



ASX RELEASE

Annual General Meeting – 22 November 2018

Attached is a copy of the CEO and Managing Director's Address which will be delivered today at the Annual General Meeting of Cabcharge Australia Limited held at The Westin Sydney.

Adrian Lucchese
Company Secretary



**CEO and Managing Director's Address
Annual General Meeting
Thursday 22 November 2018
The Westin Sydney**

One year ago we declared that our Company was positioned for growth with a focused business and a strong and flexible balance sheet. We announced that service excellence was at the heart of our strategy. We were determined to strengthen our engagement with Passengers and Drivers and honour our mission of supporting Taxi Networks throughout Australia. True to those statements we have gone on to deliver growth. During FY18, Payment turnover grew by 4.5%, revenue grew by 22%, affiliated fleet grew by 28%, and downloads of the 13cabs app grew by 74%.

Investments in technology and marketing are powering our growth. Our Company is now strengthened by the additions of Yellow Cabs Queensland and Mobile Technologies International (MTI). Our strategies and acquisitions are being executed in a manner that preserves a strong and flexible balance sheet, and our Company is once again in a net cash position as we stand here today.

Fleet growth has continued in Victoria and we have recently expanded our Bureau Services to Taxi Networks in the Blue Mountains, Tamworth and Coffs Harbour. Growth in Victoria and Bureau Services is more than offsetting the impact of the regulations suppressing industry expansion in New South Wales, Queensland and South Australia. In fact, affiliated fleet currently stands at a record high of 9,963 cars.

Passengers are responding to strengthened marketing initiatives and improvements in our technology and service. App downloads increased significantly during the Financial Year and app bookings continue to be our fastest growing channel. We are the clear leader in the Taxi app category with Passengers giving the 13cabs app a 4.7 star rating based on more than 20,000 reviews in Apple's App Store.

Our advancements in technology are making an impact within and beyond the personal transport market. We are generating 40 million data events per day with more than 30,000 devices connected to the Internet of Things. The team at Cabcharge harnesses the data collected to design innovative digital solutions that integrate with existing technologies to provide richer functionality and new features. Cabcharge's leadership in payments technology was reinforced with the launches of AliPay and the Digital Pass. The Digital Pass is unique because it represents the world's first use of Apple's value-added services to create a closed loop digital payment system. This enables Cabcharge Account Clients to provide their staff and customers with an entirely digital experience, removing the need for physical cards or tickets and paper receipts.

The Company has prepared for the arrival of more international app companies with the launch of a fresh new brand for 13cabs. Unveiled in June, the new 13cabs brand has been supported with an extensive marketing campaign that is cutting through. We measured brand sentiment across social media in July and are delighted to report findings of 79% either positive or neutral – a clear sign that engagement and sentiment are improving.



Following significant upgrades to the usability and functionality of the Cabcharge Account Offering, we launched a new brand for Cabcharge Payments in July. Both the 13cabs and Cabcharge Payments brands share a stable with Silver Service, Maxi Taxi, Spotto and EFT Solutions to name a few. More recently, we welcomed the staff and customers of Mobile Technologies International into our family, with the MTI brand being highly regarded in a number of countries around the globe.

To create room for our strengthening brands, we propose to change the name of our Company to A2B Australia Limited. With the support of Shareholders, we intend to deliver the corporate name change in a manner that both honours the rich legacy of our Company and communicates that our world has changed and so have we.

Trading update

The Company's strategies are continuing to generate growth in FY19 even in the face of intensified competition. Revenue for 1Q19 is up \$5.1m or 11.6% compared to the same period last year. Momentum in Melbourne continued with 463 cars joining since 30 June 2018 and total fleet growing by 492 cars or 5.2%. Taxi fares processed in 1Q19 are up by \$8.4m or 3.4% on the prior corresponding period. More than 7,500 handheld terminals were rolled out across the country by 30 September. The handheld channel, inclusive of Spotto and Giraffe payment terminals, is currently generating 13% of total payment turnover.

In 2H18 we achieved growth in Cabcharge Account volumes indicating strengthening retention as well as new client wins. This encouraging trend has continued in 1Q19 with Cabcharge Account turnover up 3.4% through to 30 September. There is no better endorsement of the long-term validity of the Taxi offering than strength in Cabcharge Account usage. The recent growth in this channel reverses declines dating back to FY15 and is testament to the progress we are making in delivering sophisticated products to stakeholders.

Cabcharge is continuing to invest in building a world class technology team and we are supporting new products with strengthened marketing and an emerging salesforce. A recent survey of Cabcharge Account clients indicates that the new products are working with 82% stating they are either likely or very likely to make further use of the Cabcharge Digital Pass. Our Company's marketing initiatives continue to deliver results, with app downloads up 73% and bookings made through the app up 47% for 1Q19.

Outlook

Our investments in technology and in marketing are generating growth and strengthening our market positioning relative to the overseas app companies. We plan on continuing to invest at current levels.

MTI is a strategic technology investment enabling us to co-ordinate software architecture across a range of technologies throughout the value chain, removing friction and delivering seamless solutions for our customers in the process. Together we have a workforce with deep industry knowledge and global reach.



The enduring strength of our business model and the support and encouragement of our Shareholders have put us in a position to invest and contribute to growth in the Taxi Industry across the country. We are genuinely proud to be able to share the strength of our technology and brands with local operators from Warrnambool to Yeppoon. With MTI now part of the group, we have a unique opportunity to leverage a global footprint to promote our sophisticated customer facing and payments technologies alongside MTI's leading dispatch services. We now have the potential to share the strength of our offerings from Vancouver to Miami and from Helsinki to Dublin.

We are striving to improve the experience of Passengers, Drivers and Taxi Operators and are eager to share our advances with Taxi Networks throughout Australia and around the world. The market that we serve is growing, and the importance of the contribution made by Professional Drivers to communities around the world is increasing and will continue to increase for at least the next several years. At this very moment in time one can readily visualise a broad range of people relying on their local Taxi Service. Technology will continue to advance, payment options will continue to expand, and 10 years from now the number of people relying on their local Taxi Service will be larger. We stand ready to support and foster this growth. We encourage industry participants to share our expansionary mindset. To those people, who, like us, have invested in Taxi licences, we encourage an expansionary mindset. If there are any remaining prospects to attain some sort of value it is through the growth and prosperity of the local Taxi Service with which their licence is placed. It is our mission to grow the service to satisfy the growing demand, and we can provide the industry with the technology and support to make it happen.

FY19 will see continued investment in our people, our brands, and in the quality of our service offerings. Our business model balances the interests of stakeholders, including Shareholders, without expecting Drivers to subsidise Passengers. Drivers are key to our success and we continue to invest in their wellbeing. Increasingly, Drivers are buying into what we are delivering and together, we raised the average Passenger trip rating from 3.1 stars to 4.4 stars during FY18. In the year ahead we are asking Taxi Operators to buy into our mission to improve service and the reputation of the industry. Commencing on 1 January we are applying age limits to the affiliated fleet. Vehicle age limits may not suit all Taxi Operators, but removing the oldest cars is the next step in further improving Passenger perceptions of our service and lifting the image of the Taxi Industry generally.

With a focus on Passenger and Driver outcomes and the technology to back it up, Taxi Services can differentiate their offerings from app companies by showcasing quality, professionalism and safety. Right now, the wake of illegal operations, imbalanced regulatory settings, and sovereign risk is rippling its impacts through the Taxi Industry giving rise to potential for fragmentation and a defensive mindset. In the long run, the right technology and marketing, driven by a focus on service outcomes and a relentless respect for the needs of Drivers, place our industry in a position to succeed and grow – and that is exactly what our Company intends to do.