Smart Parking Limited (ASX:SPZ)

AGM Presentation

9 November 2018
CEO Paul Gillespie

smartparking.com

Executing long term growth strategies

World-leading technology and first-class managed services.

Management Services | UK FY18		Technology | Global FY18
78%	**% Revenue**	22%
Annual Parking Breach Notices 392,026	**Key operational metric**	New installed sensors 13,700
33%	**Year on year increase**	**83%**

- Established strong market positions and market leading technology.
- Year of consolidating and strengthening market position.
- Significant market opportunities intact with solid operations plan.
- Executing long term growth strategies.

SMART PARKING

FY18 Review

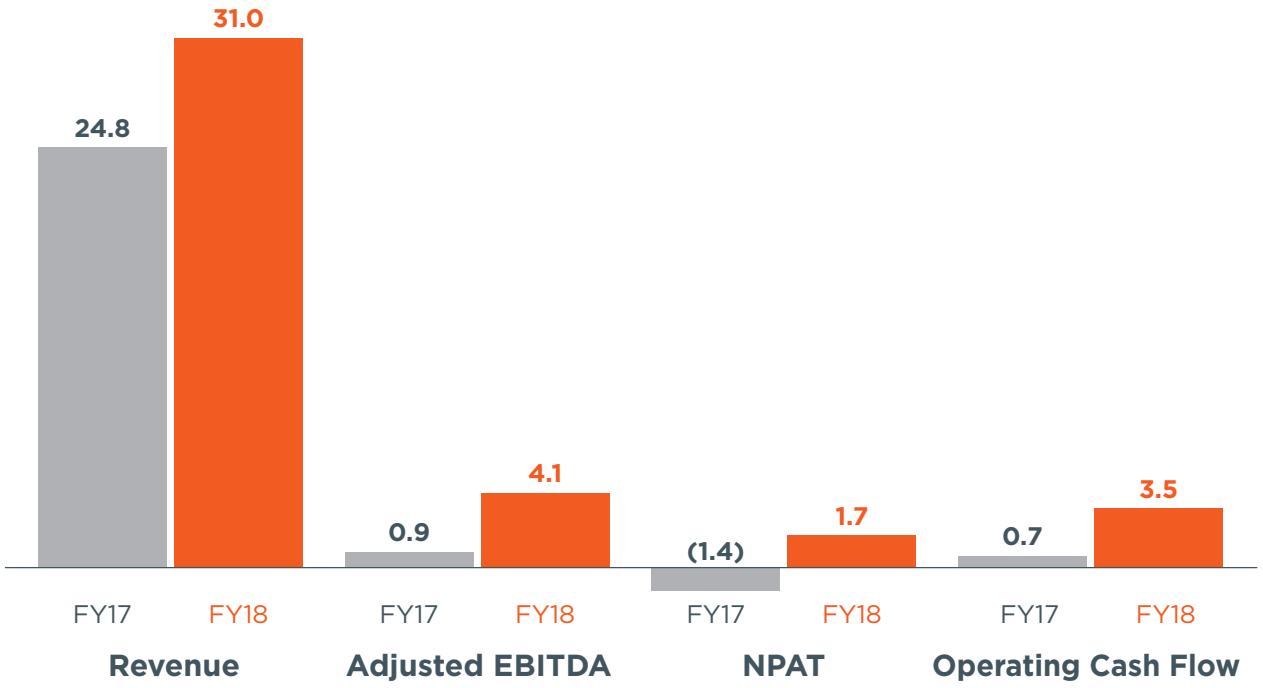
Smart Parking Group

| FY18 Strong revenue growth and profitability

- 25% **Revenue** $31.0m* up 25%
- 370% **Adjusted EBITDA** $4.1m up 370%
- 10% **Adjusted EBITDA Margin** Up from 3.5% to 13.1%
- 219% **NPAT** Up $3.1m to $1.7m
- 429% **Record operating cash flows** $3.5m up 429%

*Including interest received

FY18 Results | Group Financials (m)



FY18 in review

| Smart Parking Group

- Growth in revenue, EBITDA, NPAT and operating cash flow demonstrate positive trend and successful strategy.
- UK business challenges in second half now addressed and SPZ building and investing for the future.
- New high calibre UK management team recruited. Investing for growth - strengthening SPZ for scale and international market opportunities.
- Technology wins across market verticals delivering positive results.
- Investment in global operational capability to capture market opportunity.
- Technology delivery bringing new smart city products to the global market.
- System improvements increase ANPR camera recognition rates across UK estate, and new site roll out continues to plan.

SMART PARKING

FY18 Financial Update

Management services

| UK earnings growth

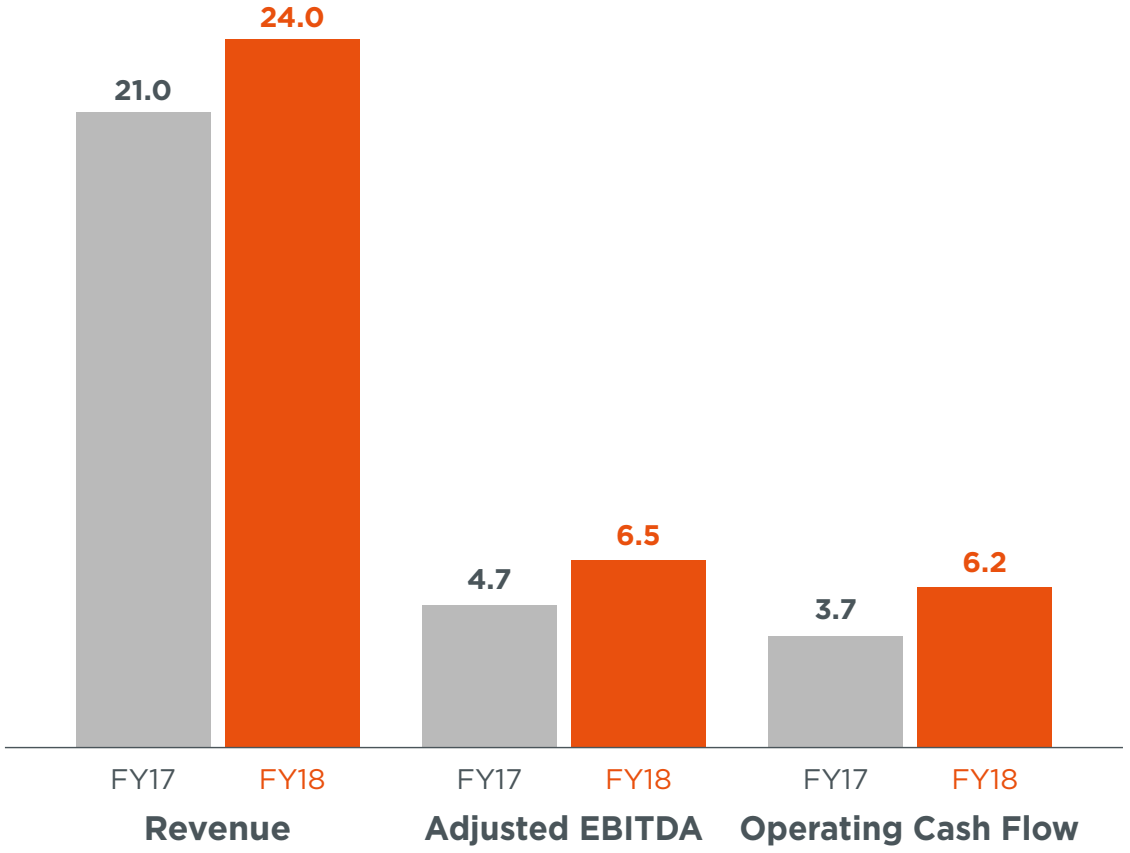
14% **Revenue** $24.0m up 14% on FY17

39% **Adjusted EBITDA** $6.5m up 39% on FY17

4.9% **Adjusted EBITDA Margin** Up from 22.4% to 27.3%

66% **Record operating cash flows** $6.2m up 66% compared to FY17.

FY18 Results | Parking Management Financials (m)

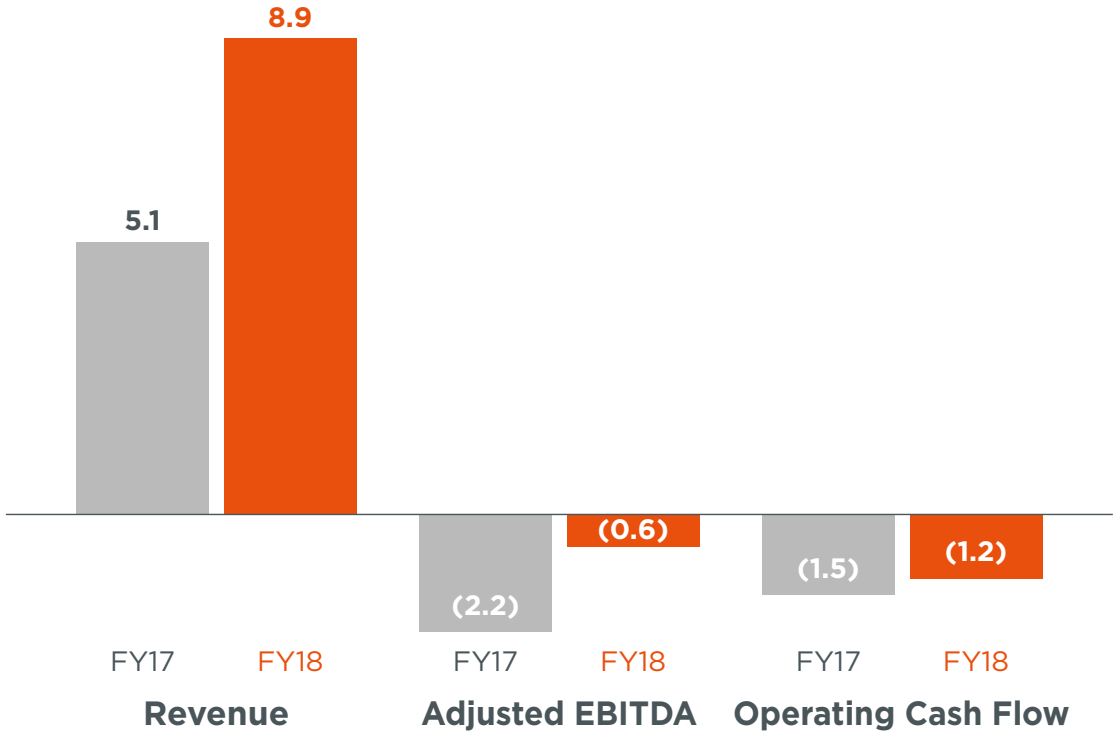


Technology

Record results proves global technology adoption

- 72% **Revenue** $8.9m up 72% on FY17
- 74% **Adjusted EBITDA** ($0.6m) improved 74% on FY17
- 31% **Recurring revenue** $2.7m up 31% on FY17
- 16% **Improved operating cash flows** ($1.2m) up 16% compared to FY17.

FY18 Results | Technology Financials (m)



SMART PARKING

FY19 Business Update

Smart Parking Group

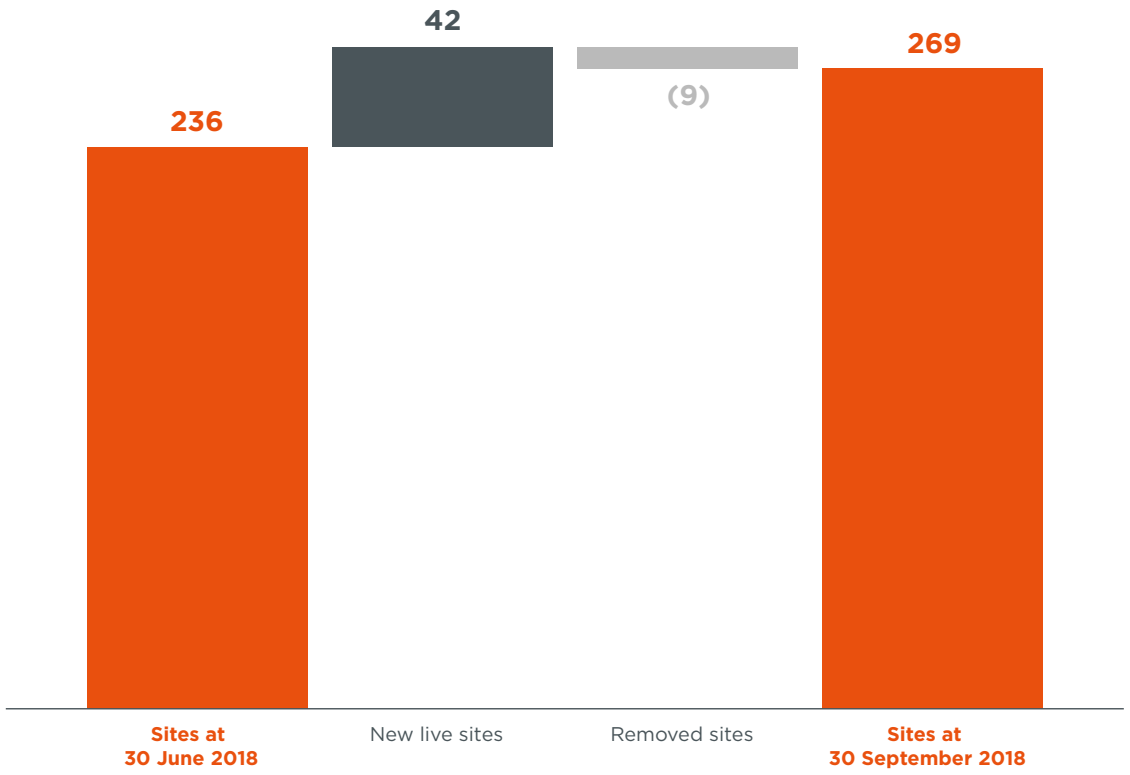
| Investing for long term sustainable growth

- FY19 will be a year of investment and consolidation - investing for significant growth opportunities with strengthened sales and operations teams and technology capabilities.
- Installation of 42 new sites in Q1 in the UK is in line with plan, however this has been offset by 9 site losses following the impact of second half UK business challenges.
- Continued technology contract wins across all SPZ home markets with clear and disciplined focus to grow recurring revenue line.
  - As of October 2018, FY19 committed technology recurring revenue up 20% on FY18 actual.

Management Services

- New site installation roll-out on track and in line with management expectations.
- The growth is offset by the loss of some key sites due to second half FY18 customer service issues.
- Management is focused on actively managing all sites with churn expected to normalise through FY19.
- High calibre new management team in post with clear focus on executing disciplined growth plan.
- Investment in sales team with two new sales heads recruited to drive sales growth and build pipeline.
- Strengthened account management and customer service teams to support growth.
- Addressable market of 45,000 sites with 15,000 suitable for ANPR installations ensure long-term runway for growth.

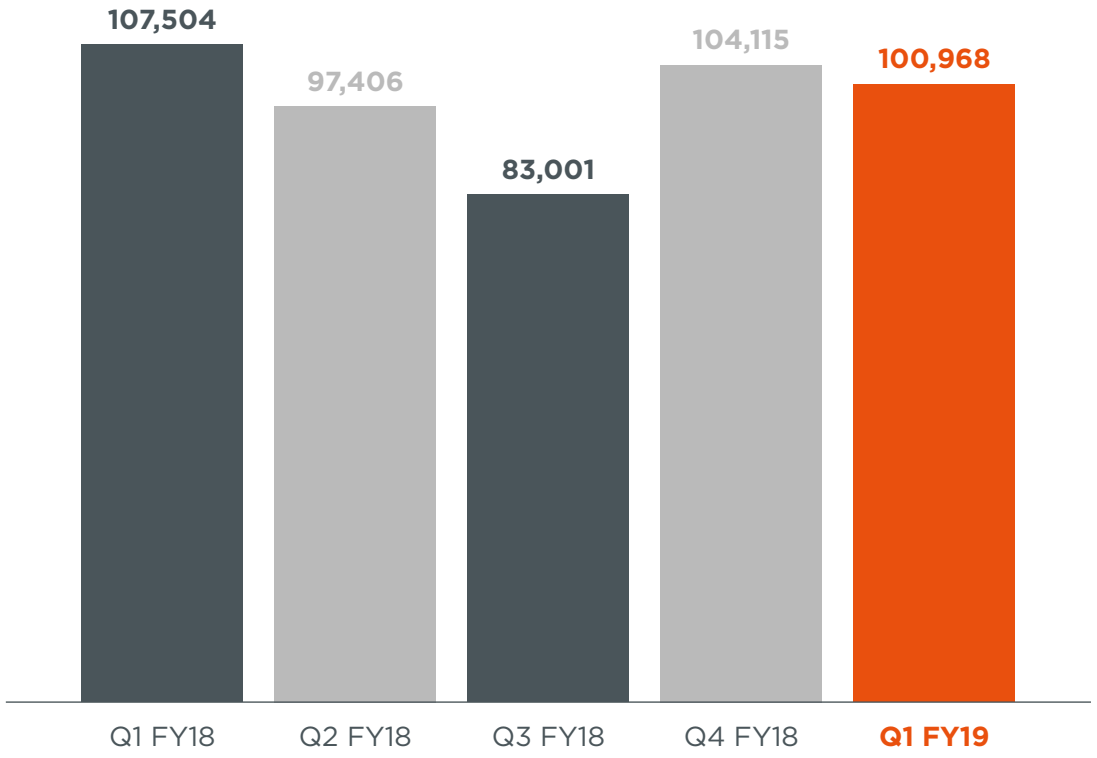
Q1 FY19 | ANPR Sites



Parking breach notices

- Installation timing and the removal of 9 sites has impacted the number of PBNs issued in Q1.
- Modest increases in customer revenue share, though economic payback remains compelling.
- Refocused culture to drive a positive customer experience and long term, sustainable contract engagements.

Parking Breach Notices Issued



UK parking market news

Macquarie bank acquisition validates market appeal.

MACQUARIE BANK

ParkingEye car park solutions

- SPZ biggest competitor in the ANPR enforcement market, Parking Eye acquired by Macquarie Bank.
- Transaction completed in July 2018 for a price of £235m.
- Validates SPZ's UK growth strategy.
- Demonstrates the growth potential of the UK parking enforcement market place.
- UK parking enforcement market is fragmented, this transaction shows consolidation is under way.

FY19 Management services

Growth in customer base of ANPR sites set to continue into FY19

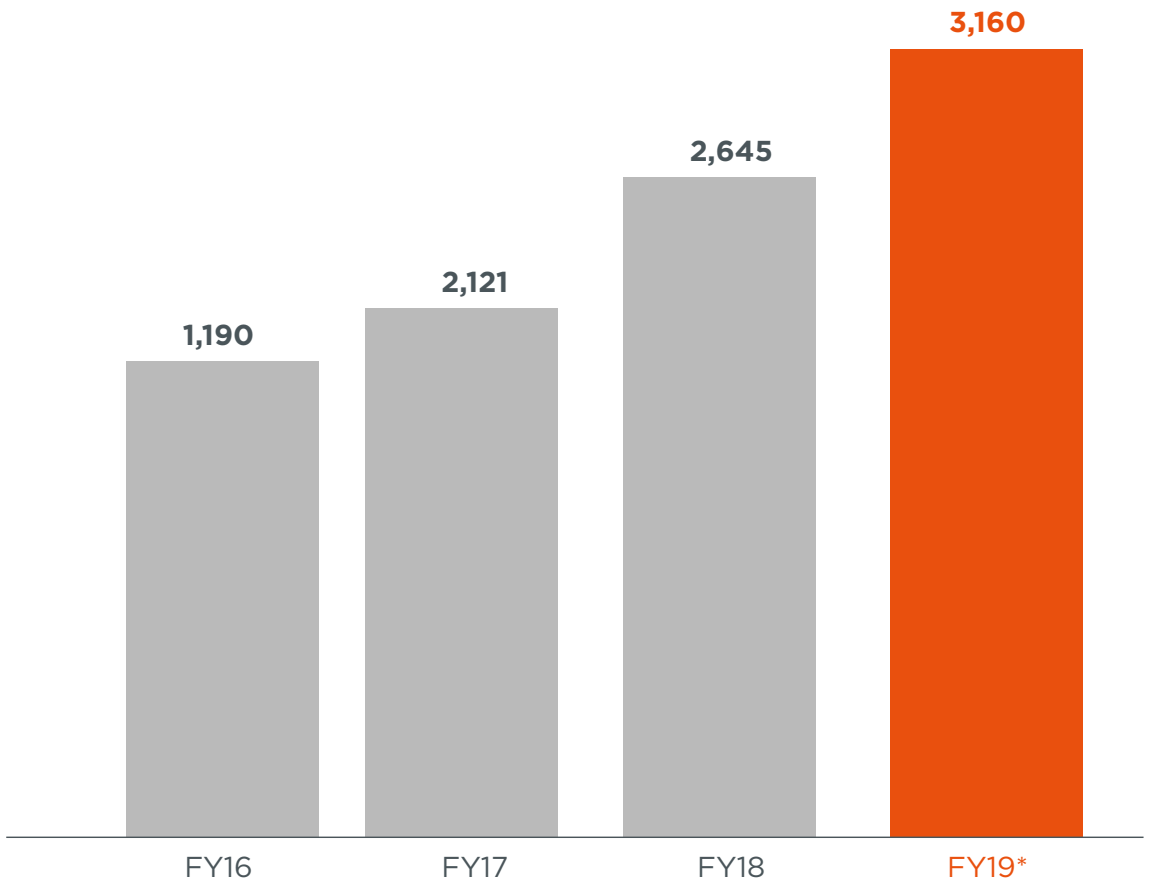
- Strong focus on capturing market share in the ANPR parking enforcement market place.
- Total available market 45,000 sites in UK, 15,000 suitable for ANPR model.
- Increased investment in sales, operations & technology throughout FY19.
- Execute strategy of win, install and operate 15 new ANPR sites per month.
- Keen operational focus on site go-live process and ANPR camera accuracy rate.
- Pipeline of new sites and clients growing beyond 200 locations.

Technology

SPZ tech enables customers to use accurate data to make informed business decisions

- Investment in sales leadership to fuel growth.
- Clear pathways to profitability with smart city technology adoption.
- $2.4m in firm orders and $3.2m in recurring revenue for FY19 so far. Includes UK ANPR technology licence fee.
- Committed recurring revenue of $3.2m up 20% on FY18 actual.

Technology Recurring Revenue



*Forecast recurring revenue

Smart city growth continues

Smart Parking focused on long-term growth globally.

- Adoption of smart city technology continues across home markets (Australia, UK, NZ).
- Disciplined focus on opening new markets in Europe & North America with first orders already received.
- Market sizing research from Navigant indicates the smart parking market will grow to $1.78b by 2026.
- Commitment and continued investment in R&D ensures SPZ remains the technology market leader.

SPZ technology

Future ready technology differentiates Smart Parking.

- SmartCloud Platform delivered and operational processing 1.6 million IoT messages per day and growing.
- Live streaming real-time information that allows users to make accurate, informed business decisions.
- Open standards allow connection to any IoT device network bridging to broader revenue streams.
- Smart Parking app technology delivering payment, guidance, information and live notifications.
- AI and Machine Learning technology built into the SmartCloud core preparing SPZ for the future.

SPZ winning awards

| Smart Parking took home the award for **Parking Organisation of the Year** at the 2018 Parking Industry Awards

- Smart Parking was selected by an independent panel of industry experts after proving a market leading approach around people, technology, customer service and industry expertise.

PARKING INDUSTRY AWARDS
WINNER
2018

FY19 growing technology customer base

Continued growth within all operating territories, and expansion into new markets.

- Solid start to FY19 supported by new customer wins.
- On track with execution of technology growth strategy.
- Investing in sales and tech capabilities to drive scale and increase recurring revenues.
- Global market opportunity recognised, with disciplined roll-out approach focused on Australia, NZ, UK, Europe and US.
- Positive growth trajectory.

FY19 Strategy and Outlook

Conclusions and growth

- In FY18 SPZ established strong market positions and market leading technologies.
- We addressed UK business challenges and strengthened SPZ for scale and international market opportunities.
- We grew revenues, EBITDA, NPAT and operating cash flow demonstrating positive trends and momentum.
- FY19 is a year of investment and consolidation - investing for significant growth opportunities with enhanced sales and operational teams, technology capabilities and a reinvigorated, customer focused culture.
- Q1 FY19; 42 new ANPR sites in line with plan. PBN issuance affected by the loss of some key sites due to H2 FY18 customer service issues.
- Substantial market opportunities affirmed - 15 new ANPR locations expected per month, SPZ well positioned to capture greater share of 15,000 site target market.
- Technology revenues continue to grow with new contract wins. FY19 committed recurring revenues already up 20% on FY18 actual.

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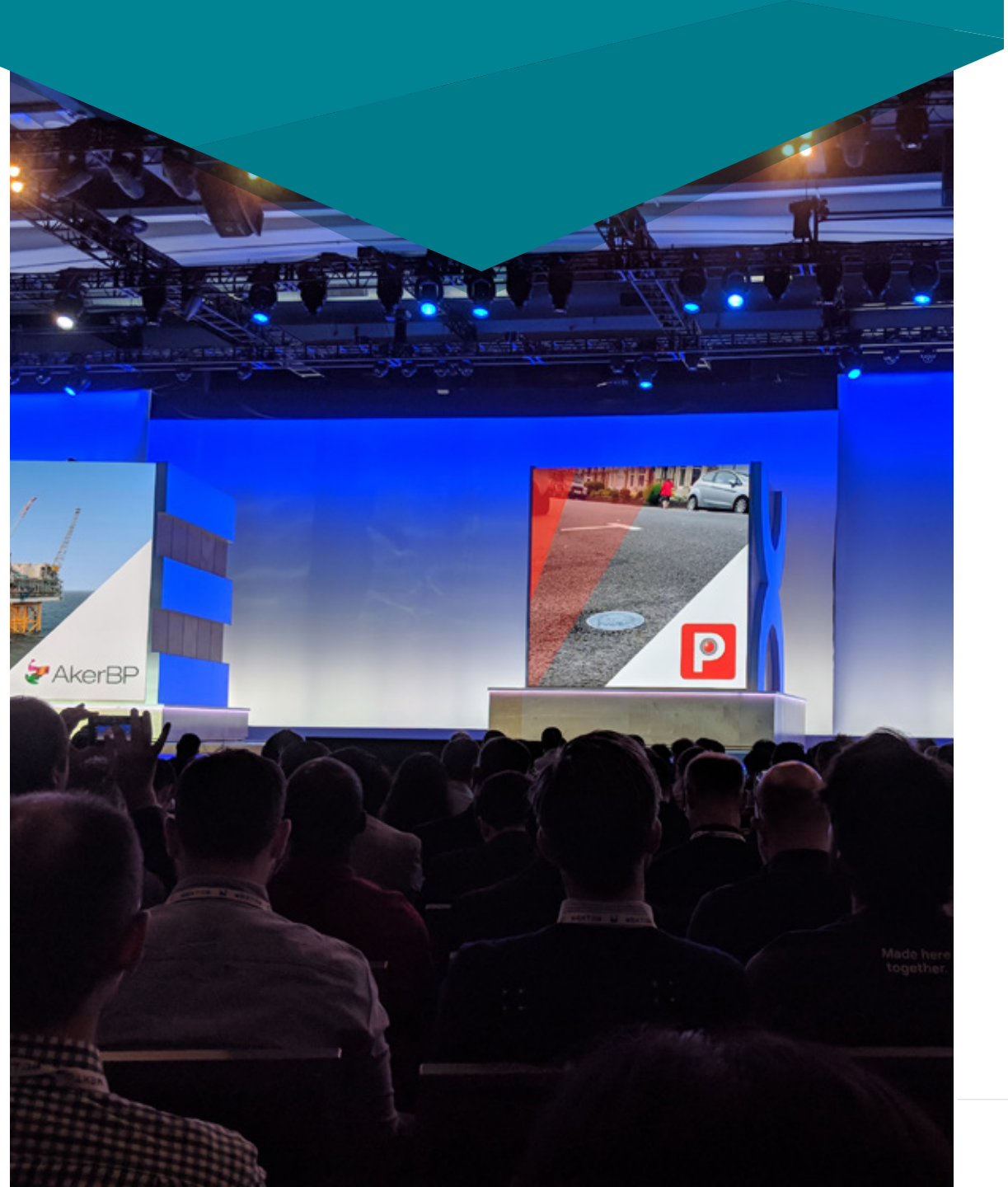
Supplementary Information

New technology development

Technology overview

| Delivering real-world IoT and smart city solutions.

- ✓ SPZ Smart City Platform – SmartCloud – delivered, operational and generating revenue.
- ✓ SPZ new guidance and payment app delivered and set to 'Go-Live' and generate revenue in Q2 FY19.
- ✓ Next generation sensor delivered and operational in 10 locations.
- ✓ Smart city and IoT capability roll out continues in local government clients including Moonee Valley City Council, City of Adelaide, Moreton Bay Regional Council, Cairns Council, City of Greater Geelong and City of Casey.



IoT Partnerships

Smart Parking continues to partner with industry heavyweights such as Google and Telstra.

SPZ CTO John Heard co-hosted four IoT conference speaker sessions.

This has achieved high visibility within Google, and has led to further sales opportunities.

Telstra relationship continues to strengthen with further orders for Moreton Bay, Cairns and Sunshine Coast and Greater Geelong Councils.

Management services: How it works

| Parking management improving customer satisfaction and revenue generation.

- **ANPR |** Automatic Number Plate Recognition
- **Pay & Display |** ANPR Linked Automated Payment System
- **Site Surveys |** Real-time information, analysis and trend data
- **Parking Attendants |** Trained and qualified staff
- **DPC (Disabled, Parent and Child) |** Protecting the vulnerable
- **Marshaling |** Trained, professional and customer-friendly marshals

Motorist
Enters the carpark at the defined entrance

Validation & payment
Machines facilitate pay & walk or validate parking

ANPR Recognition
Camera identifies the number plate of cars entering and leaving the premises

SmartCloud
Automates information and provides detailed reporting

ANPR: How it works

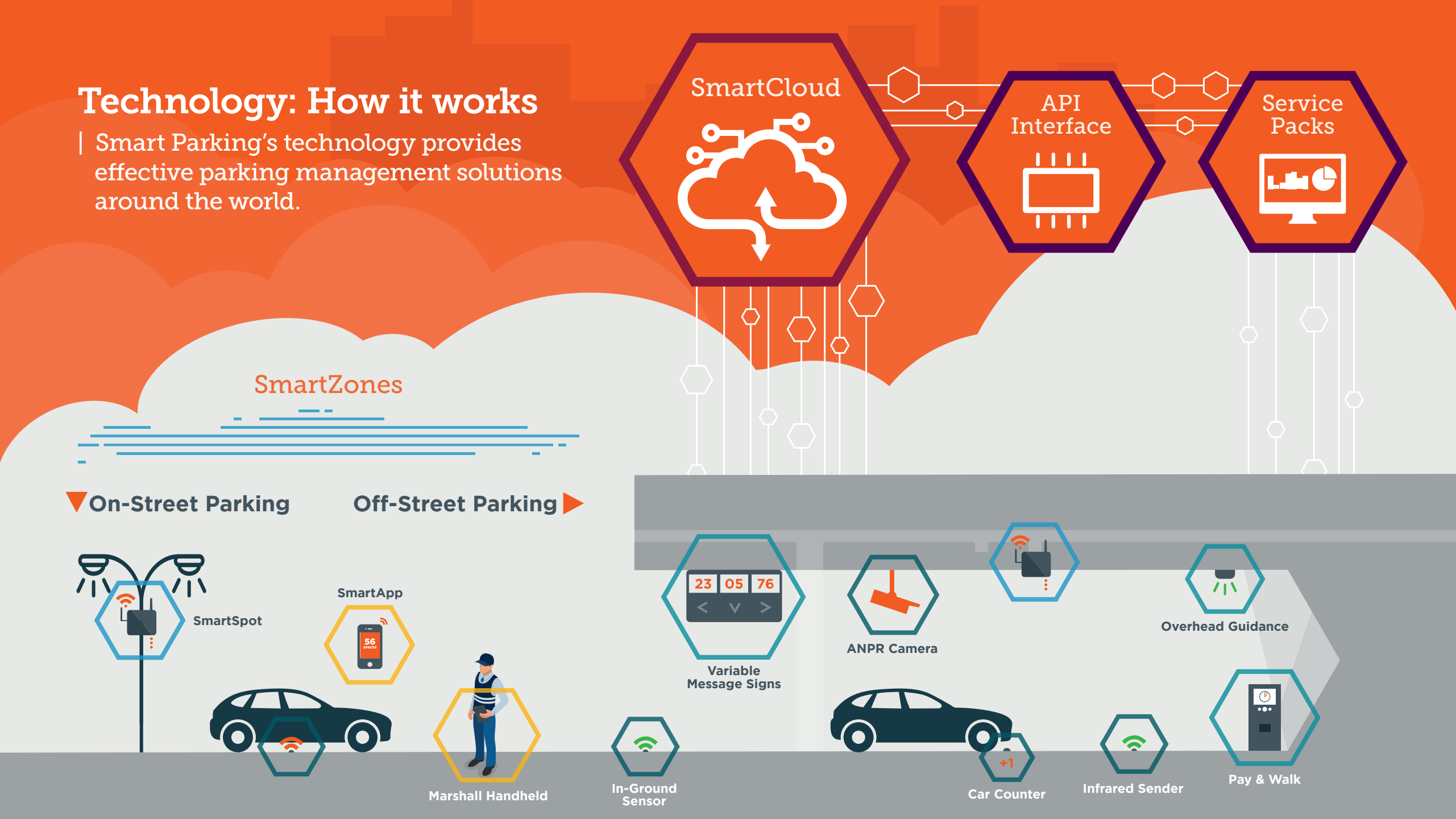
Automatic number / license plate recognition (ANPR) is a reliable, cost effective off-street parking management solution.

It is proven to serve a wide range of industries including supermarkets, retail, hotels, hospitals and leisure centres. Smart Parking's ANPR solution ensures greater compliance and increased parking revenue.

- Ticketless, barrier-free system, parking areas that are managed 24/7
- Automatically generated and issued parking charge notices
- Increased security, comprehensive reporting and account management

Technology: How it works

Smart Parking's technology provides effective parking management solutions around the world.

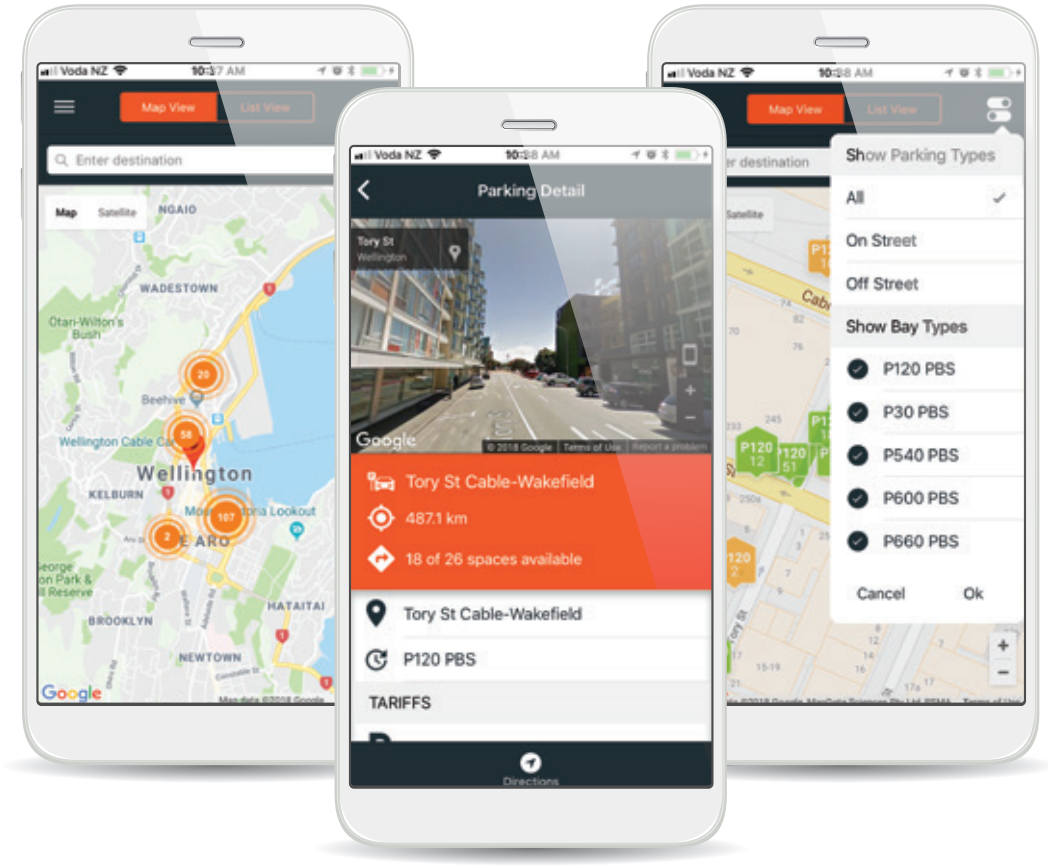


Smart Parking app

The Smart Parking app and its customised Miami and Cardiff apps delivered

Features and benefits:

- Available for both Android and iOS.
- Provides detailed information around hours, tariffs and bay types.
- Shows real-time availability of car park bays.
- Harnesses the power of Google Maps to provide distance and directions to suitable bays.
- Payment function will allow cashless payment and remote top-ups.



Glossary

Adjusted EBITDA – 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.

EBITDA – represents Earnings before interest, taxation, depreciation and amortisation.

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