, ASIC and the Takeovers Panel;



- (b) a government or governmental, semi-governmental or judicial entity or authority;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) any regulatory organisation established under statute.

**Scheme** means this scheme of arrangement between A2B and Scheme Participants under which all of the Scheme Shares will be transferred to CDC or the Nominee (if any) under Part 5.1 of the Corporations Act as described in clause 6 of this Scheme, in consideration for the Scheme Consideration, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by A2B and CDC in accordance with this Scheme.

**Scheme Consideration** means \$1.45 paid in respect of each Scheme Share to be provided by CDC, CDG or the Nominee to Scheme Participants under the terms of this Scheme for the transfer to CDC, CDG or the Nominee of all of their Scheme Shares.

**Scheme Implementation Agreement** means the scheme implementation agreement dated 22 December 2023 between A2B, CDC and CDG under which, amongst other things, A2B has agreed to propose this Scheme to the Scheme Participants, and each of A2B, CDC and CDG has agreed to take certain steps to give effect to this Scheme.

**Scheme Meeting** means the meeting of A2B Shareholders (other than Excluded Shareholders), ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act at which A2B Shareholders (other than Excluded Shareholders) will vote on this Scheme.

**Scheme Participant** means each person who is a A2B Shareholder on the Record Date (other than an Excluded Shareholder).

**Scheme Share** means an A2B Share held by a Scheme Participant as at the Record Date and, for the avoidance of doubt:

- (a) includes any A2B Shares issued on or before the Record Date; and
- (b) excludes A2B Shares held by the Excluded Shareholders.

**Second Court Date** means the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned for any reason means the date on which the adjourned application is heard.

**Settlement Rules** means the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement.

**Share Scheme Transfer** means, for each Scheme Participant, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Participant for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

**Subsidiary** of an entity means another entity which:

- (a) is a subsidiary of the first entity within the meaning of the Corporations Act; and

- (b) is part of a consolidated group constituted by the first entity and the entities it is required to include in the consolidated financial statements it prepares or would be, if the first entity was required to prepare consolidated financial statements.

A trust, partnership or fund may be a subsidiary (and an entity may be a subsidiary of a trust, partnership or fund) if it would have been a subsidiary under this definition if that trust, partnership or fund were a body corporate. For these purposes, a unit or other beneficial interest in a trust is to be regarded as a share (ignoring the operation of section 48(2) of the Corporations Act).

**Tax Act** means the *Income Tax Assessment Act 1936* (Cth), the *Income Tax Assessment Act 1997* (Cth) and the *Taxation Administration Act 1953* (Cth), as the context requires.

**Taxes** means taxes, levies, imposts, charges and duties (including stamp and transaction duties) paid, payable or assessed as being payable by any authority together with any fines, penalties and interest in connection with them.

**Trust Account** means the dollar denominated trust account with an authorised deposit-taking institution (as defined in the *Banking Act 1959* (Cth)) operated by or on behalf of A2B to hold the Scheme Consideration on trust for the purpose of paying the Scheme Consideration to the Scheme Participants in accordance with clause 6.2 of this Scheme.

**Unclaimed Money Act** means the *Unclaimed Money Act 1995* (NSW).

**Withheld Amount** has the meaning given in clause 12.6 of this Scheme.

## 1.2 General interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this Scheme:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a document includes any agreement, deed or other legally enforceable arrangement created by it (whether the document is in the form of an agreement, deed or otherwise);
- (c) a reference to a document also includes any variation, replacement or novation of it;
- (d) the meaning of general words is not limited by specific examples introduced by “including”, “for example”, “such as” or similar expressions;
- (e) a reference to “**person**” includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association and an authority or any other entity or organisation;
- (f) a reference to a particular person includes the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (g) a reference to a time of day is a reference to Sydney, New South Wales, Australia time;
- (h) a reference to dollars, \$ or A\$ is a reference to the currency of Australia;
- (i) a reference to “**law**” includes common law, principles of equity and legislation (including regulations);

- (j) a reference to any legislation includes regulations under it and any consolidations, amendments, re-enactments or replacements of any of them;
- (k) a reference to “**regulations**” includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- (l) a reference to a group of persons is a reference to any 2 or more of them jointly and to each of them individually;
- (m) a reference to any thing (including an amount) is a reference to the whole and each part of it;
- (n) a period of time starting from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (o) if a party must do something under this Scheme on or by a given day and it is done after 5.00pm on that day, it is taken to be done on the next day; and
- (p) if the day on which a party must do something under this Scheme is not a Business Day, the party must do it on the next Business Day.

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## 2 Preliminary

### 2.1 A2B

A2B is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in New South Wales; and
- (c) admitted to the official list of ASX and A2B Shares are officially quoted for trading on the stock market conducted by ASX.

As at the date of the Scheme Implementation Agreement, A2B’s issued securities are:

- (a) 122,285,271 A2B Shares; and
- (b) 3,200,000 Employee Share Rights.

### 2.2 CDC

CDC is:

- (a) a wholly-owned Subsidiary of CDG;
- (b) a proprietary company limited by shares; and
- (c) incorporated in Australia and registered in New South Wales.

### 2.3 CDG

CDG is:

- (a) a public company limited by shares;

- (b) incorporated in Singapore; and
- (c) admitted to the official list of the Singapore Exchange.

#### 2.4 Nominee

The Nominee is:

- (a) a wholly-owned Subsidiary of CDC;
- (b) a proprietary company limited by shares; and
- (c) incorporated in Australia and registered in Victoria.

#### 2.5 If Scheme becomes Effective

If this Scheme becomes Effective:

- (a) in consideration of the transfer of each Scheme Share to CDC (or the Nominee), A2B will procure that CDC, CDC or the Nominee provides (or procures the provision of) the Scheme Consideration to A2B on behalf of each Scheme Participant in accordance with the terms of this Scheme and the Deed Poll;
- (b) all Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to CDC or the Nominee on the Implementation Date; and
- (c) A2B will enter the name of CDC (or the Nominee) in the Register in respect of all of the Scheme Shares transferred to CDC (or the Nominee) in accordance with the terms of this Scheme.

---

### 3 Conditions precedent

#### 3.1 Conditions precedent to Scheme

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) as at 8.00am on the Second Court Date, neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with their terms;
- (b) all of the conditions precedent in clause 3.1 (*Conditions Precedent*) of the Scheme Implementation Agreement having been satisfied or waived (other than the condition precedent in clause 3.1(d) (*Conditions Precedent*) of the Scheme Implementation Agreement) in accordance with the terms of the Scheme Implementation Agreement;
- (c) the Court having approved this Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and if applicable, A2B and CDC having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act;
- (d) subject to clause 12.1, such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and agreed to in writing by A2B and CDC having been satisfied or waived; and

- (e) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme on or before the End Date (or any later date A2B and CDC agree in writing in accordance with the Scheme Implementation Agreement).

### **3.2 Conditions precedent and operation of clause 5**

The satisfaction of each condition of clause 3.1 of this Scheme is a condition precedent to the operation of clause 5 of this Scheme (other than, in respect of clause 5.1 of this Scheme only, the condition precedent in clause 3.1(e) of this Scheme).

### **3.3 Certificate in relation to conditions precedent**

Before 8.00am on the Second Court Date, each of A2B and CDC must provide to the Court a certificate signed by a duly authorised representative (or such other evidence as the Court requests) confirming (in respect of matters within their knowledge) whether or not the conditions precedent set out in clause 3.1(a) and clause 3.1(b) of this Scheme have been satisfied or waived.

The certificate referred to in this clause 3.3 will constitute conclusive evidence (in the absence of manifest error) of whether the conditions precedent referred to in clause 3.1(a) and clause 3.1(b) of this Scheme have been satisfied or waived as at 8.00am on the Second Court Date.

---

## **4 Scheme**

### **4.1 Effective Date**

Subject to clause 4.2, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

### **4.2 End Date**

- (a) Unless A2B and CDC otherwise agree in writing, this Scheme will lapse and be of no further force or effect if:
  - (i) the Effective Date does not occur on or before the End Date (or any later date A2B and CDC agree in writing in accordance with the Scheme Implementation Agreement, or as the Court may order with the consent of A2B and CDC); or
  - (ii) the Scheme Implementation Agreement or the Deed Poll is terminated in accordance with their terms before the Scheme becomes Effective.
- (b) Without limiting any rights under the Scheme Implementation Agreement, if the Scheme Implementation Agreement is terminated in accordance with its terms before 8.00am on the Second Court Date, A2B, CDC, the Nominee and CDG are each released from:
  - (i) any further obligation to take steps to implement the Scheme; and
  - (ii) any liability with respect to this Scheme.

## 5 Implementation of Scheme

### 5.1 Lodgement of Court orders with ASIC

If the conditions precedent set out in clause 3.1 of this Scheme (other than the condition precedent in clause 3.1(e) of this Scheme) are satisfied, A2B must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme as soon as practicable, and in any event by no later than 5.00pm on the first Business Day after the day on which that office copy is received by A2B (or any later date agreed in writing by CDC).

### 5.2 Transfer and registration of Scheme Shares

Subject to the Scheme becoming Effective, the provision of the Scheme Consideration for the Scheme Shares in accordance with clauses 6.1 to 6.3 (inclusive) of this Scheme and CDC or the Nominee having provided A2B with written confirmation of the provision of those funds, on the Implementation Date:

- (a) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to CDC (or the Nominee) without the need for any further act by any Scheme Participant (other than acts performed by A2B as attorney and agent for Scheme Participants under clause 8 of this Scheme) by:
  - (i) A2B delivering to CDC (or the Nominee) a duly completed and executed Share Scheme Transfer to transfer all of the Scheme Shares to CDC (or the Nominee) (which will take the form of a master transfer) executed on behalf of the Scheme Participants by A2B (or any of its officers) as agent and attorney of the Scheme Participants; and
  - (ii) CDC (or the Nominee) duly executing the Share Scheme Transfer and delivering it to A2B for registration; and
- (b) immediately following receipt of the duly executed Share Scheme Transfer, but subject to the stamping of the Share Scheme Transfer (if required) A2B must enter, or procure the entry of, the name of CDC (or the Nominee) in the Register in respect of all of the Scheme Shares transferred to CDC in accordance with the terms of this Scheme.

### 5.3 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to CDC (or the Nominee) of all of the Scheme Shares, each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 6 of this Scheme.

### 5.4 Title and rights in Scheme Shares

- (a) Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 6 of this Scheme, on and from the Implementation Date, CDC (or the Nominee) will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by A2B of CDC (or the Nominee) in the Register as the holder of the Scheme Shares.
- (b) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to CDC (or the Nominee) will, at the time of transfer, vest in CDC (or the Nominee) free from all Encumbrances and interests of third

parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind.

### 5.5 Scheme Participants' agreements

Under this Scheme, each Scheme Participant:

- (a) irrevocably agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares as at the Implementation Date, to CDC (or the Nominee) in accordance with the terms of this Scheme;
- (b) agrees to the variation, cancellation or modification of the rights attached to its A2B Shares constituted by, or resulting from, the Scheme;
- (c) agrees to, on the direction of CDC (or the Nominee), destroy any holding statement or share certificates relating to its A2B Shares;
- (d) who holds its A2B Shares in a CHESS Holding (as defined in the Settlement Rules) agrees to the conversion of those A2B Shares to an Issuer Sponsored Holding (as defined in the Settlement Rules), and irrevocably authorises CDC (or the Nominee) to do anything necessary, expedient or incidental (whether required by the Settlement Rules or otherwise) to effect or facilitate that conversion;
- (e) acknowledges that this Scheme binds A2B and all Scheme Participants (including those who do not attend the Scheme Meeting or do not vote at the Scheme Meeting or vote against the Scheme at the Scheme Meeting) and to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of A2B; and
- (f) irrevocably consents to A2B and CDC (or the Nominee) doing all other things and executing all other documents as may be necessary, incidental or expedient to the implementation of performance of this Scheme.

### 5.6 Warranty by Scheme Participants

Each Scheme Participant warrants to CDC (or the Nominee) and is deemed to have authorised A2B to warrant to CDC (or the Nominee) as agent and attorney for the Scheme Participant by virtue of this clause 5.6, that:

- (a) all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to CDC (or the Nominee) under this Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances or any other third party interest or restrictions on transfer of any kind; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to CDC (or the Nominee) under the Scheme.

### 5.7 Transfer free of Encumbrances

To the extent permitted by law, all Scheme Shares (including all rights and entitlements attaching to those shares) which are transferred to CDC (or the Nominee) under this Scheme will, at the date of the transfer of them to CDC (or the Nominee), vest in CDC (or the Nominee) free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind.

## 5.8 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration for the Scheme Shares as contemplated by clauses 5.2 and 6.3 of this Scheme, on and from the Implementation Date until A2B registers CDC (or the Nominee) as the holder of all of the Scheme Shares in the Register, each Scheme Participant:

- (a) irrevocably appoints A2B as attorney and agent and directs A2B in such capacity to appoint CDC (or the Nominee) and each of its directors from time to time (jointly and each of them individually) as its sole proxy, and where applicable corporate representative, to attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders resolution, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 5.8(a)); and
- (b) must take all other actions in the capacity of the registered holder of Scheme Shares as CDC (or the Nominee) directs.

A2B undertakes in favour of each Scheme Participant that it will appoint CDC (or the Nominee) and each of its directors from time to time (jointly and each of them individually) as that Scheme Participant's proxy or, where applicable, corporate representative in accordance with clause 5.8(a) of this Scheme.

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## 6 Scheme Consideration

### 6.1 Consideration under the Scheme

- (a) On the Implementation Date, A2B must procure that CDC (or the Nominee) pays (or procures the payment of), and CDC (or the Nominee) must pay, the Scheme Consideration to the Scheme Participants in accordance with clauses 6.2, 6.3 and 6.4 of this Scheme.
- (b) In the event that CDC (or the Nominee) will not or does not fulfil its obligations under clause 6.1(a) of this Scheme, CDG must, and A2B must use its best endeavours to procure that CDG does, perform those obligations as if the references to CDC (or the Nominee) in clause 6.1(a) of this Scheme were references to CDG.

### 6.2 Satisfaction of obligations

The obligation of A2B to procure payment of the Scheme Consideration pursuant to clause 6.1 of this Scheme will be satisfied by A2B procuring that CDC, the Nominee or CDG no later than 2 Business Days before the Implementation Date deposits (or procures the deposit of) in Immediately Available Funds the aggregate amount of the Scheme Consideration payable to all Scheme Participants into the Trust Account (except that the amount of any interest on the amount deposited will be to the account of CDC, the Nominee or CDG (as applicable)).

### 6.3 Payment of Scheme Consideration

- (a) On the Implementation Date, subject to receipt of the funds from CDC, the Nominee or CDG in accordance with clause 6.2 of this Scheme, A2B must pay to each Scheme Participant an amount equal to the Scheme Consideration for each Scheme Share transferred to CDC (or the Nominee) on the Implementation Date by that Scheme Participant from the Trust Account.



- (b) The obligations of A2B under clause 6.3(a) will be satisfied by A2B (in its absolute discretion) and despite any election referred to in clause 6.3(b)(i) or authority referred to in clause 6.3(b)(ii) made or given by the Scheme Participant:
- (i) paying, or procuring the payment of, the relevant amount in dollars by electronic means to a bank account nominated by the Scheme Participant, where the Scheme Participant has made a valid election prior to the Record Date in accordance with the requirements of the Registry to receive dividend payments from A2B to that bank account;
  - (ii) paying, or procuring the payment of, the relevant amount in dollars by electronic means to a bank account nominated by the Scheme Participant by an appropriate authority from the Scheme Participant to A2B; or
  - (iii) dispatching, or procuring the dispatch of, a cheque drawn on an Australian bank for the relevant amount in dollars to each Scheme Participant by pre-paid ordinary post (or, if the address of the Scheme Participant in the Register is outside Australia, by pre-paid airmail post) to their address recorded in the Register on the Record Date, such cheque being drawn in the name of the Scheme Participant (or in the case of joint holders, in accordance with the procedures set out in clause 6.7).
- (c) If:
- (i) a Scheme Participant does not have a Registered Address and no account has been notified in accordance with clause 6.3(b)(i) or a deposit into such account is rejected or refunded; or
  - (ii) a cheque issued under this clause 6.3 has been cancelled in accordance with clause 6.4(a)(i),
- A2B as the trustee for the Scheme Participants may credit the amount payable to the relevant Scheme Participant to a separate bank account of A2B ("**Separate Account**") to be held until the Scheme Participant claims the amount or the amount is dealt with under the Unclaimed Money Act. If the amount is not credited to a Separate Account, the amount will continue to be held in the Trust Account until the Scheme Participant claims the amount or the amount is dealt with under the Unclaimed Money Act. Until such time as the amount is dealt with under the Unclaimed Money Act, A2B must hold the amount on trust for the relevant Scheme Participant, but any interest or other benefit accruing from the amount will be to the benefit of CDC (or the Nominee). An amount credited to the Separate Account or Trust Account (as applicable) is to be treated as having been paid to the relevant Scheme Participant when credited to the Separate Account or Trust Account (as applicable). A2B must maintain records of the amounts paid, the people who are entitled to the amount and any transfers of the amounts.
- (d) If, following satisfaction of A2B's obligations under clause 6.3(c), there is a surplus in the amount held by A2B as trustee for the Scheme Participants in the Trust Account, that surplus must be paid by A2B to CDC (or the Nominee).
- (e) If the Scheme lapses after CDC (or the Nominee) has provided some or all of the Scheme Consideration in accordance with clause 6.2, but prior to CDC (or the Nominee) being entered into the Register as the holder of the Scheme Shares in accordance with clause 5.2(b), A2B must refund

(or procure the refund) to CDC (or the Nominee) of the amount deposited into the Trust Account in accordance with clause 6.2, together with any interest thereon (less bank fees and charges).

#### 6.4 Unclaimed monies

- (a) A2B may cancel a cheque issued under clause 6.3 of this Scheme if the cheque:
- (i) is returned to A2B; or
  - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of 1 year commencing on the Implementation Date, on request from a Scheme Participant, A2B must reissue a cheque that was previously cancelled under this clause 6.4.
- (c) The Unclaimed Money Act will apply in relation to any Scheme Consideration which becomes "unclaimed money" (as defined in section 3 of the Unclaimed Money Act). Any interest or other benefit accruing from the unclaimed Scheme Consideration will be to the benefit of CDC (or the Nominee).

#### 6.5 Fractional entitlements

Where the calculation of the Scheme Consideration to be provided to a particular Scheme Participant would result in the Scheme Participant becoming entitled to a fraction of a cent, the fractional entitlement will be rounded up or down (as applicable) to the nearest whole cent.

#### 6.6 Orders of a court or Regulatory Authority

In the case of notice having been given to A2B (or the Registry) of an order or direction made by or a requirement of a court of competent jurisdiction or other Regulatory Authority:

- (a) which requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Participant, which would otherwise be payable to that Scheme Participant in accordance with clause 6.3 of this Scheme, then A2B must procure that payment is made in accordance with that order or direction or otherwise by law (as applicable); or
- (b) which would prevent A2B from dispatching payment to any particular Scheme Participant in accordance with clause 6.3 of this Scheme, or the payment is otherwise prohibited by applicable law, A2B will retain an amount, in dollars, equal to the number of Scheme Shares held by that Scheme Participant multiplied by the Scheme Consideration until such time as payment in accordance with clause 6.3 of this Scheme is permitted by that order or otherwise by law.

#### 6.7 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any Scheme Consideration payable in respect of those Scheme Shares is payable to the joint holders and any cheque required to be paid to Scheme Participants by CDC (or the Nominee) under this Scheme must be payable to the joint holders and be forwarded to the holder whose name appears first in the Register as at the Record Date; and

- (b) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of A2B, the holder whose name appears first in the Register as at the Record Date or to the joint holders.

---

## 7 Dealings in Scheme Shares

### 7.1 Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Scheme Shares will only be recognised by A2B if:

- (a) in the case of dealings of the type to be effected using CHES, the transferee is registered in the Register as the holder of the relevant Scheme Shares on or before the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the Register is kept.

### 7.2 Register

A2B must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with clause 7.1(b) of this Scheme on or before the Record Date provided that, for the avoidance of doubt, nothing in this clause 7.2 of this Scheme requires A2B to register a transfer that would result in an A2B Shareholder holding a parcel of A2B Shares that is less than a “marketable parcel” (for the purposes of this clause 7.2 of this Scheme “marketable parcel” has the meaning given in the Settlement Rules).

### 7.3 No disposals after Effective Date

- (a) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Effective Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever, and any attempt to do so will have no effect and A2B is entitled to disregard any such disposal, purported disposal or agreement.
- (b) A2B will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after the Record Date (except a transfer to CDC (or the Nominee) pursuant to this Scheme and any subsequent transfer by CDC (or the Nominee) or its successors in title).

### 7.4 Maintenance of A2B Register

For the purpose of determining entitlements to the Scheme Consideration, A2B will maintain the Register in accordance with the provisions of this clause 7.4 until the Scheme Consideration has been paid to the Scheme Participants and CDC (or the Nominee) has been entered in the Register as the holder of all the Scheme Shares. The Register in this form will solely determine entitlements to the Scheme Consideration.

### 7.5 Effect of certificates and holding statements

Subject to provision of the Scheme Consideration and registration of the transfer to CDC (or the Nominee) contemplated in clauses 5.2 and 7.4 of this Scheme, any statements of holding in respect of Scheme Shares will cease to have effect

after the Record Date as documents of title in respect of those shares (other than statements of holding in favour of Excluded Shareholders, CDC (or the Nominee) and its successors in title). After the Record Date, each entry current on the Register as at the Record Date (other than entries in respect of CDC or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration.

#### **7.6 Details of Scheme Participants**

Within 3 Business Days after the Record Date, A2B will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the Register at the Record Date are available to CDC (or the Nominee) in such form as CDC (or the Nominee) reasonably requires.

#### **7.7 Quotation of A2B Shares**

A2B must apply to ASX to suspend trading on ASX of A2B Shares with effect from the close of trading on the Effective Date.

#### **7.8 Termination of quotation of A2B Shares**

After the Scheme has been fully implemented, A2B must apply:

- (a) for termination of the official quotation of A2B Shares on ASX; and
- (b) to have itself removed from the official list of ASX.

---

### **8 Appointment of A2B as attorney for implementation of Scheme**

Each Scheme Participant, without the need for any further act by any Scheme Participant, irrevocably appoints A2B and each of its directors and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

- (a) executing any document or doing or taking any other act necessary, desirable or expedient, or incidental to give effect to this Scheme and the transactions contemplated by it including executing and delivering any Share Scheme Transfer; and
- (b) on and from the Effective Date enforcing the Deed Poll against CDC (or the Nominee) and CDG (and A2B undertakes in favour of each Scheme Participant that it will enforce the Deed Poll against CDC (or the Nominee) and CDG on behalf of, and as agent and attorney of, each Scheme Participant),

and A2B accepts such appointment. A2B, as attorney and agent of each Scheme Participant, may sub-delegate any of its functions, authorities or powers under this clause 8 to all or any of its directors or officers (jointly, individually or jointly and individually).

---

### **9 Appointment of CDC as attorney in respect of Scheme Shares**

Immediately upon the provision of the Scheme Consideration to each Scheme Participant in the manner contemplated by clauses 6.1, 6.2 and 6.3, until CDC (or the Nominee) is registered as the holder of all Scheme Shares, each Scheme Participant:

- (a) irrevocably appoints CDC (or the Nominee) as its agent and attorney (and irrevocably appoints CDC (or the Nominee) as its agent and attorney to appoint any of the directors and officers nominated by CDC (or the Nominee) as its agent and attorney) to:
  - (i) appoint the chair of the board of directors of A2B and, where applicable, corporate representative to attend A2B Shareholders' meetings;
  - (ii) exercise the votes attaching to A2B Shares registered in the name of the Scheme Participant; and
  - (iii) sign any A2B Shareholders' resolution;
- (b) must not attend or vote at any A2B Shareholders' meetings or sign any A2B Shareholders' resolution (whether in person, by proxy or by corporate representative) other than pursuant to clause 9(a)(ii); and
- (c) must take all other action in the capacity of a registered holder of Scheme Shares as CDC (or the Nominee) reasonably directs.

---

## 10 Notices and other communications

### 10.1 Accidental omission

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any A2B Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

### 10.2 Form

Unless this Scheme expressly states otherwise, all notices, demands, certificates, consents, approvals, waivers and other communications in connection with this Scheme must be in writing and signed by the sender (if an individual) or an Authorised Officer of the sender.

All communications (other than email communications) must also be marked for the attention of the person referred to in the Details (or, if the recipient has notified otherwise, then marked for attention in the way last notified).

Email communications must state the first and last name of the sender and are taken to be signed by the named sender.

### 10.3 Delivery

Communications must be:

- (a) left at the address referred to in the Details;
- (b) sent by post (airmail if appropriate) to the address referred to in the Details; or
- (c) sent by email to the address referred to in the Details.

If the intended recipient has notified changed contact details, then communications must be sent to the changed contact details.

**10.4 When effective**

Communications take effect from the time they are received or taken to be received under clause 10.5 (whichever happens first) unless a later time is specified in the communication.

**10.5 When taken to be received**

Communications are taken to be received:

- (a) if sent by post, 6 Business Days after posting (or 10 days after posting if sent from one country to another); or
- (b) if sent by email:
  - (i) when the sender receives an automated message confirming delivery; or
  - (ii) 4 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that delivery failed,

whichever happens first.

**10.6 Receipt outside business hours**

Despite anything else in this clause 10, if communications are received or taken to be received under clause 10.5 after 5.00pm on a Business Day or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day. For the purposes of this clause, the place in the definition of Business Day is taken to be the place specified in the Details as the address of the recipient and the time of receipt is the time in that place.

---

**11 GST****11.1 Definitions and interpretation**

For the purposes of this clause:

- (a) “**GST Act**” means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth);
- (b) a term which has a defined meaning in the GST Act has the same meaning when used in this clause, unless the contrary intention appears; and
- (c) each periodic or progressive component of a supply to which section 156-5(1) of the GST Act applies will be treated as if it were a separate supply.

**11.2 GST exclusive**

Unless this Scheme expressly states otherwise, all consideration to be provided under this Scheme is exclusive of GST.

**11.3 Payment of GST**

- (a) If GST is payable, or notionally payable, on a supply in connection with this Scheme, the party providing the consideration for the supply agrees

to pay to the supplier an additional amount equal to the amount of GST payable on that supply ("**GST Amount**").

- (b) Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time as the GST-exclusive consideration for the supply, or the first part of the GST-exclusive consideration for the supply (as the case may be), is payable or is to be provided.
- (c) This clause does not apply to the extent that the consideration for the supply is expressly stated to include GST or the supply is subject to a reverse-charge.

#### **11.4 Adjustment events**

If an adjustment event arises for a supply made in connection with this Scheme, the GST Amount must be recalculated to reflect that adjustment. The supplier or the recipient (as the case may be) agrees to make any payments necessary to reflect the adjustment and the supplier agrees to issue an adjustment note.

#### **11.5 Reimbursements**

Any payment, indemnity, reimbursement or similar obligation that is required to be made in connection with this Scheme which is calculated by reference to an amount paid by another party must be reduced by the amount of any input tax credits which the other party (or the representative member of any GST group of which the other party is a member) is entitled. If the reduced payment is consideration for a taxable supply, clause 11.3 will apply to the reduced payment.

---

## **12 General**

### **12.1 Variations, alterations and conditions**

- (a) A2B may, with the prior consent of CDC (or the Nominee), by its counsel or solicitor, consent on behalf of all persons concerned to those variations, alterations or conditions to this Scheme which the Court thinks fit to impose; and
- (b) each Scheme Participant agrees to any such variations, alterations or conditions which A2B has consented to.

### **12.2 Further action by A2B**

A2B will execute all documents and do all things (on its own behalf and on behalf of each Scheme Participant) necessary or expedient to implement, and perform its obligations under, this Scheme.

### **12.3 Authority and acknowledgement**

Each of the Scheme Participants irrevocably consents to A2B and CDC (or the Nominee) doing all things necessary or expedient for or incidental to the implementation of this Scheme.

### **12.4 No liability when acting in good faith**

Each Scheme Participant agrees that neither A2B, CDC (or the Nominee) nor CDG, nor any of their respective officers or employees, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

## 12.5 Stamp duty and registration fees

- (a) CDC (or the Nominee):
- (i) agrees to pay or reimburse all stamp duty, registration fees and similar taxes payable or assessed as being payable in connection with this Scheme or the transactions effected by or made under the Scheme (including any fees, fines, penalties and interest in connection with any of those amounts); and
  - (ii) indemnifies each Scheme Participant against, and agrees to reimburse and compensate each Scheme Participant for, any liability in respect of stamp duty under clause 12.5(a)(i),

subject to and in accordance with clause 7 (*Costs and stamp duty*) of the Deed Poll.

- (b) In the event that CDC (or the Nominee) will not or does not fulfil its obligations under 12.5(a) of this Scheme, CDG must, and A2B must use its best endeavours to procure that CDG does:
- (i) perform those obligations as if the references to CDC (or the Nominee) in clause 12.5(a) of this Scheme were references to CDG; and
  - (ii) indemnify each Scheme Participant against any liability in respect of stamp duty under clause 12.5(a)(ii) as if the references to CDC (or the Nominee) in clause 12.5(a)(ii) were references to CDG.

## 12.6 Foreign resident capital gains withholding

- (a) If CDC (or the Nominee) is required to make any withholding, deduction or payment for or on account of Tax (including under subdivision 14-D of Schedule 1 of the Tax Act) or by any Regulatory Authority ("**Withheld Amount**") in respect of the acquisition of A2B Shares from the Scheme Participants, CDC (or the Nominee):
- (i) must pay or procure the payment of the full amount of the withholding or deduction, or make or procure the making of the payment, to the appropriate Regulatory Authority under applicable law; and
  - (ii) will not be required to pay any additional amount to a Scheme Participant on account of the Withheld Amount, and will, on payment of the Scheme Consideration less the Withheld Amount, be deemed for all purposes to have paid the full and final amount of the Scheme Consideration (or other payment) required under this Scheme.
- (b) In the event that CDC (or the Nominee) will not or does not fulfil its obligations under clause 12.6(a) of this Scheme, CDG must, and A2B must use its best endeavours to procure that CDG does, perform those obligations as if the references to CDC (or the Nominee) in clause 12.6(a) of this Scheme were references to CDG.



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### **13 Governing law**

#### **13.1 Governing law and jurisdiction**

The law in force in the place specified in the Details governs this Scheme. The parties submit to the non-exclusive jurisdiction of the courts of that place.

#### **13.2 Serving documents**

Without preventing any other method of service, any document in an action in connection with this Scheme may be served on a party by being delivered or left at that party's address set out in the Details or with its process agent.

**Annexure**

For personal use only

# Deed Poll

# Deed Poll

Dated

Given by ComfortDelGro Corporation Australia Pty Ltd (ABN 84 002 072 004) ("**CDC**")

CDC Private Mobility Pty Ltd (ACN 674 449 640) ("**Nominee**")

and

ComfortDelGro Corporation Limited (UEN 200300002K) ("**CDG**")

In favour of each person registered as a holder of fully paid ordinary shares in the capital of A2B Australia Limited (ABN 99 001 958 390) ("**A2B**") as at the Record Date (other than an Excluded Shareholder) ("**Scheme Participants**")

**King & Wood Malleons**

Level 61

Governor Phillip Tower

1 Farrer Place

Sydney NSW 2000

Australia

T +61 2 9296 2000

F +61 2 9296 3999

DX 113 Sydney

www.kwm.com

602-0087757

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## Deed Poll

### Details

Parties	CDC, Nominee and CDG	
<b>CDC</b>	Name	<b>ComfortDelGro Corporation Australia Pty Ltd</b>
	ABN	84 002 072 004
	Formed in	Australia
	Address	28 Prosperity Street Truganina VIC 3029 AUSTRALIA
	Email	nick.yap@cdcbus.com.au and kevin.harris@cdcbus.com.au, with a copy to: marina.zabrieszach@cdcbus.com.au, with a copy (for information purposes only) to jonathan.farrer@corrs.com.au and victoria.ngomba@corrs.com.au
	Attention	Nicholas Yap Soon Hua and Kevin Harris with copy to: Marina Zabrieszach
<b>Nominee</b>	Name	<b>CDC Private Mobility Pty Ltd</b>
	ACN	674 449 640
	Formed in	Australia
	Address	Level 7, 91-97 William Street Melbourne VIC 3000 AUSTRALIA
	Email	nick.yap@cdcbus.com.au and kevin.harris@cdcbus.com.au, with a copy to: marina.zabrieszach@cdcbus.com.au, with a copy (for information purposes only) to jonathan.farrer@corrs.com.au and victoria.ngomba@corrs.com.au
	Attention	Nicholas Yap Soon Hua and Kevin Harris with copy to: Marina Zabrieszach
<b>CDG</b>	Name	<b>ComfortDelGro Corporation Limited</b>
	UEN	200300002K
	Formed in	Singapore

Address	205 Braddell Road SINGAPORE 579701
Email	chengsk@comfortdelgro.com, with a copy to rudytan@comfortdelgro.com, angelinejoycelee@comfortdelgro.com and grouplegal@comfortdelgro.com, with a copy (for information purposes only) to jonathan.farrer@corrs.com.au and victoria.ngomba@corrs.com.au
Attention	Cheng Siak Kian with copy to: Rudy Tan Lai Wah and Angeline Joyce Lee Siang Pohr

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<b>In favour of</b>	Each person registered as a holder of fully paid ordinary shares in the capital of A2B as at the Record Date (other than an Excluded Shareholder)
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<b>Governing law</b>	New South Wales, Australia
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- |                 |  |
|-----------------|--|
| <b>Recitals</b> | <p><b>A</b> The directors of A2B have resolved that A2B should propose the Scheme.</p> <p><b>B</b> The effect of the Scheme will be that all Scheme Shares will be transferred to CDC or the Nominee.</p> <p><b>C</b> A2B, CDC and CDG have entered into the Scheme Implementation Agreement.</p> <p><b>D</b> In the Scheme Implementation Agreement, CDC and CDG agreed (amongst other things) to provide (or procure the provision of) the Scheme Consideration to A2B on behalf of the Scheme Participants, subject to the satisfaction of certain conditions.</p> <p><b>E</b> CDC, the Nominee and CDG are each entering into this document for the purpose of undertaking in favour of Scheme Participants to perform each of its obligations under the Scheme and the Scheme Implementation Agreement.</p> |
|-----------------|--|

# Deed Poll

## General terms

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### 1 Definitions and interpretation

#### 1.1 Definitions

Unless the contrary intention appears, these meanings apply:

**Authorised Officer** means a director or secretary of a party, or any other person nominated by a party to act as an Authorised Officer for the purposes of this document.

**Details** means the section of this document headed “Details”.

**Scheme** means the proposed scheme of arrangement between A2B and Scheme Participants under which all the Scheme Shares will be transferred to CDC or the Nominee under Part 5.1 of the Corporations Act, substantially in the form of Annexure A to this document, or as otherwise agreed in writing by A2B and CDC, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by A2B and CDC.

**Scheme Implementation Agreement** means the scheme implementation agreement dated 22 December 2023 between A2B, CDC and CDG under which, amongst other things, A2B has agreed to propose the Scheme to the Scheme Participants, and each of A2B, CDC and CDG has agreed to take certain steps to give effect to the Scheme.

All other words and phrases used in this document have the same meaning as given to them in the Scheme, except that references to “this Scheme” are to be read as references to “this document”.

#### 1.2 General interpretation

Clause 1.2 (*General interpretation*) of the Scheme applies to this document, except that references to “this Scheme” are to be read as references to “this document”.

#### 1.3 Nature of deed poll

Each of CDC, the Nominee and CDG agrees that:

- (a) this document may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not a party to it; and
- (b) under the Scheme, each Scheme Participant irrevocably appoints A2B and each of its directors and secretaries (jointly and each of them individually) as its agent and attorney to enforce this document against CDC, the Nominee and CDG.



---

## 2 Conditions precedent and termination

### 2.1 Conditions precedent

Each of CDC, the Nominee and CDG's obligations under clause 4 are subject to the Scheme becoming Effective.

### 2.2 Termination

Each of CDC, the Nominee and CDG's obligations under this document will automatically terminate and the terms of this document will be of no further force or effect if:

- (a) the Scheme has not become Effective on or before the End Date (or any later date A2B and CDC agree in writing in accordance with the Scheme Implementation Agreement, or as the Court may order with the consent of A2B and CDC);
- (b) the Scheme Implementation Agreement is terminated in accordance with its terms before the Scheme becomes Effective; or
- (c) the Scheme terminates and ceases to be of any force or effect in accordance with its terms,

unless A2B and CDC otherwise agree in writing (and, if required, approved by the Court).

### 2.3 Consequences of termination

If this document is terminated under clause 2.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Participants:

- (a) CDC, the Nominee and CDG are released from each of their obligations to further perform this document except those obligations contained in clause 7.2 and any other obligations which by their nature survive termination; and
- (b) each Scheme Participant retains the rights, powers or remedies they have against CDC, the Nominee and CDG in respect of any breach of this document which occurs before it is terminated.

---

## 3 Performance of obligations generally

- (a) CDC, the Nominee and CDG must comply with their obligations under the Scheme Implementation Agreement and do all acts and things necessary or desirable on its part to give full effect to the Scheme.
- (b) Subject to clause 2, each of CDC, the Nominee and CDG covenants in favour of each Scheme Participant that it will be bound by the terms of the Scheme as if it were a party to the Scheme and undertakes to perform all obligations and other actions, including those obligations and actions which relate to the payment of the Scheme Consideration, and give each acknowledgement, representation and warranty (if any), attributed to it under the Scheme, subject to and in accordance with the terms of the Scheme Implementation Agreement and the Scheme.

---

#### 4 Scheme Consideration

Subject to clause 2:

- (a) the Nominee undertakes in favour of each Scheme Participant to observe and perform all obligations contemplated of the Nominee under the Scheme to pay or procure the payment of the Scheme Consideration in Immediately Available Funds into the Trust Account no later than 2 Business Days before the Implementation Date, on behalf of each Scheme Participant, provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to the Nominee's account;
- (b) each of CDG and CDC undertakes in favour of each Scheme Participant that, in the event that the Nominee will not or does not fulfil its obligations under clause 4(a), CDG and CDC will perform those obligations as if the reference to the Nominee in clause 4(a) was a reference to either CDG or CDC; and
- (c) each of CDC, the Nominee and CDG undertakes in favour of each Scheme Participant to undertake all other actions, and given each acknowledgement, representation and warranty (if any), attributed to each of them under the Scheme,

subject to and in accordance with the Scheme.

---

#### 5 Representations and warranties

Each of CDC, the Nominee and CDG represents and warrants in respect of itself that:

- (a) **(status)** it has been incorporated or formed in accordance with the laws of its place of incorporation or formation;
- (b) **(power)** it has power to enter into this document, to comply with its obligations under it and exercise its rights under it;
- (c) **(no contravention)** the entry by it into, its compliance with its obligations and the exercise of its rights under, this document does not and will not conflict with:
  - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded; or
  - (ii) any law binding on or applicable to it or its assets;
- (d) **(authorisations)** it has in full force and effect each authorisation necessary for it to enter into this document, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under this document are valid and binding and are enforceable against it in accordance with its terms; and
- (f) **(solvency)** it is not Insolvent (as that term is defined in the Scheme Implementation Agreement).

---

## 6 Continuing obligations

This document is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) each of CDC, the Nominee and CDG has fully performed its obligations under this document; or
- (b) the earlier termination of this document under clause 2.2.

---

## 7 Costs and stamp duty

### 7.1 Costs

- (a) The Nominee agrees to pay all costs in respect of the Scheme (including, in connection with the transfer of Scheme Shares to the Nominee in accordance with the terms of the Scheme) except for amounts covered by clause 7.2.
- (b) In the event that the Nominee will not or does not fulfil its obligations under clause 7.1(a), CDG and CDC must perform those obligations as if the references to the Nominee in clause 7.1(a) were references to either CDG or CDC.

### 7.2 Stamp duty and registration fees

- (a) The Nominee:
  - (i) agrees to pay or reimburse all stamp duty, registration fees and similar taxes payable or assessed as being payable in connection with this document or any other transaction contemplated by this document (including any fees, fines, penalties and interest in connection with any of these amounts); and
  - (ii) indemnifies each Scheme Participant against, and agrees to reimburse and compensate it, for any liability in respect of stamp duty under clause 7.2(a)(i).
- (b) In the event that the Nominee will not or does not fulfil its obligations under clause 7.2(a), CDG and CDC must:
  - (i) perform those obligations as if the references to the Nominee in clause 7.2(a)(i) were references to either CDG or CDC; and
  - (ii) indemnify each Scheme Participant against any liability in respect of stamp duty under clause 7.2(a)(ii) as if the references to the Nominee in clause 7.2(a)(ii) were references to either CDG or CDC.

---

## 8 Notices and other communications

### 8.1 Form

Unless this document expressly states otherwise, all notices, demands, certificates, consents, approvals, waivers and other communications in connection with this document must be in writing and signed by the sender (if an individual) or an Authorised Officer of the sender.

All communications (other than email communications) must also be marked for the attention of the person referred to in the Details (or, if the recipient has notified otherwise, then marked for attention in the way last notified).

Email communications must state the first and last name of the sender and are taken to be signed by the named sender.

## 8.2 Delivery

Communications must be:

- (a) left at the address referred to in the Details;
- (b) sent by post (airmail if appropriate) to the address referred to in the Details; or
- (c) sent by email to the address referred to in the Details.

If the intended recipient has notified changed contact details, then communications must be sent to the changed contact details.

## 8.3 When effective

Communications take effect from the time they are received or taken to be received under clause 8.4 (whichever happens first) unless a later time is specified in the communication.

## 8.4 When taken to be received

Communications are taken to be received:

- (a) if sent by post, 6 Business Days after posting (or 10 days after posting if sent from one country to another); or
- (b) if sent by email:
  - (i) when the sender receives an automated message confirming delivery; or
  - (ii) 4 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that delivery failed,

whichever happens first.

## 8.5 Receipt outside business hours

Despite anything else in this clause 8, if communications are received or taken to be received under clause 8.4 after 5.00pm on a Business Day or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day. For the purposes of this clause, the place in the definition of Business Day is taken to be the place specified in the Details as the address of the recipient and the time of receipt is the time in that place.

---

## 9 GST

### 9.1 Definitions and interpretation

For the purposes of this clause:

- (a) **"GST Act"** means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth);
- (b) a term which has a defined meaning in the GST Act has the same meaning when used in this clause, unless the contrary intention appears; and
- (c) each periodic or progressive component of a supply to which section 156-5(1) of the GST Act applies will be treated as if it were a separate supply.

## 9.2 GST exclusive

Unless this document expressly states otherwise, all consideration to be provided under this document is exclusive of GST.

## 9.3 Payment of GST

- (a) If GST is payable, or notionally payable, on a supply in connection with this document, the party providing the consideration for the supply agrees to pay to the supplier an additional amount equal to the amount of GST payable on that supply ("**GST Amount**").
- (b) Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time as the GST-exclusive consideration for the supply, or the first part of the GST-exclusive consideration for the supply (as the case may be), is payable or is to be provided.
- (c) This clause does not apply to the extent that the consideration for the supply is expressly stated to include GST or the supply is subject to a reverse-charge.

## 9.4 Adjustment events

If an adjustment event arises for a supply made in connection with this document, the GST Amount must be recalculated to reflect that adjustment. The supplier or the recipient (as the case may be) agrees to make any payments necessary to reflect the adjustment and the supplier agrees to issue an adjustment note.

## 9.5 Reimbursements

Any payment, indemnity, reimbursement or similar obligation that is required to be made in connection with this document which is calculated by reference to an amount paid by another party must be reduced by the amount of any input tax credits which the other party (or the representative member of any GST group of which the other party is a member) is entitled. If the reduced payment is consideration for a taxable supply, clause 9.3 will apply to the reduced payment.

---

# 10 General

## 10.1 Variation

A provision of this document or any right created under it may not be varied, altered or otherwise amended unless:

- (a) if the variation occurs before the First Court Date (as that term is defined in the Scheme Implementation Agreement) the variation is agreed to by

A2B and CDC in writing (which such agreement may be given or withheld without reference to or approval by any Scheme Participant); and

- (b) if the variation occurs on or after the First Court Date (as that term is defined in the Scheme Implementation Agreement), the variation is agreed to by A2B and CDC in writing (which such agreement may be given or withheld without reference to or approval by any Scheme Participant) and the Court indicates (either at the hearing on the First Court Date, at an interlocutory hearing or the hearing on the Second Court Date) that the variation, alteration or amendment would not itself preclude approval of the Scheme,

in which event CDC, the Nominee and CDG must enter into a further deed poll in favour of the Scheme Participants giving effect to the variation, alteration or amendment.

### **10.2 Partial exercising of rights**

Unless this document expressly states otherwise, if CDC, the Nominee or CDG does not exercise a right, power or remedy in connection with this document fully or at a given time, it may still exercise it later.

### **10.3 No waiver**

A provision of this document, or any right, power or remedy created under it may not be varied or waived except in writing signed by the party to be bound.

No failure to exercise, nor any delay in exercising, any right, power or remedy by CDC, the Nominee, CDG or by any Scheme Participant operates as a waiver. A waiver of any right, power or remedy on one or more occasions does not operate as a waiver of that right, power or remedy on any other occasion, or of any other right, power or remedy.

### **10.4 Remedies cumulative**

The rights, powers and remedies in connection with this document are in addition to other rights, powers and remedies given by law independently of this document.

### **10.5 Assignment or other dealings**

CDC, the Nominee, CDG and each Scheme Participant may not assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varied without the consent of A2B and CDC. Any purported dealing in contravention of this clause 10.5 is invalid.

### **10.6 Further steps**

Each of CDC, the Nominee and CDG agrees to do anything including executing all documents and do all things (on its own behalf or on behalf of each Scheme Participant) at its own expense necessary or expedient to give full effect to this document and the transactions contemplated by it.

### **10.7 Severability**

If the whole or any part of a provision of this document is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this document has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of this document or is contrary to public policy.

## 10.8 Foreign resident capital gains withholding

- (a) If the Nominee is required to make any withholding, deduction or payment for or on account of Tax (including under subdivision 14-D of Schedule 1 of the Tax Act) or by any Regulatory Authority (“**Withheld Amount**”) in respect of the acquisition of A2B Shares from the Scheme Participants, the Nominee:
- (i) must pay or procure the payment of the full amount of the withholding or deduction, or make or procure the making of the payment, to the appropriate Regulatory Authority under applicable law; and
  - (ii) will not be required to pay any additional amount to a Scheme Participant on account of the Withheld Amount, and will, on payment of the Scheme Consideration less the Withheld Amount, be deemed for all purposes to have paid the full and final amount of the Scheme Consideration (or other payment) required under this document.
- (b) In the event that the Nominee will not or does not fulfil its obligations under clause 10.8(a), CDG and CDC must, and A2B must use its best endeavours to procure that CDG and CDC do, perform those obligations as if the references to the Nominee in clause 10.8(a) were references to either CDG or CDC.

---

## 11 Governing law and jurisdiction

### 11.1 Governing law and jurisdiction

The law in force in the place specified in the Details governs this document. Each of CDC, the Nominee and CDG submits to the non-exclusive jurisdiction of the courts of that place.

### 11.2 Serving documents

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party’s address for service of notices under clause 8.2 or with its process agent:

### 11.3 Appointment of process agent

Without preventing any method of service allowed under any relevant law, CDG:

- (a) irrevocably appoints CDC as its process agent to receive any document in an action in connection with this document; and
- (b) agrees that failure by a process agent to notify CDG of any document in an action in connection with this document does not invalidate the action concerned.

If for any reason CDC ceases to be able to act as process agent, CDG agrees to appoint another person as its process agent in the place referred to in clause 11.1 or Victoria, Australia and ensure that the replacement process agent accepts its appointment and confirms its appointment to CDG.

CDG agrees that service of documents on its process agent is sufficient service on it.

For personal use only

**EXECUTED** as a deed poll



## Deed Poll

### Signing page

CDC

**EXECUTED** by **COMFORTDELGRO CORPORATION AUSTRALIA PTY LTD** in accordance with section 127(1) of the *Corporations Act 2001* (Cth) by authority of its directors:



.....  
Russell Stephen Balding AO  
Director

19 February 2024



.....  
Kevin Harris  
Company Secretary

19 February 2024

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**Nominee**

**EXECUTED** by **CDC PRIVATE MOBILITY PTY LTD** in accordance with section 127(1) of the *Corporations Act 2001* (Cth) by authority of its directors:



.....  
Russell Stephen Balding AO  
Director

19 February 2024




.....  
Kevin Harris  
Company Secretary

19 February 2024

**CDG**

**EXECUTED** and **DELIVERED** as a  
**DEED**

for and on behalf of ComfortDelGro  
Corporation Limited by:



---

Siak Kian Cheng  
Director

19 February 2024



---

Angeline Joyce Lee Siang Pohr  
Company Secretary

19 February 2024

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## Deed Poll

### Annexure A Scheme

# Scheme of Arrangement

A2B Australia Limited (ABN 99 001 958 390) (“**A2B**”)  
Scheme Participants

**King & Wood Mallesons**

Level 61  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000  
Australia  
T +61 2 9296 2000  
F +61 2 9296 3999  
DX 113 Sydney  
www.kwm.com  
602-0087757

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## Scheme of Arrangement

### Details

Parties	A2B and Scheme Participants	
<b>A2B</b>	Name	<b>A2B Australia Limited</b>
	ABN	99 001 958 390
	Formed in	Australia
	Address	9/13 O’Riordan Street Alexandria NSW 2015 AUSTRALIA
	Email	mark.bayliss@a2baustralia.com and howard.edelman@a2baustralia.com, with a copy (for information purposes only) to mark.vanderneut@au.kwm.com and katherine.chork@au.kwm.com
	Attention	Mark Bayliss and Howard Edelman
<b>Scheme Participants</b>	Each person registered as a holder of fully paid ordinary shares in the capital of A2B as at the Record Date (other than an Excluded Shareholder)	
<b>Governing law</b>	New South Wales, Australia	
<b>Recitals</b>	<b>A</b>	A2B, CDC and CDG have agreed by executing the Scheme Implementation Agreement to implement the terms of this Scheme.
	<b>B</b>	Pursuant to clause 2.4 ( <i>CDC may elect Nominee</i> ) of the Scheme Implementation Agreement, CDC has nominated CDC Private Mobility Pty Ltd (ACN 674 449 640), a wholly-owned Subsidiary of CDC (“ <b>Nominee</b> ”) to perform its obligations to acquire all of the Scheme Shares.
	<b>C</b>	This Scheme imposes obligations on CDC, the Nominee and CDG that CDC, the Nominee and CDG have agreed to but does not impose an obligation on CDC, the Nominee or CDG to perform those obligations.
	<b>D</b>	CDC, the Nominee and CDG have executed the Deed Poll for the purpose of covenanting in favour of the Scheme Participants to perform (or procure the performance) of their obligations as contemplated by this Scheme.



# Scheme of Arrangement

## General terms

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### 1 Definitions and interpretation

#### 1.1 Definitions

Unless the contrary intention appears, these meanings apply:

**A2B Share** means a fully paid ordinary share in the capital of A2B.

**A2B Shareholder** means each person registered in the Register as a holder of A2B Shares.

**ACCC** means the Australian Competition and Consumer Commission.

**ASIC** means the Australian Securities and Investments Commission.

**ASIC Relief** means an exemption or declaration granted by ASIC which gives relief from certain requirements of the Corporations Act.

**ASX** means ASX Limited (ABN 98 008 624 691) or the market operated by it, as the context requires.

**ASX Settlement** means ASX Settlement Pty Limited (ABN 49 008 504 532).

**Authorised Officer** means a director or secretary of a party, or any other person nominated by a party to act as an Authorised Officer for the purposes of this Scheme.

**Business Day** means a business day as defined in the Listing Rules.

**CDC** means ComfortDelGro Corporation Australia Pty Ltd (ABN 84 002 072 004).

**CDC Group** means CDC, CDG and each Subsidiary of CDG and **CDC Group Member** means any member of the CDC Group.

**CDG** means ComfortDelGro Corporation Limited (UEN 200300002K), a company formed in Singapore.

**CHESS** means the Clearing House Electronic Subregister System operated by ASX Settlement and ASX Clear Pty Limited (ABN 48 001 314 503).

**Corporations Act** means the *Corporations Act 2001* (Cth) and a reference to the Corporations Act or a provision of it includes as modified by applicable ASIC Relief.

**Court** means the Supreme Court of New South Wales, or such other court of competent jurisdiction under the Corporations Act agreed in writing by CDC and A2B.

**Deed Poll** means the deed poll dated 19 February 2024 executed by CDC, CDG and the Nominee substantially in the form of Annexure D to the Scheme Implementation Agreement or as otherwise agreed by CDG and A2B under which CDC, CDG and the Nominee covenant in favour of each Scheme

Participant to perform the actions attributed to CDC, CDG and the Nominee under this Scheme.

**Details** means the section of this Scheme headed "Details".

**Effective**, when used in relation to this Scheme, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

**Effective Date** means the date on which the Scheme becomes Effective.

**Employee Share Right** means a performance right issued under the long-term incentive plans operated by A2B.

**Encumbrance** means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or 12(2) of the PPSA, or any agreement to create any of them or allow them to exist but excluding any "security interest" as defined in section 12(3) of the PPSA.

**End Date** means the "End Date" determined in accordance with the Scheme Implementation Agreement.

**Excluded Shareholders** means any A2B Shareholder who is a CDC Group Member and any A2B Shareholder who holds any A2B Shares on behalf of, or for the benefit of, any CDC Group Member and does not hold A2B Shares on behalf of, or for the benefit of, any other person, in each case at the Record Date.

**Immediately Available Funds** means by immediate electronic funds transfer or other form of cleared funds acceptable to A2B.

**Implementation Date** means the 5<sup>th</sup> Business Day following the Record Date or such other date as agreed in writing by CDC and A2B.

**Listing Rules** means the Listing Rules of ASX modified to the extent of any express written waiver by ASX.

**Nominee** has the meaning given in the Details.

**PPSA** means the *Personal Property Securities Act 2009* (Cth).

**Record Date** means 7.00pm on the 2<sup>nd</sup> Business Day following the Effective Date or such other date as agreed in writing by CDC and A2B.

**Register** means the register of members of A2B maintained by or on behalf of A2B in accordance with section 168(1) of the Corporations Act.

**Registered Address** means, in relation to an A2B Shareholder, the address shown in the Register as at the Record Date.

**Registry** means Link Market Services Limited (ACN 083 214 537), or any replacement share registry services provider to A2B.

**Regulatory Authority** includes:

- (a) ASX, ACCC, ASIC and the Takeovers Panel;

- (b) a government or governmental, semi-governmental or judicial entity or authority;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) any regulatory organisation established under statute.

**Scheme** means this scheme of arrangement between A2B and Scheme Participants under which all of the Scheme Shares will be transferred to CDC or the Nominee (if any) under Part 5.1 of the Corporations Act as described in clause 6 of this Scheme, in consideration for the Scheme Consideration, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by A2B and CDC in accordance with this Scheme.

**Scheme Consideration** means \$1.45 paid in respect of each Scheme Share to be provided by CDC, CDG or the Nominee to Scheme Participants under the terms of this Scheme for the transfer to CDC, CDG or the Nominee of all of their Scheme Shares.

**Scheme Implementation Agreement** means the scheme implementation agreement dated 22 December 2023 between A2B, CDC and CDG under which, amongst other things, A2B has agreed to propose this Scheme to the Scheme Participants, and each of A2B, CDC and CDG has agreed to take certain steps to give effect to this Scheme.

**Scheme Meeting** means the meeting of A2B Shareholders (other than Excluded Shareholders), ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act at which A2B Shareholders (other than Excluded Shareholders) will vote on this Scheme.

**Scheme Participant** means each person who is a A2B Shareholder on the Record Date (other than an Excluded Shareholder).

**Scheme Share** means an A2B Share held by a Scheme Participant as at the Record Date and, for the avoidance of doubt:

- (a) includes any A2B Shares issued on or before the Record Date; and
- (b) excludes A2B Shares held by the Excluded Shareholders.

**Second Court Date** means the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned for any reason means the date on which the adjourned application is heard.

**Settlement Rules** means the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement.

**Share Scheme Transfer** means, for each Scheme Participant, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Participant for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares.

**Subsidiary** of an entity means another entity which:

- (a) is a subsidiary of the first entity within the meaning of the Corporations Act; and

- (b) is part of a consolidated group constituted by the first entity and the entities it is required to include in the consolidated financial statements it prepares or would be, if the first entity was required to prepare consolidated financial statements.

A trust, partnership or fund may be a subsidiary (and an entity may be a subsidiary of a trust, partnership or fund) if it would have been a subsidiary under this definition if that trust, partnership or fund were a body corporate. For these purposes, a unit or other beneficial interest in a trust is to be regarded as a share (ignoring the operation of section 48(2) of the Corporations Act).

**Tax Act** means the *Income Tax Assessment Act 1936* (Cth), the *Income Tax Assessment Act 1997* (Cth) and the *Taxation Administration Act 1953* (Cth), as the context requires.

**Taxes** means taxes, levies, imposts, charges and duties (including stamp and transaction duties) paid, payable or assessed as being payable by any authority together with any fines, penalties and interest in connection with them.

**Trust Account** means the dollar denominated trust account with an authorised deposit-taking institution (as defined in the *Banking Act 1959* (Cth)) operated by or on behalf of A2B to hold the Scheme Consideration on trust for the purpose of paying the Scheme Consideration to the Scheme Participants in accordance with clause 6.2 of this Scheme.

**Unclaimed Money Act** means the *Unclaimed Money Act 1995* (NSW).

**Withheld Amount** has the meaning given in clause 12.6 of this Scheme.

## 1.2 General interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this Scheme:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a document includes any agreement, deed or other legally enforceable arrangement created by it (whether the document is in the form of an agreement, deed or otherwise);
- (c) a reference to a document also includes any variation, replacement or novation of it;
- (d) the meaning of general words is not limited by specific examples introduced by "including", "for example", "such as" or similar expressions;
- (e) a reference to "**person**" includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association and an authority or any other entity or organisation;
- (f) a reference to a particular person includes the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (g) a reference to a time of day is a reference to Sydney, New South Wales, Australia time;
- (h) a reference to dollars, \$ or A\$ is a reference to the currency of Australia;
- (i) a reference to "**law**" includes common law, principles of equity and legislation (including regulations);

- (j) a reference to any legislation includes regulations under it and any consolidations, amendments, re-enactments or replacements of any of them;
- (k) a reference to "**regulations**" includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- (l) a reference to a group of persons is a reference to any 2 or more of them jointly and to each of them individually;
- (m) a reference to any thing (including an amount) is a reference to the whole and each part of it;
- (n) a period of time starting from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (o) if a party must do something under this Scheme on or by a given day and it is done after 5.00pm on that day, it is taken to be done on the next day; and
- (p) if the day on which a party must do something under this Scheme is not a Business Day, the party must do it on the next Business Day.

---

## 2 Preliminary

### 2.1 A2B

A2B is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in New South Wales; and
- (c) admitted to the official list of ASX and A2B Shares are officially quoted for trading on the stock market conducted by ASX.

As at the date of the Scheme Implementation Agreement, A2B's issued securities are:

- (a) 122,285,271 A2B Shares; and
- (b) 3,200,000 Employee Share Rights.

### 2.2 CDC

CDC is:

- (a) a wholly-owned Subsidiary of CDG;
- (b) a proprietary company limited by shares; and
- (c) incorporated in Australia and registered in New South Wales.

### 2.3 CDG

CDG is:

- (a) a public company limited by shares;

- (b) incorporated in Singapore; and
- (c) admitted to the official list of the Singapore Exchange.

#### 2.4 Nominee

The Nominee is:

- (a) a wholly-owned Subsidiary of CDC;
- (b) a proprietary company limited by shares; and
- (c) incorporated in Australia and registered in Victoria.

#### 2.5 If Scheme becomes Effective

If this Scheme becomes Effective:

- (a) in consideration of the transfer of each Scheme Share to CDC (or the Nominee), A2B will procure that CDG, CDC or the Nominee provides (or procures the provision of) the Scheme Consideration to A2B on behalf of each Scheme Participant in accordance with the terms of this Scheme and the Deed Poll;
- (b) all Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to CDC or the Nominee on the Implementation Date; and
- (c) A2B will enter the name of CDC (or the Nominee) in the Register in respect of all of the Scheme Shares transferred to CDC (or the Nominee) in accordance with the terms of this Scheme.

---

### 3 Conditions precedent

#### 3.1 Conditions precedent to Scheme

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) as at 8.00am on the Second Court Date, neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with their terms;
- (b) all of the conditions precedent in clause 3.1 (*Conditions Precedent*) of the Scheme Implementation Agreement having been satisfied or waived (other than the condition precedent in clause 3.1(d) (*Conditions Precedent*) of the Scheme Implementation Agreement) in accordance with the terms of the Scheme Implementation Agreement;
- (c) the Court having approved this Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and if applicable, A2B and CDC having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act;
- (d) subject to clause 12.1, such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and agreed to in writing by A2B and CDC having been satisfied or waived; and

- (e) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme on or before the End Date (or any later date A2B and CDC agree in writing in accordance with the Scheme Implementation Agreement).

### 3.2 Conditions precedent and operation of clause 5

The satisfaction of each condition of clause 3.1 of this Scheme is a condition precedent to the operation of clause 5 of this Scheme (other than, in respect of clause 5.1 of this Scheme only, the condition precedent in clause 3.1(e) of this Scheme).

### 3.3 Certificate in relation to conditions precedent

Before 8.00am on the Second Court Date, each of A2B and CDC must provide to the Court a certificate signed by a duly authorised representative (or such other evidence as the Court requests) confirming (in respect of matters within their knowledge) whether or not the conditions precedent set out in clause 3.1(a) and clause 3.1(b) of this Scheme have been satisfied or waived.

The certificate referred to in this clause 3.3 will constitute conclusive evidence (in the absence of manifest error) of whether the conditions precedent referred to in clause 3.1(a) and clause 3.1(b) of this Scheme have been satisfied or waived as at 8.00am on the Second Court Date.

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## 4 Scheme

### 4.1 Effective Date

Subject to clause 4.2, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

### 4.2 End Date

- (a) Unless A2B and CDC otherwise agree in writing, this Scheme will lapse and be of no further force or effect if:
  - (i) the Effective Date does not occur on or before the End Date (or any later date A2B and CDC agree in writing in accordance with the Scheme Implementation Agreement, or as the Court may order with the consent of A2B and CDC); or
  - (ii) the Scheme Implementation Agreement or the Deed Poll is terminated in accordance with their terms before the Scheme becomes Effective.
- (b) Without limiting any rights under the Scheme Implementation Agreement, if the Scheme Implementation Agreement is terminated in accordance with its terms before 8.00am on the Second Court Date, A2B, CDC, the Nominee and CDG are each released from:
  - (i) any further obligation to take steps to implement the Scheme; and
  - (ii) any liability with respect to this Scheme.

## 5 Implementation of Scheme

### 5.1 Lodgement of Court orders with ASIC

If the conditions precedent set out in clause 3.1 of this Scheme (other than the condition precedent in clause 3.1(e) of this Scheme) are satisfied, A2B must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme as soon as practicable, and in any event by no later than 5.00pm on the first Business Day after the day on which that office copy is received by A2B (or any later date agreed in writing by CDC).

### 5.2 Transfer and registration of Scheme Shares

Subject to the Scheme becoming Effective, the provision of the Scheme Consideration for the Scheme Shares in accordance with clauses 6.1 to 6.3 (inclusive) of this Scheme and CDC or the Nominee having provided A2B with written confirmation of the provision of those funds, on the Implementation Date:

- (a) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to CDC (or the Nominee) without the need for any further act by any Scheme Participant (other than acts performed by A2B as attorney and agent for Scheme Participants under clause 8 of this Scheme) by:
  - (i) A2B delivering to CDC (or the Nominee) a duly completed and executed Share Scheme Transfer to transfer all of the Scheme Shares to CDC (or the Nominee) (which will take the form of a master transfer) executed on behalf of the Scheme Participants by A2B (or any of its officers) as agent and attorney of the Scheme Participants; and
  - (ii) CDC (or the Nominee) duly executing the Share Scheme Transfer and delivering it to A2B for registration; and
- (b) immediately following receipt of the duly executed Share Scheme Transfer, but subject to the stamping of the Share Scheme Transfer (if required) A2B must enter, or procure the entry of, the name of CDC (or the Nominee) in the Register in respect of all of the Scheme Shares transferred to CDC in accordance with the terms of this Scheme.

### 5.3 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to CDC (or the Nominee) of all of the Scheme Shares, each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 6 of this Scheme.

### 5.4 Title and rights in Scheme Shares

- (a) Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 6 of this Scheme, on and from the Implementation Date, CDC (or the Nominee) will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by A2B of CDC (or the Nominee) in the Register as the holder of the Scheme Shares.
- (b) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to CDC (or the Nominee) will, at the time of transfer, vest in CDC (or the Nominee) free from all Encumbrances and interests of third



parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind.

### 5.5 Scheme Participants' agreements

Under this Scheme, each Scheme Participant:

- (a) irrevocably agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares as at the Implementation Date, to CDC (or the Nominee) in accordance with the terms of this Scheme;
- (b) agrees to the variation, cancellation or modification of the rights attached to its A2B Shares constituted by, or resulting from, the Scheme;
- (c) agrees to, on the direction of CDC (or the Nominee), destroy any holding statement or share certificates relating to its A2B Shares;
- (d) who holds its A2B Shares in a CHESS Holding (as defined in the Settlement Rules) agrees to the conversion of those A2B Shares to an Issuer Sponsored Holding (as defined in the Settlement Rules), and irrevocably authorises CDC (or the Nominee) to do anything necessary, expedient or incidental (whether required by the Settlement Rules or otherwise) to effect or facilitate that conversion;
- (e) acknowledges that this Scheme binds A2B and all Scheme Participants (including those who do not attend the Scheme Meeting or do not vote at the Scheme Meeting or vote against the Scheme at the Scheme Meeting) and to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of A2B; and
- (f) irrevocably consents to A2B and CDC (or the Nominee) doing all other things and executing all other documents as may be necessary, incidental or expedient to the implementation of performance of this Scheme.

### 5.6 Warranty by Scheme Participants

Each Scheme Participant warrants to CDC (or the Nominee) and is deemed to have authorised A2B to warrant to CDC (or the Nominee) as agent and attorney for the Scheme Participant by virtue of this clause 5.6, that:

- (a) all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to CDC (or the Nominee) under this Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances or any other third party interest or restrictions on transfer of any kind; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to CDC (or the Nominee) under the Scheme.

### 5.7 Transfer free of Encumbrances

To the extent permitted by law, all Scheme Shares (including all rights and entitlements attaching to those shares) which are transferred to CDC (or the Nominee) under this Scheme will, at the date of the transfer of them to CDC (or the Nominee), vest in CDC (or the Nominee) free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind.

### 5.8 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration for the Scheme Shares as contemplated by clauses 5.2 and 6.3 of this Scheme, on and from the Implementation Date until A2B registers CDC (or the Nominee) as the holder of all of the Scheme Shares in the Register, each Scheme Participant:

- (a) irrevocably appoints A2B as attorney and agent and directs A2B in such capacity to appoint CDC (or the Nominee) and each of its directors from time to time (jointly and each of them individually) as its sole proxy, and where applicable corporate representative, to attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders resolution, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 5.8(a)); and
- (b) must take all other actions in the capacity of the registered holder of Scheme Shares as CDC (or the Nominee) directs.

A2B undertakes in favour of each Scheme Participant that it will appoint CDC (or the Nominee) and each of its directors from time to time (jointly and each of them individually) as that Scheme Participant's proxy or, where applicable, corporate representative in accordance with clause 5.8(a) of this Scheme.

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## 6 Scheme Consideration

### 6.1 Consideration under the Scheme

- (a) On the Implementation Date, A2B must procure that CDC (or the Nominee) pays (or procures the payment of), and CDC (or the Nominee) must pay, the Scheme Consideration to the Scheme Participants in accordance with clauses 6.2, 6.3 and 6.4 of this Scheme.
- (b) In the event that CDC (or the Nominee) will not or does not fulfil its obligations under clause 6.1(a) of this Scheme, CDG must, and A2B must use its best endeavours to procure that CDG does, perform those obligations as if the references to CDC (or the Nominee) in clause 6.1(a) of this Scheme were references to CDG.

### 6.2 Satisfaction of obligations

The obligation of A2B to procure payment of the Scheme Consideration pursuant to clause 6.1 of this Scheme will be satisfied by A2B procuring that CDC, the Nominee or CDG no later than 2 Business Days before the Implementation Date deposits (or procures the deposit of) in Immediately Available Funds the aggregate amount of the Scheme Consideration payable to all Scheme Participants into the Trust Account (except that the amount of any interest on the amount deposited will be to the account of CDC, the Nominee or CDG (as applicable)).

### 6.3 Payment of Scheme Consideration

- (a) On the Implementation Date, subject to receipt of the funds from CDC, the Nominee or CDG in accordance with clause 6.2 of this Scheme, A2B must pay to each Scheme Participant an amount equal to the Scheme Consideration for each Scheme Share transferred to CDC (or the Nominee) on the Implementation Date by that Scheme Participant from the Trust Account.

- (b) The obligations of A2B under clause 6.3(a) will be satisfied by A2B (in its absolute discretion) and despite any election referred to in clause 6.3(b)(i) or authority referred to in clause 6.3(b)(ii) made or given by the Scheme Participant:
- (i) paying, or procuring the payment of, the relevant amount in dollars by electronic means to a bank account nominated by the Scheme Participant, where the Scheme Participant has made a valid election prior to the Record Date in accordance with the requirements of the Registry to receive dividend payments from A2B to that bank account;
  - (ii) paying, or procuring the payment of, the relevant amount in dollars by electronic means to a bank account nominated by the Scheme Participant by an appropriate authority from the Scheme Participant to A2B; or
  - (iii) dispatching, or procuring the dispatch of, a cheque drawn on an Australian bank for the relevant amount in dollars to each Scheme Participant by pre-paid ordinary post (or, if the address of the Scheme Participant in the Register is outside Australia, by pre-paid airmail post) to their address recorded in the Register on the Record Date, such cheque being drawn in the name of the Scheme Participant (or in the case of joint holders, in accordance with the procedures set out in clause 6.7).
- (c) If:
- (i) a Scheme Participant does not have a Registered Address and no account has been notified in accordance with clause 6.3(b)(i) or a deposit into such account is rejected or refunded; or
  - (ii) a cheque issued under this clause 6.3 has been cancelled in accordance with clause 6.4(a)(i),
- A2B as the trustee for the Scheme Participants may credit the amount payable to the relevant Scheme Participant to a separate bank account of A2B ("**Separate Account**") to be held until the Scheme Participant claims the amount or the amount is dealt with under the Unclaimed Money Act. If the amount is not credited to a Separate Account, the amount will continue to be held in the Trust Account until the Scheme Participant claims the amount or the amount is dealt with under the Unclaimed Money Act. Until such time as the amount is dealt with under the Unclaimed Money Act, A2B must hold the amount on trust for the relevant Scheme Participant, but any interest or other benefit accruing from the amount will be to the benefit of CDC (or the Nominee). An amount credited to the Separate Account or Trust Account (as applicable) is to be treated as having been paid to the relevant Scheme Participant when credited to the Separate Account or Trust Account (as applicable). A2B must maintain records of the amounts paid, the people who are entitled to the amount and any transfers of the amounts.
- (d) If, following satisfaction of A2B's obligations under clause 6.3(c), there is a surplus in the amount held by A2B as trustee for the Scheme Participants in the Trust Account, that surplus must be paid by A2B to CDC (or the Nominee).
  - (e) If the Scheme lapses after CDC (or the Nominee) has provided some or all of the Scheme Consideration in accordance with clause 6.2, but prior to CDC (or the Nominee) being entered into the Register as the holder of the Scheme Shares in accordance with clause 5.2(b), A2B must refund

(or procure the refund) to CDC (or the Nominee) of the amount deposited into the Trust Account in accordance with clause 6.2, together with any interest thereon (less bank fees and charges).

#### 6.4 Unclaimed monies

- (a) A2B may cancel a cheque issued under clause 6.3 of this Scheme if the cheque:
  - (i) is returned to A2B; or
  - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of 1 year commencing on the Implementation Date, on request from a Scheme Participant, A2B must reissue a cheque that was previously cancelled under this clause 6.4.
- (c) The Unclaimed Money Act will apply in relation to any Scheme Consideration which becomes "unclaimed money" (as defined in section 3 of the Unclaimed Money Act). Any interest or other benefit accruing from the unclaimed Scheme Consideration will be to the benefit of CDC (or the Nominee).

#### 6.5 Fractional entitlements

Where the calculation of the Scheme Consideration to be provided to a particular Scheme Participant would result in the Scheme Participant becoming entitled to a fraction of a cent, the fractional entitlement will be rounded up or down (as applicable) to the nearest whole cent.

#### 6.6 Orders of a court or Regulatory Authority

In the case of notice having been given to A2B (or the Registry) of an order or direction made by or a requirement of a court of competent jurisdiction or other Regulatory Authority:

- (a) which requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Participant, which would otherwise be payable to that Scheme Participant in accordance with clause 6.3 of this Scheme, then A2B must procure that payment is made in accordance with that order or direction or otherwise by law (as applicable); or
- (b) which would prevent A2B from dispatching payment to any particular Scheme Participant in accordance with clause 6.3 of this Scheme, or the payment is otherwise prohibited by applicable law, A2B will retain an amount, in dollars, equal to the number of Scheme Shares held by that Scheme Participant multiplied by the Scheme Consideration until such time as payment in accordance with clause 6.3 of this Scheme is permitted by that order or otherwise by law.

#### 6.7 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any Scheme Consideration payable in respect of those Scheme Shares is payable to the joint holders and any cheque required to be paid to Scheme Participants by CDC (or the Nominee) under this Scheme must be payable to the joint holders and be forwarded to the holder whose name appears first in the Register as at the Record Date; and

- (b) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of A2B, the holder whose name appears first in the Register as at the Record Date or to the joint holders.

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## 7 Dealings in Scheme Shares

### 7.1 Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Scheme Shares will only be recognised by A2B if:

- (a) in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Register as the holder of the relevant Scheme Shares on or before the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the Register is kept.

### 7.2 Register

A2B must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with clause 7.1(b) of this Scheme on or before the Record Date provided that, for the avoidance of doubt, nothing in this clause 7.2 of this Scheme requires A2B to register a transfer that would result in an A2B Shareholder holding a parcel of A2B Shares that is less than a “marketable parcel” (for the purposes of this clause 7.2 of this Scheme “marketable parcel” has the meaning given in the Settlement Rules).

### 7.3 No disposals after Effective Date

- (a) If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Effective Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever, and any attempt to do so will have no effect and A2B is entitled to disregard any such disposal, purported disposal or agreement.
- (b) A2B will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after the Record Date (except a transfer to CDC (or the Nominee) pursuant to this Scheme and any subsequent transfer by CDC (or the Nominee) or its successors in title).

### 7.4 Maintenance of A2B Register

For the purpose of determining entitlements to the Scheme Consideration, A2B will maintain the Register in accordance with the provisions of this clause 7.4 until the Scheme Consideration has been paid to the Scheme Participants and CDC (or the Nominee) has been entered in the Register as the holder of all the Scheme Shares. The Register in this form will solely determine entitlements to the Scheme Consideration.

### 7.5 Effect of certificates and holding statements

Subject to provision of the Scheme Consideration and registration of the transfer to CDC (or the Nominee) contemplated in clauses 5.2 and 7.4 of this Scheme, any statements of holding in respect of Scheme Shares will cease to have effect

after the Record Date as documents of title in respect of those shares (other than statements of holding in favour of Excluded Shareholders, CDC (or the Nominee) and its successors in title). After the Record Date, each entry current on the Register as at the Record Date (other than entries in respect of CDC or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration.

#### **7.6 Details of Scheme Participants**

Within 3 Business Days after the Record Date, A2B will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the Register at the Record Date are available to CDC (or the Nominee) in such form as CDC (or the Nominee) reasonably requires.

#### **7.7 Quotation of A2B Shares**

A2B must apply to ASX to suspend trading on ASX of A2B Shares with effect from the close of trading on the Effective Date.

#### **7.8 Termination of quotation of A2B Shares**

After the Scheme has been fully implemented, A2B must apply:

- (a) for termination of the official quotation of A2B Shares on ASX; and
- (b) to have itself removed from the official list of ASX.

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### **8 Appointment of A2B as attorney for implementation of Scheme**

Each Scheme Participant, without the need for any further act by any Scheme Participant, irrevocably appoints A2B and each of its directors and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

- (a) executing any document or doing or taking any other act necessary, desirable or expedient, or incidental to give effect to this Scheme and the transactions contemplated by it including executing and delivering any Share Scheme Transfer; and
- (b) on and from the Effective Date enforcing the Deed Poll against CDC (or the Nominee) and CDG (and A2B undertakes in favour of each Scheme Participant that it will enforce the Deed Poll against CDC (or the Nominee) and CDG on behalf of, and as agent and attorney of, each Scheme Participant),

and A2B accepts such appointment. A2B, as attorney and agent of each Scheme Participant, may sub-delegate any of its functions, authorities or powers under this clause 8 to all or any of its directors or officers (jointly, individually or jointly and individually).

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### **9 Appointment of CDC as attorney in respect of Scheme Shares**

Immediately upon the provision of the Scheme Consideration to each Scheme Participant in the manner contemplated by clauses 6.1, 6.2 and 6.3, until CDC (or the Nominee) is registered as the holder of all Scheme Shares, each Scheme Participant:

- (a) irrevocably appoints CDC (or the Nominee) as its agent and attorney (and irrevocably appoints CDC (or the Nominee) as its agent and attorney to appoint any of the directors and officers nominated by CDC (or the Nominee) as its agent and attorney) to:
  - (i) appoint the chair of the board of directors of A2B and, where applicable, corporate representative to attend A2B Shareholders' meetings;
  - (ii) exercise the votes attaching to A2B Shares registered in the name of the Scheme Participant; and
  - (iii) sign any A2B Shareholders' resolution;
- (b) must not attend or vote at any A2B Shareholders' meetings or sign any A2B Shareholders' resolution (whether in person, by proxy or by corporate representative) other than pursuant to clause 9(a)(ii); and
- (c) must take all other action in the capacity of a registered holder of Scheme Shares as CDC (or the Nominee) reasonably directs.

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## 10 Notices and other communications

### 10.1 Accidental omission

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any A2B Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

### 10.2 Form

Unless this Scheme expressly states otherwise, all notices, demands, certificates, consents, approvals, waivers and other communications in connection with this Scheme must be in writing and signed by the sender (if an individual) or an Authorised Officer of the sender.

All communications (other than email communications) must also be marked for the attention of the person referred to in the Details (or, if the recipient has notified otherwise, then marked for attention in the way last notified).

Email communications must state the first and last name of the sender and are taken to be signed by the named sender.

### 10.3 Delivery

Communications must be:

- (a) left at the address referred to in the Details;
- (b) sent by post (airmail if appropriate) to the address referred to in the Details; or
- (c) sent by email to the address referred to in the Details.

If the intended recipient has notified changed contact details, then communications must be sent to the changed contact details.

**10.4 When effective**

Communications take effect from the time they are received or taken to be received under clause 10.5 (whichever happens first) unless a later time is specified in the communication.

**10.5 When taken to be received**

Communications are taken to be received:

- (a) if sent by post, 6 Business Days after posting (or 10 days after posting if sent from one country to another); or
- (b) if sent by email:
  - (i) when the sender receives an automated message confirming delivery; or
  - (ii) 4 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that delivery failed,

whichever happens first.

**10.6 Receipt outside business hours**

Despite anything else in this clause 10, if communications are received or taken to be received under clause 10.5 after 5.00pm on a Business Day or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day. For the purposes of this clause, the place in the definition of Business Day is taken to be the place specified in the Details as the address of the recipient and the time of receipt is the time in that place.

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**11 GST****11.1 Definitions and interpretation**

For the purposes of this clause:

- (a) “**GST Act**” means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth);
- (b) a term which has a defined meaning in the GST Act has the same meaning when used in this clause, unless the contrary intention appears; and
- (c) each periodic or progressive component of a supply to which section 156-5(1) of the GST Act applies will be treated as if it were a separate supply.

**11.2 GST exclusive**

Unless this Scheme expressly states otherwise, all consideration to be provided under this Scheme is exclusive of GST.

**11.3 Payment of GST**

- (a) If GST is payable, or notionally payable, on a supply in connection with this Scheme, the party providing the consideration for the supply agrees



to pay to the supplier an additional amount equal to the amount of GST payable on that supply ("**GST Amount**").

- (b) Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time as the GST-exclusive consideration for the supply, or the first part of the GST-exclusive consideration for the supply (as the case may be), is payable or is to be provided.
- (c) This clause does not apply to the extent that the consideration for the supply is expressly stated to include GST or the supply is subject to a reverse-charge.

#### **11.4 Adjustment events**

If an adjustment event arises for a supply made in connection with this Scheme, the GST Amount must be recalculated to reflect that adjustment. The supplier or the recipient (as the case may be) agrees to make any payments necessary to reflect the adjustment and the supplier agrees to issue an adjustment note.

#### **11.5 Reimbursements**

Any payment, indemnity, reimbursement or similar obligation that is required to be made in connection with this Scheme which is calculated by reference to an amount paid by another party must be reduced by the amount of any input tax credits which the other party (or the representative member of any GST group of which the other party is a member) is entitled. If the reduced payment is consideration for a taxable supply, clause 11.3 will apply to the reduced payment.

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## **12 General**

### **12.1 Variations, alterations and conditions**

- (a) A2B may, with the prior consent of CDC (or the Nominee), by its counsel or solicitor, consent on behalf of all persons concerned to those variations, alterations or conditions to this Scheme which the Court thinks fit to impose; and
- (b) each Scheme Participant agrees to any such variations, alterations or conditions which A2B has consented to.

### **12.2 Further action by A2B**

A2B will execute all documents and do all things (on its own behalf and on behalf of each Scheme Participant) necessary or expedient to implement, and perform its obligations under, this Scheme.

### **12.3 Authority and acknowledgement**

Each of the Scheme Participants irrevocably consents to A2B and CDC (or the Nominee) doing all things necessary or expedient for or incidental to the implementation of this Scheme.

### **12.4 No liability when acting in good faith**

Each Scheme Participant agrees that neither A2B, CDC (or the Nominee) nor CDG, nor any of their respective officers or employees, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

### 12.5 Stamp duty and registration fees

- (a) CDC (or the Nominee):
- (i) agrees to pay or reimburse all stamp duty, registration fees and similar taxes payable or assessed as being payable in connection with this Scheme or the transactions effected by or made under the Scheme (including any fees, fines, penalties and interest in connection with any of those amounts); and
  - (ii) indemnifies each Scheme Participant against, and agrees to reimburse and compensate each Scheme Participant for, any liability in respect of stamp duty under clause 12.5(a)(i),
- subject to and in accordance with clause 7 (*Costs and stamp duty*) of the Deed Poll.
- (b) In the event that CDC (or the Nominee) will not or does not fulfil its obligations under 12.5(a) of this Scheme, CDG must, and A2B must use its best endeavours to procure that CDG does:
- (i) perform those obligations as if the references to CDC (or the Nominee) in clause 12.5(a) of this Scheme were references to CDG; and
  - (ii) indemnify each Scheme Participant against any liability in respect of stamp duty under clause 12.5(a)(ii) as if the references to CDC (or the Nominee) in clause 12.5(a)(ii) were references to CDG.

### 12.6 Foreign resident capital gains withholding

- (a) If CDC (or the Nominee) is required to make any withholding, deduction or payment for or on account of Tax (including under subdivision 14-D of Schedule 1 of the Tax Act) or by any Regulatory Authority ("**Withheld Amount**") in respect of the acquisition of A2B Shares from the Scheme Participants, CDC (or the Nominee):
- (i) must pay or procure the payment of the full amount of the withholding or deduction, or make or procure the making of the payment, to the appropriate Regulatory Authority under applicable law; and
  - (ii) will not be required to pay any additional amount to a Scheme Participant on account of the Withheld Amount, and will, on payment of the Scheme Consideration less the Withheld Amount, be deemed for all purposes to have paid the full and final amount of the Scheme Consideration (or other payment) required under this Scheme.
- (b) In the event that CDC (or the Nominee) will not or does not fulfil its obligations under clause 12.6(a) of this Scheme, CDG must, and A2B must use its best endeavours to procure that CDG does, perform those obligations as if the references to CDC (or the Nominee) in clause 12.6(a) of this Scheme were references to CDG.

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### **13 Governing law**

#### **13.1 Governing law and jurisdiction**

The law in force in the place specified in the Details governs this Scheme. The parties submit to the non-exclusive jurisdiction of the courts of that place.

#### **13.2 Serving documents**

Without preventing any other method of service, any document in an action in connection with this Scheme may be served on a party by being delivered or left at that party's address set out in the Details or with its process agent.

Annexure

For personal use only

# Notice of Scheme Meeting

## Notice of Scheme Meeting

**A2B Australia Limited**  
**(ABN 99 001 958 390)**  
**(A2B)**

Notice is hereby given that by an order of the Supreme Court of New South Wales (**Court**) made on 21 February 2024 pursuant to subsection 411(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), a meeting of the holders of fully paid ordinary shares in the capital of A2B (other than Excluded Shareholders) will be held as follows:

**Date:** 25 March 2024

**Time:** 9.00am (Sydney time)

**Venue:** The Mint, 10 Macquarie Street, Sydney NSW 2000

### Business of the meeting

The purpose of the meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without any alterations or conditions agreed to in writing between A2B and ComfortDelGro Corporation Australia Pty Ltd (ABN 84 002 072 004) (**CDC**) or any alterations or conditions required by the Court to which A2B and CDC agree) proposed to be made between A2B and the holders of its ordinary shares in the capital of A2B (other than the Excluded Shareholders) (**Scheme**).

Excluded Shareholders will not be eligible to vote on whether to approve the Scheme. A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet of which this notice forms part.

Additional information about the meeting is set out in the explanatory notes that accompany and form part of this notice. Unless the contrary intention appears, capitalised terms used but not defined in this notice have the defined meanings set out in section 8.1 of the Scheme Booklet.

### Resolution

The meeting will be asked to consider and, if thought fit, to pass (with or without amendment) the following resolution in accordance with subsection 411(4)(a)(ii) of the Corporations Act:

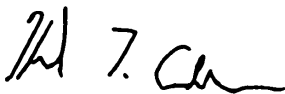
“That, in accordance with the provisions of section 411 of the *Corporations Act 2001* (Cth):

- a) the scheme of arrangement proposed between A2B and the holders of its ordinary shares (other than Excluded Shareholders), as contained in and more particularly described in the Scheme Booklet accompanying the notice convening this meeting, is agreed to (with or without any alterations or conditions agreed to in writing between A2B and CDC or any alterations or conditions required by the Court to which A2B and CDC agree); and
- b) the directors of A2B are authorised to agree to such alterations or conditions as are thought fit by them or the Court and, subject to approval of the scheme by the Court, the board of directors of A2B is authorised to implement the Scheme with any such modifications or conditions”

### Voting exclusion

A2B will disregard any votes cast in favour of the above resolution by or on behalf of an Excluded Shareholder. However, A2B need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote on this resolution, in accordance with directions on the proxy form.

By order of the Court



**Howard Edelman**  
General Counsel and Company Secretary

21 February 2024

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## Explanatory notes

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### 1 General

These explanatory notes form part of the Notice of Scheme Meeting, relate to the Scheme and should be read in conjunction with the Scheme Booklet dated 21 February 2024 of which this notice forms part. The Scheme Booklet contains important information to assist you in determining how to vote on the resolution to be considered at the meeting.

A copy of the Scheme is set out in Annexure C to the Scheme Booklet.

Unless the contrary intention appears, capitalised terms used but not defined in this notice (including these explanatory notes) have the defined meanings set out in section 8.1 of the Scheme Booklet.

### 2 Chairman

The Court has directed that Mark Bayliss act as Chairman of the meeting or, failing them, Brent Cubis.

### 3 Required voting majorities

In accordance with subsection 411(4)(a)(ii) of the Corporations Act, the resolution contained in the Notice of Scheme Meeting must be passed by:

- unless the Court orders otherwise, a majority in number (more than 50%) of Eligible A2B Shareholders present and voting at the meeting (either in person, by proxy, attorney or in the case of corporate shareholders, corporate representative); and
- at least 75% of the votes cast on the resolution contained in the Notice of Scheme Meeting by Eligible A2B Shareholders present and voting at the meeting (either in person, by proxy, attorney or in the case of corporate shareholders, corporate representative).

The vote will be conducted by poll.

### 4 Court approval

If the resolution contained in the Notice of Scheme Meeting is approved at the meeting by the Requisite Majorities, the implementation of the Scheme (with or without amendment) will be subject to, among other things, the subsequent approval of the Court.

### 5 Entitlement to vote

The time for determining eligibility to vote at the meeting is 7.00pm (Sydney time) on 23 March 2024. Only those A2B Shareholders (other than Excluded Shareholders) entered on the Register at that time will be entitled to participate in and vote at the meeting, either in person, by proxy, attorney or in the case of corporate shareholders, corporate representative. Registrable transmission applications or transfers registered after this time will not be recognised in determining entitlements to vote at the meeting.

### 6 Updates

Please monitor A2B's website and ASX announcements, where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the meeting.

### 7 Jointly held securities

If you hold A2B Shares jointly with one or more other persons and more than one of you attempts to vote at the meeting (personally, or by proxy, attorney or corporate representative), only the vote of the holder whose name appears first on the Register will be counted.

See also the comments in section 8 below regarding the appointment of a proxy by persons who jointly hold A2B Shares.

## 8 Voting

### Voting in person

To vote in person at the meeting, you must attend the Scheme Meeting to be held at The Mint, 10 Macquarie Street, Sydney NSW 2000 on 25 March 2024 commencing at 9.00am.

You will be admitted to the meeting and given a voting card upon disclosure at the point of entry of your name and address.

### Voting by proxy

Your personalised proxy and voting form for the Scheme Meeting accompanies the Notice of Scheme Meeting. If your proxy form is signed by an attorney or corporate representative, please also enclose the authority under which the proxy form is signed (or a certified copy of the authority).

A2B Shareholders who have registered a preference for electronic communication for meeting documents will be able to access an electronic proxy form that will enable a proxy appointment. A proxy form will accompany this notice if you receive paper-based communications.

**Deadline for receipt of proxy forms:** At least 48 hours before the Scheme Meeting (i.e. by 9.00am on 23 March 2024) A2B must receive:

- your completed proxy form; and
- if you sign under power of attorney or corporate representative, that power of attorney or corporate representative appointment or a certified copy of it.

Any proxy form received after this deadline will be invalid.

**How and when a proxy must vote:** If the appointment of a proxy specifies the way the proxy is to vote on a particular resolution:

- if the proxy is not the Chairman of the meeting, the proxy need not vote on a poll but if the proxy does so, the proxy must vote as directed (subject to any applicable voting restrictions); and
- if the proxy is the Chairman of the meeting, the proxy must vote on a poll and must vote as directed.

**Default to the Chairman of the meeting:** If:

- an Eligible A2B Shareholder has appointed a proxy other than the Chairman of the meeting; and
- the Eligible A2B Shareholder's proxy either:
  - is not recorded as attending the meeting; or
  - attends the meeting but does not vote on the resolution,

then the Chairman of the meeting will, before voting on the resolution closes, be taken to have been appointed as the proxy for that Eligible A2B Shareholder for the purposes of voting on that resolution. In these circumstances, the Chairman of the meeting must vote in accordance with any written direction of that Eligible A2B Shareholder.

**Directing proxy votes:** We encourage Eligible A2B Shareholders who are appointing proxies to direct their proxies how to vote on each resolution by crossing either a "For", "Against", or "Abstain" box before lodging their proxy form so that, subject to any applicable voting exclusions, their proxy will vote on their behalf in accordance with their instructions.

The Chairman intends to vote undirected proxies on, and in favour of, the resolution contained in the Notice of Scheme Meeting.

If there is a change in how the Chairman intends to vote undirected proxies, A2B will make an announcement to the ASX.

A proxy will be admitted to the Scheme Meeting and given a voting card upon providing written evidence of their name and address at the point of entry to the meeting. The sending of a proxy form will not preclude an Eligible A2B Shareholder from attending in person and voting at the meeting. However, if that Eligible A2B Shareholder attends the meeting and votes, their proxy's right to vote will be suspended.

## Proxy Appointment

- An Eligible A2B Shareholder entitled to attend and vote at the meeting may appoint a person as a proxy.
- A proxy may be an A2B Shareholder but does not have to be an A2B Shareholder.
- An Eligible A2B Shareholder entitled to cast two or more votes may appoint a maximum of two proxies and may state on the proxy and voting form what proportion or number of your votes each proxy is being appointed to exercise. If you appoint two proxies and do not specify the proportion or number of votes each proxy may exercise, each of the proxies may exercise half of your votes.
- A “person” can be an individual or a body corporate. If you appoint a body corporate as a proxy, that body corporate will need to ensure that it appoints an individual as its corporate representative to exercise its powers at the meeting and provide satisfactory evidence of the appointment of its corporate representative prior to the commencement of the meeting.
- At least 48 hours before the meeting, A2B must receive:
  - the proxy’s appointment; and
  - any authority under which the appointment was signed or a certified copy of the authority.
- The proxy appointment and any authority appointing an attorney or corporate representative must be either:
  - **sent by post** to A2B’s Share Registry at:  
 A2B Australia Limited  
 c/- Link Market Services Limited  
 Locked Bag A14  
 Sydney South NSW 1235  
 Australia
  - **delivered by hand** during business hours (Monday to Friday (excluding public holidays), 9.00am to 5.00pm) to A2B’s Share Registry at:  
 Link Market Services Limited  
 Parramatta Square  
 Level 22, Tower 6, 10 Darcy Street  
 Parramatta NSW 2150  
 Australia;
  - or  
 Level 12, 680 George Street  
 Sydney NSW 2000  
 Australia
  - **faxed** to A2B’s Share Registry on +61 2 9287 0309
  - **lodged online** by visiting <https://investorcentre.linkgroup.com>

## Voting by attorney

An Eligible A2B Shareholder entitled to attend and vote at the meeting may appoint no more than two attorneys to vote at the meeting.

Persons who are attending as an attorney should bring the original or a certified copy of the power of attorney to the meeting, unless A2B has already noted it.

## Voting by corporate representative

To vote at the meeting a corporation who is an Eligible A2B Shareholder, or who has been appointed as a proxy by an Eligible A2B Shareholder, may appoint a person to act as its representative and to exercise its powers at the meeting.

Any corporation wishing to appoint a person to act as representative at the meeting may do so by providing that person with:

- a “Certificate of Appointment of Corporate Representative”, the form for which can be obtained from the A2B Share Registry;
- a letter or certificate authorising the person to act as the corporation’s representative in accordance with the corporation’s constitution; or
- a copy of the resolution appointing the representative, certified by a secretary or director of the corporation.

Persons who are attending as a corporate representative for a corporation must bring evidence of their appointment. The appointment must also comply with section 250D of the Corporations Act. An authorised corporate representative will be admitted to the meeting and given a voting card upon providing, at the point of entry to the meeting, written evidence of their appointment including any authority under which it is signed, their name and address and the identity of their appointer.



## Corporate directory

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### **A2B Australia Limited (ABN 99 001 958 390)**

9-13 O'Riordan Street, Alexandria NSW 2015

Telephone: +61 2 9332 9222

Website: [www.a2baustralia.com](http://www.a2baustralia.com)

### **Registry**

#### **Link Market Service Limited**

Locked Bag A14

Sydney South, NSW 1235

### **Financial adviser**

#### **MA Moelis Australia Pty Ltd**

Level 27, Brookfield Place

10 Carrington Street, Sydney NSW 2000

### **Legal adviser**

#### **King & Wood Mallesons**

Level 61, Governor Phillip Tower

1 Farrer Place, Sydney NSW 2000

### **Independent expert**

Loneragan Edwards & Associates Limited

Level 7

64 Castlereagh Street, Sydney NSW 2000

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**A2B AUSTRALIA LIMITED**  
 ABN 99 001 958 390

**LODGE YOUR VOTE**

**ONLINE**  
<https://investorcentre.linkgroup.com>

**BY MAIL**  
 A2B Australia Limited  
 C/- Link Market Services Limited  
 Locked Bag A14  
 Sydney South NSW 1235 Australia

**BY FAX**  
 +61 2 9287 0309

**BY HAND**  
 Link Market Services Limited  
 Parramatta Square, Level 22, Tower 6,  
 10 Darcy Street, Parramatta NSW 2150; or  
 Level 12, 680 George Street, Sydney NSW 2000

**ALL ENQUIRIES TO**  
 Telephone: 1300 554 474      Overseas: +61 1300 554 474



**X999999999999**

This form should be read along with the Scheme Booklet issued by A2B Australia Limited (A2B or Company) (which includes the Notice of Scheme Meeting) (Scheme Booklet) that accompanies this form. Unless the contrary intention appears, capitalised terms used but not defined in this notice have the defined meanings set out in section 8.1 of the Scheme Booklet.

**PROXY FORM**

I/We being a member(s) of A2B Australia Limited and entitled to attend and vote hereby appoint:

**APPOINT A PROXY**

**the Chairman of the Scheme Meeting (mark box)**      **OR** if you are **NOT** appointing the Chairman of the Scheme Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Scheme Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Scheme Meeting of the Company to be held at **9:00am (Sydney time) on Monday, 25 March 2024 at The Mint, 10 Macquarie Street, Sydney NSW 2000 (the Scheme Meeting)** and at any postponement or adjournment of the Scheme Meeting.

**The Chairman of the Scheme Meeting intends to vote undirected proxies in favour of each item of business.**

**VOTING DIRECTIONS**

**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Scheme Meeting.**

**Please read the voting instructions overleaf before marking any boxes with an**

**Resolutions**

**1 To consider and, if thought fit, to pass the following resolution in accordance with subsection 411(4) (a)(ii) of the Corporations Act:**

- 'That, in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth):*
- (a) the scheme of arrangement proposed between A2B and the holders of its ordinary shares (other than Excluded Shareholders), as contained in and more particularly described in the Scheme Booklet accompanying the notice convening this meeting, is agreed to (with or without any alterations or conditions agreed to in writing between A2B and CDC or any alterations or conditions required by the Court to which A2B and CDC agree); and*
- (b) the directors of A2B are authorised to agree to such alterations or conditions as are thought fit by them or the Court and, subject to approval of the scheme by the Court, the board of directors of A2B is authorised to implement the Scheme with any such modifications or conditions.'*

	For	Against	Abstain*
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority on a poll.

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with that company's constitution and the *Corporations Act*.

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STEP 1

STEP 2

STEP 3



## HOW TO COMPLETE THIS PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Scheme Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Scheme Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE SCHEME MEETING

Any directed proxies that are not voted on a poll at the Scheme Meeting will default to the Chairman of the Scheme Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Scheme Meeting will be voted according to the instructions set out in this Proxy Form.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

If you are entitled to cast two or more votes, you are entitled to appoint up to two persons as proxies to attend the Scheme Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Scheme Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Scheme Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **9:00am (Sydney time) on Saturday, 23 March 2024**, being not later than 48 hours before the commencement of the Scheme Meeting. Any Proxy Form received after that time will not be valid for the scheduled Scheme Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

A2B Australia Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
Parramatta Square  
Level 22, Tower 6  
10 Darcy Street  
Parramatta NSW 2150  
or  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

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