

## **ASX PRELIMINARY FINAL REPORT**

**Smart Parking Limited**  
**ABN 45 119 327 169**

**30 June 2018**

Lodged with the ASX under Listing Rule 4.3A

### **Contents**

Results for Announcement to the Market <i>Appendix 4E item 2</i>	1
Preliminary Consolidated Statement of Profit and Loss and Other Comprehensive Income <i>Appendix 4E item 3</i>	3
Preliminary Consolidated Statement of Financial Position <i>Appendix 4E item 4</i>	4
Preliminary Consolidated Statement of Changes in Equity <i>Appendix 4E item 6</i>	5
Preliminary Consolidated Statement of Cash Flows <i>Appendix 4E item 5</i>	6
Supplementary Appendix 4E Information <i>Appendix 4E item 7 to 17</i>	7

This report covers the consolidated entity consisting of Smart Parking Limited and its controlled entities. The preliminary financial report is presented in Australian dollars.

# Smart Parking Limited

## Year ended 30 June 2018

### Details of the reporting period

**Current period:** 12 months ending 30 June 2018 (FY18)

**Prior period:** 12 months ending 30 June 2017 (FY17)

### RESULTS FOR ANNOUNCEMENT TO MARKET

		2018	2017
Revenue from ordinary activities	Up 25% to	31,018,609	24,841,220
Profit/ (Loss) from after tax attributable to members	Up 219% to	1,663,060	(1,396,723)
Total comprehensive income for the year attributable to owners	Up 167% to	1,320,501	(1,979,610)

### Dividends

There were no dividends paid or proposed for the period. The Group does not have a dividend re-investment plan.

### Commentary on the results for FY18

The commentary is in actual currency unless otherwise stated which represents the average exchange rates for the period.

Total revenue of \$31.0m for FY18 was up 25% with Adjusted EBITDA of \$4.1m up 370% against FY17. The Group's Adjusted EBITDA margin improved 9.6% to 13.1%.

Revenue in the Parking Management division of \$23.9m was up 14% as the division continued to invest in rolling out ANPR (Automatic Number Plate Recognition) technology to new sites. During FY18 125 sites had technology installed bringing the total number of sites with technology installed to 236. The number of Parking Breach Notices issued increased by 33% in FY18 (excluding the loss of Matalan in FY17). The increased revenue along with continued cost control resulted in Adjusted EBITDA for FY18 of \$6.5m up 39% on FY17. The division continued to build its sales and operational capability in order to capture the large market opportunity on offer in the UK enforcement market place. The division incurred non-recurring and prior period expenses of \$0.75m including professional fees, costs related to the management restructure, and prior period under accruals.

External revenue in the Technology division was up 84% year on year from \$3.7m (FY17) to \$6.8m (FY18). New Smart City installations included City of Adelaide, Moonee Valley City Council and Hamilton City Council. Meanwhile, traditional off-street installations to aid customers in finding parking spaces and improving customer experience grew with new locations at Air New Zealand, Coles Supermarkets and Wilson Parking New Zealand. The Adjusted EBITDA loss of \$0.6m improved \$1.6m compared to FY17.

The company incurred \$0.7m on Research and Development and continued to invest in technology. This included the next generation sensor, a new navigation and payment application, and ongoing investment in the Smart Cloud platform.

Net statutory profit after tax attributable to members was \$1.7m for FY18, up 219% on FY17.

Operating cash flow improved 429% to \$3.5m as a result of improved performance across the business. The company incurred costs in FY18 for technology projects in progress at 30 June 2018 where receipts for both billed (\$2.1m) and work in progress will be received upon completion of project milestones in FY19.

The results were impacted by the stronger GBP currency relative to the prior corresponding period, increasing the translated contribution from the UK business which constitutes approximately 82% of total revenue to the Group. The results in constant currency are shown below.

\$M's	FY18	FY18 LY FX*	FY17
Revenue from ordinary activities	31.0	30.4	24.8
Adjusted EBITDA	4.1	3.9	0.9
* Based on average rates for FY17			

Further commentary on the results is included in the Market Announcement and Investor Presentation.

\* Adjusted EBITDA takes into account costs incurred in the current period which are not expected to occur in the future.

**Consolidated Statement of Profit and Loss and Other Comprehensive Income**  
**For the year ended 30 June 2018**

	Note	Consolidated	
		2018 \$	2017 \$
Revenue from operations	9(c)	31,018,609	24,841,220
Raw materials and consumables used		(3,738,696)	(2,332,703)
Employee benefits expense		(10,905,074)	(9,993,765)
Depreciation and amortisation expense		(1,975,855)	(2,351,077)
Rental and operating lease costs		(2,994,026)	(2,803,875)
Share-based payments expense		(409,408)	(411,426)
Finance and interest expense		(52,228)	(87,143)
Other expenses		(8,572,963)	(7,928,221)
Profit/(loss) before income tax		2,370,359	(1,066,990)
Income tax expense		(707,299)	(329,733)
Profit/(loss) for the year from continuing operations		1,663,060	(1,396,723)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(287,664)	(582,887)
Movement in available for sale financial asset reserve		(54,895)	-
Other comprehensive (loss)/ income for the year, net of tax		(342,559)	(582,887)
Total comprehensive profit/(loss) for the year		1,320,501	(1,979,610)
Total comprehensive profit/(loss) for the year attributable to owners of Smart Parking Limited		1,320,501	(1,979,610)
Earnings per share from continuing operations attributable to the ordinary equity holders of the company.			
- basic earnings/ (loss) per share (cents per share)		0.46	(0.42)
- diluted earnings/ (loss) per share (cents per share)		0.46	(0.42)

The above Consolidated Statement of Profit and Loss and Other Comprehensive Income is to be read in conjunction with the accompanying supplementary Appendix 4E information.

**Consolidated Statement of Financial Position**  
**As at 30 June 2018**

	Note	Consolidated 2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	10	7,153,543	14,225,598
Available for sale financial assets	11	6,460,651	-
Trade and other receivables	12	8,109,611	5,667,652
Inventories		1,473,069	1,491,628
Income tax receivable		778	911
Total Current Assets		23,197,652	21,385,789
<b>Non-current Assets</b>			
Receivables	12	473,695	365,235
Property, plant and equipment	13	5,853,161	3,516,853
Intangible assets	14	1,860,731	2,366,974
Deferred tax assets		571,947	1,156,424
Total Non-current Assets		8,759,534	7,405,486
<b>TOTAL ASSETS</b>		<b>31,957,186</b>	<b>28,791,275</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	15	6,218,342	4,809,541
Interest bearing liabilities		106,361	177,147
Deferred revenue		593,905	699,207
Provisions		917,053	689,603
Total Current Liabilities		7,835,661	6,375,498
<b>Non-current Liabilities</b>			
Interest bearing liabilities		55,787	79,948
<b>TOTAL LIABILITIES</b>		<b>7,891,448</b>	<b>6,455,446</b>
<b>NET ASSETS</b>		<b>24,065,738</b>	<b>22,335,829</b>
<b>EQUITY</b>			
Contributed equity	17	68,865,719	68,865,719
Accumulated losses	3	(47,882,069)	(49,545,129)
Reserves	16	3,082,088	3,015,239
<b>TOTAL EQUITY</b>		<b>24,065,738</b>	<b>22,335,829</b>

The above Consolidated Statement of Financial Position is to be read in conjunction with the accompanying supplementary Appendix 4E information.

**Consolidated Statement of Changes in Equity**  
**For the year ended 30 June 2018**

	<b>Contributed equity \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total \$</b>
Balance at 1 July 2017	68,865,719	3,015,239	(49,545,129)	22,335,829
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	1,663,060	1,663,060
Other comprehensive loss	-	(342,559)	-	(342,559)
<b>Total comprehensive profit/(loss) for the year</b>	<b>-</b>	<b>(342,559)</b>	<b>1,663,060</b>	<b>1,320,501</b>
<b>Transactions with owners, recorded directly in equity</b>				
<b>Contributions by owners</b>				
Contributions of equity net of transaction costs	-	-	-	-
Share-based payment transactions	-	409,408	-	409,408
Total transactions with owners	-	409,408	-	409,408
<b>Balance at 30 June 2018</b>	<b>68,865,719</b>	<b>3,082,088</b>	<b>(47,882,069)</b>	<b>24,065,738</b>

	<b>Contributed equity \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total \$</b>
Balance at 1 July 2016	57,751,202	3,186,700	(48,148,406)	12,789,496
<b>Total comprehensive income for the year</b>				
Loss for the year	-	-	(1,396,723)	(1,396,723)
Other comprehensive loss	-	(582,887)	-	(582,887)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(582,887)</b>	<b>(1,396,723)</b>	<b>(1,979,610)</b>
<b>Transactions with owners, recorded directly in equity</b>				
<b>Contributions by owners</b>				
Contributions of equity net of transaction costs	11,114,517	-	-	11,114,517
Share-based payment transactions	-	411,426	-	411,426
Total transactions with owners	11,114,517	411,426	-	11,525,943
<b>Balance at 30 June 2017</b>	<b>68,865,719</b>	<b>3,015,239</b>	<b>(49,545,129)</b>	<b>22,335,829</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying supplementary Appendix 4E information.

**Consolidated Statement of Cash Flows**  
**For the year ended 30 June 2018**

	Note	Consolidated 2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		28,259,114	24,718,970
Cash payments in the course of operations		(25,060,667)	(24,153,060)
Interest and other finance costs paid		(9,892)	(21,772)
Interest received		299,916	115,453
Income taxes paid		(134)	(195)
<b>Net cash flows inflow from operating activities before movement in client funds</b>		<b>3,488,337</b>	<b>659,396</b>
Net decrease in cash held on behalf of customers		(457,827)	(87,730)
<b>Net cash flows inflow/(outflow) from operating activities</b>	18	<b>3,030,510</b>	<b>571,666</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of assets		20,764	-
Proceeds from available for sale financial assets		273,686	-
Purchase of intangible assets		(104,316)	(186,359)
Purchase of plant and equipment		(3,331,115)	(1,270,578)
Purchase of available for sale financial assets		(6,850,921)	-
<b>Net cash flows inflow/(outflow) from investing activities</b>		<b>(9,991,902)</b>	<b>(1,456,937)</b>
<b>Cash flows from financing activities</b>			
Proceeds from share issue		-	11,608,233
Share issue costs		-	(493,716)
Proceeds from borrowings		-	80,538
Hire purchase payments		(205,542)	(108,538)
<b>Net cash flows outflow from financing activities</b>		<b>(205,542)</b>	<b>11,086,517</b>
Net (decrease)/increase in cash and cash equivalents		(7,166,934)	10,201,246
Cash and cash equivalents at beginning of period		14,225,598	4,140,820
Effects of exchange rate changes on cash and cash equivalents		94,879	(116,468)
<b>Cash and cash equivalents at end of period</b>	10	<b>7,153,543</b>	<b>14,225,598</b>

The above Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying supplementary Appendix 4E information.

## Supplementary Appendix 4E Information

### 1. Statement of significant accounting policies

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This report is to be read in conjunction with any public announcements made by Smart Parking Limited during the reporting period in accordance with the continuous disclosure requirements of Corporations Act 2001 and the Australian Securities Exchange Listing Rules.

The preliminary financial report, comprising the financial statements and notes of Smart Parking Limited and its controlled entities, complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Where necessary, comparative figures have been adjusted to comply with the changes in presentation in the current period.

The principal accounting policies adopted in the preparation of the preliminary financial report are consistent with those of the previous financial year.

### 2. Material factors affecting the economic entity for the current period

Refer to the attached Market Announcement and Investor Presentation for discussion of the nature and amount of material items affecting revenue, expenses, assets, liabilities, equity or cash flows, where their disclosure is relevant in explaining the financial performance or position of the entity for the period.

The profit of the Group for the financial year after income tax amounted to \$1.7m (2017: loss of \$1.4m).

An analysis of underlying Adjusted EBITDA in the current period which is calculated after excluding the effects of costs incurred but not expected to occur in the future is outlined below:

	2018 \$	2017 \$
<b>Net profit/(loss) for the year after tax</b>	<b>1,663,060</b>	<b>(1,396,723)</b>
EBITDA <sup>1</sup>	4,112,650	1,314,050
Non-recurring and prior period expenses <sup>2</sup>	748,509	-
Foreign exchange gains <sup>3</sup>	(791,337)	-
Dispute settlement <sup>4</sup>	-	(338,696)
Onerous lease reversal <sup>5</sup>	-	(109,928)
<b>Adjusted EBITDA<sup>6</sup></b>	<b>4,069,822</b>	<b>865,426</b>

<sup>1</sup>EBITDA represents Earnings before interest, taxation, depreciation, amortisation and loss on disposal of plant and equipment.

<sup>2</sup>The non-recurring and prior period expenses relate to the Parking Management division and includes professional fees, costs related to the management restructure, and prior period under accruals none of which are individually material. These costs were incurred in the current period but are not expected to occur in the future.

<sup>3</sup>The foreign exchange gains are non-operating and relate to funding within the Group.

<sup>4</sup>The dispute settlement relates to damages awarded to Smart Parking in the UK from a former customer in relation to a breach of contract.

<sup>5</sup>The reversal relates to an onerous lease provision recognised in a previous period which was surrendered in June 2017.

<sup>6</sup>The Board assesses the underlying performance of the Group based on a measure of Adjusted EBITDA which takes into account costs incurred in the current period but not expected to occur in the future.



### 3. Retained Earnings *(Appendix 4E item 6)*

	Consolidated 2018 \$	2017 \$
Balance 1 July	(49,545,129)	(48,148,406)
Net profit/(loss) for the year	1,663,060	(1,396,723)
Balance 30 June	(47,882,069)	(49,545,129)

### 4. Additional Dividend Information *(Appendix 4E item 7)*

There were no dividends paid or proposed during the year.

### 5. Dividend Reinvestment Plan *(Appendix 4E item 8)*

The company has no dividend reinvestment plan in operation.

### 6. NTA Backing *(Appendix 4E item 9)*

	Consolidated 2018 \$	2017 \$
Net tangible asset backing per ordinary share	\$0.0618	\$0.0556

## 7. Earnings/(loss) per share (Appendix 4E item 14.1)

	Consolidated 2018 \$	2017 \$
Basic profit/ (loss) per share (cents per share)	0.46	(0.42)
Diluted profit/ (loss) per share (cents per share)	0.46	(0.42)
Profit/ (loss) used in calculating EPS	1,663,060	(1,396,723)
Basic and diluted loss per share		
Profit/(Loss) used in calculating EPS		
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	No. 359,215,361	No. 329,005,914
<i>Reconciliation of basic and diluted loss per share</i>		
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating earnings/(loss) per share:	1,663,060	(1,396,723)

The earnings per share calculation has not been adjusted for the 4,416,967 deferred share rights (2017: 6,135,035) as the Trustee holds sufficient shares in the company to allocate to employees if all deferred shares rights are exercised. The shares held by the Trustee are included in the basic EPS calculation.

## 8. Share Buyback (Appendix 4E item 14.2)

The company had no on-market buy back in operation during the year ended 30 June 2018 or the year ended 30 June 2017.

## 9. Segment information (Appendix 4E item 14.4)

### a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions.

The Board considers the business from a product perspective and has identified three reportable segments. Technology consists of car parking technology products sold globally, Parking Management consists of the business which operates in the United Kingdom and consists of the provision of car parking management services on behalf of third party car park owners and on sites leased by the Company and managed on its own behalf, and Research and Development includes costs to research, develop and enhance software/hardware for both the Technology and Parking Management divisions.

Corporate functions are not considered an operating segment and includes activities that are not allocated to other operating segments.

Prior year comparatives in the segment note have been restated to be consistent with the current year.

**b) Segment information provided to the board**

The segment information provided to the Board for the reportable segments for the year ended 30 June 2018 is as follows:

<b>Group - 2018</b>	<b>Technology</b>	<b>Research and Development</b>	<b>Parking Management</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total segment revenue	8,860,048	-	23,872,681	32,732,729
Inter-segment revenue	(2,041,438)	-	-	(2,041,438)
<b>Revenue from external customers</b>	<b>6,818,610</b>	<b>-</b>	<b>23,872,681</b>	<b>30,691,291</b>
<b>Adjusted EBITDA</b>	<b>(565,379)</b>	<b>(696,109)</b>	<b>6,520,907</b>	<b>5,259,419</b>

The segment information provided to the Board for the reportable segments for the year ended 30 June 2017 was as follows:

<b>Group - 2017</b>	<b>Technology</b>	<b>Research and Development</b>	<b>Parking Management</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total segment revenue	5,146,223	-	20,964,343	26,110,566
Inter-segment revenue	(1,437,612)	-	-	(1,437,612)
<b>Revenue from external customers</b>	<b>3,708,611</b>	<b>-</b>	<b>20,964,343</b>	<b>24,672,954</b>
<b>Adjusted EBITDA</b>	<b>(2,151,815)</b>	<b>(582,072)</b>	<b>4,698,852</b>	<b>1,964,965</b>

**c) Other segment information**

**(i) Segment revenue**

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the Board is measured in a manner consistent with that in the income statement.

Segment revenue reconciles to total revenue from continuing operations as follows:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Total segment revenue	<b>32,732,729</b>	26,110,566
Intersegment eliminations	<b>(2,041,438)</b>	(1,437,612)
Interest revenue	<b>327,318</b>	168,266
	<b>31,018,609</b>	<b>24,841,220</b>

(ii) Adjusted EBITDA

The Board assesses the performance of the operating segments based on a measure of adjusted EBITDA. This measurement excludes the effects of costs incurred in the current period but not expected to occur in the future from the operating segments such as restructuring costs, acquisition costs, legal costs and goodwill impairments which are non-cash in nature. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

A reconciliation of adjusted EBITDA to operating loss before income tax is provided as follows:

	2018 \$	2017 \$
<b>Adjusted EBITDA</b>	<b>5,259,419</b>	1,964,965
Intersegment eliminations	<b>82,495</b>	971,499
Interest revenue	<b>327,318</b>	168,266
Interest expense	<b>(9,892)</b>	(21,772)
Depreciation	<b>(1,291,115)</b>	(1,465,097)
Amortisation	<b>(684,740)</b>	(885,980)
Non-recurring items and prior period expenses	<b>(748,509)</b>	448,624
Foreign exchange gains on intra group funding	<b>791,337</b>	-
Loss on disposal of fixed property, plant and equipment	<b>(83,862)</b>	(176,456)
Adjusted EBITDA for parent company	<b>(1,272,092)</b>	(2,061,301)
Other	-	(9,738)
<b>Profit/(loss) before income tax from continuing operations</b>	<b>2,370,359</b>	(1,066,990)

## 10. Cash and cash equivalents

	2018	Consolidated	2017
	\$		\$
Cash at bank and in hand	6,927,250		13,541,478
Cash held on behalf of customers	226,293		684,120
	<u>7,153,543</u>		<u>14,225,598</u>

During the period the company invested \$6.5m in Corporate Bonds. Refer to note 11 for additional information.

Cash at bank includes cash that Smart Parking Limited (UK) has collected and counted on behalf of customers, the associated liability for this is included in other payables.

The Parking Management division collects cash from sites that it operates on behalf of customers on an ongoing basis. These amounts are material. As cash is collected and banked a corresponding liability is recognised for the same amount. As payment terms vary between customers the cash profile of collecting and remitting cash is variable and can have a material impact on the company's cash balances at any one point in time.

## 11. Available for sale financial assets

	2018	Consolidated	2017
	\$		\$
Available for sale financial assets	6,460,651		-

Available for sale financial assets include Corporate Bonds.

## 12. Trade and other receivables

### Current

Trade receivables	2,428,519	1,433,493
Provision for impairment of receivables	(12,176)	(24,923)
	<u>2,416,343</u>	<u>1,408,570</u>

Prepayments	1,326,173	1,311,894
Other receivables	4,367,095	2,947,188
	<u>8,109,611</u>	<u>5,667,652</u>

Non-current receivables	473,695	365,235
	<u>8,583,306</u>	<u>6,032,887</u>

### 13. Property, plant and equipment

	Motor Vehicles	Office Equipment	Plant and Equipment	Leasehold Improvem- ents	Total
	\$	\$	\$	\$	\$
<b>Consolidated</b>					
<b>Year ended 30 June 2018</b>					
Opening net book amount	65,228	79,573	3,036,669	335,383	3,516,853
Additions	209,011	26,962	3,249,387	66,244	3,551,604
Disposals	(29,682)	(216)	(100,795)	-	(130,693)
Depreciation charge for the year	(40,767)	(32,036)	(1,183,100)	(35,212)	(1,291,115)
Foreign exchange translation	2,501	422	187,143	16,446	206,512
<b>Closing net book amount</b>	<b>206,291</b>	<b>74,705</b>	<b>5,189,304</b>	<b>382,861</b>	<b>5,853,161</b>
<b>At 30 June 2018</b>					
Cost or fair value	400,443	315,990	10,982,226	556,421	12,255,080
Accumulated depreciation & impairment	(194,152)	(241,285)	(5,792,922)	(173,560)	(6,401,919)
<b>Net book amount</b>	<b>206,291</b>	<b>74,705</b>	<b>5,189,304</b>	<b>382,861</b>	<b>5,853,161</b>

### 14. Intangible assets

	Software	Developed Technology	Goodwill	Other intangible assets	Total
	\$	\$	\$	\$	\$
<b>Year ended 30 June 2018</b>					
Opening net book amount	242,306	616,637	1,507,236	795	2,366,974
Additions	67,112	37,204	-	-	104,316
Exchange differences	(435)	-	74,595	21	74,181
Amortisation charge	(65,594)	(618,330)	-	(816)	(684,740)
<b>Closing net book amount</b>	<b>243,389</b>	<b>35,511</b>	<b>1,581,831</b>	<b>-</b>	<b>1,860,731</b>
<b>At 30 June 2018</b>					
Cost	1,080,084	5,822,584	13,768,712	10,162	20,681,542
Accumulated amortisation and impairment	(836,695)	(5,787,073)	(12,186,881)	(10,162)	(18,820,811)
<b>Net book amount</b>	<b>243,389</b>	<b>35,511</b>	<b>1,581,831</b>	<b>-</b>	<b>1,860,731</b>

## 15. Trade and other payables

	Consolidated	
	2018	2017
	\$	\$
Current		
Trade payables	3,270,680	2,471,186
Related party payables	81,347	58,505
Other payables	2,866,315	2,279,850
	<b>6,218,342</b>	<b>4,809,541</b>

All trade and other payables are expected to be settled within 12 months. Other payables includes \$226,293 (2017: \$684,120) payable to customers for cash that Smart Parking UK has collected and counted on behalf of customers, the associated cash for this is included in cash at bank. Refer to Note 10.

## 16. Reserves

	Consolidated	
	2018	2017
	\$	\$
Share based payments	2,569,865	2,160,457
Foreign currency translation	567,118	854,782
Available for sale financial assets reserve	(54,895)	-
	<b>3,082,088</b>	<b>3,015,239</b>

## 17. Equity securities issued during the year

The Company did not issue any ordinary shares during the year.

## 18. Reconciliation of cash flows from operating activities

Reconciliation of Cash Flow from Operations with  
Loss after Income Tax

	2018	2017
	\$	\$
Profit/(Loss) after income tax for the period	1,663,060	(1,396,723)
Adjustments for:		
Loss on disposal of plant and equipment	83,862	176,456
Depreciation and amortisation expense	1,975,855	2,351,077
Impairment of trade receivables	(13,486)	24,179
Share-based payments expense	409,408	411,426
Net foreign exchange differences	(751,599)	-
Change in operating assets and liabilities, net of effects from purchase of controlled entity:		
(Increase)/decrease in trade and term receivables	(1,472,467)	(34,897)
(Increase)/decrease in inventories	18,559	150,219
(Increase)/decrease in other current assets	(1,081,322)	(620,284)
Increase/(decrease) in trade payables and accruals	1,614,030	(916,407)
(Increase)/decrease in tax receivable and deferred tax	584,610	426,620
Net cash inflow from operations	<b>3,030,510</b>	<b>571,666</b>

**19. Trends in Performance** *(Appendix 4E item 14.5)*

Refer to the attached Market Announcement and Investor Presentation.

**20. Other Factors that Affected Results in the Period or which are Likely to Affect the Results in the Future** *(Appendix 4E item 14.6)*

Refer to the attached Market Announcement and Investor Presentation.

**21. Controlled Entities Acquired or Disposed of** *(Appendix 4E item 10)*

The Company did not acquire/dispose of interests in Controlled Entities.

**22. Associates and Joint Venture Entities** *(Appendix 4E item 11)*

The Company did not acquire or dispose of any interests in Joint Ventures or Associates during the year.

**23. Other Significant Information** *(Appendix 4E item 12)*

Contingent Liabilities

The Group is aware of an Upper Tier Tribunal Ruling in the UK impacting the treatment of input VAT incurred on expenditure relating to the administration of Parking Breach Notice activities. Management continue discussions with HMRC to assess the relevance of this ruling to the Group and the potential impact, and this matter remains unresolved at the date of this report. As at 30 June 2018 the company has a provision of \$2.0m for VAT based on an assessment of probability adjusted outcomes as required under the accounting rules. If Smart Parking is unsuccessful in defending its position the maximum liability is estimated to be \$3.5m. Refer to the Group's 2017 Annual Report for further information.

Refer to the attached Market Announcement and Investor Presentation for other significant information.

**24. Subsequent events**

Corporate Bonds

The Group sold \$4.2m of Corporate Bonds subsequent to balance date and placed funds received on term deposit.

**25. Audit Status** *(Appendix 4E item 15)*

This report is based on accounts which are in the process of being audited.

**26. Commentary on Results** *(Appendix 4E item 14)*

Refer to the attached Market Announcement and Investor Presentation.

**27. Significant Features of Operating Performance** *(Appendix 4E item 14.3)*

Refer to the attached Market Announcement and Investor Presentation.