

Manager of Company Announcements  
ASX Limited  
Level 8 Exchange Plaza  
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PERTH WA 6000

23 November 2016

By E-Lodgement

**A\$10.9 million capital raising – Investor Presentation**

Attached is an investor presentation by Smart Parking Limited in relation to its A\$10.9 million capital raising as announced on ASX today.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'R Ludbrook', enclosed in a thin black rectangular border.

**Richard Ludbrook**  
**Company Secretary**

The World's Smartest Parking Tools

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ASX: SPZ

# Smart Parking Limited ASX:SPZ Investor Presentation



Paul Gillespie, CEO | November 2016



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# Smart Parking | Disclaimer



## Overview

This investor presentation (“Presentation”) has been prepared by Smart Parking Limited (ACN 119 327 169) (“SPZ” or “Company”) and is dated 23 November 2016. This Presentation has been prepared in relation to a placement to ‘sophisticated’ and ‘professional’ investors (as defined in the Corporations Act) (“Placement”) and an accelerated entitlement offer of new SPZ ordinary shares (“New Shares”) consisting of an institutional offer and a retail offer to eligible shareholders (“Entitlement Offer”) (together the “Offer”).

## Summary Information

This Presentation contains summary information about the current activities of SPZ as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a disclosure document or prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with SPZ’s other periodic and continuous disclosure announcements lodged with the ASX, which are available at [www.asx.com.au](http://www.asx.com.au). Neither SPZ nor its directors, employees or advisers give any warranties in relation to the statements and information in this Presentation.

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There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation. Investors should consider the forward looking statements contained in this Presentation in light of those disclosures. The forward looking statements are based on information available to SPZ as at the date of this Presentation.

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# Smart Parking | Disclaimer



## Effect of rounding

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# 1 INTRODUCING Smart Parking



# Smart Parking Limited (ASX:SPZ)



Smart Parking is a global car parking business listed on the ASX

## Key Market Statistics

<b>ASX code</b>	SPZ
<b>Market capitalisation</b>	\$81.31m (17/11/16)
<b>Average daily volume</b>	131,921
<b>Shares on issue</b>	296.2m
<b>Listed on ASX</b>	2011
<b>GICS classification</b>	IT

## FY16 Financial snapshot



**Revenue** of \$31.8m - up 34%

**EBITDA** of \$1.4m - up \$5.2m



# Smart Parking | Leadership team



**Highly experienced and relevant management team with proven success**



**Chris Morris**

Non-Executive Chairman

- Founding member of Computershare Limited
- Extensive knowledge of securities industry
- Passion and long-term strategic vision



**Richard Ludbrook**

Chief Financial Officer

- Appointed CFO of Smart Parking in February 2011
- 20+ years finance and management experience
- Experience with Ernst & Young and Telecom NZ



**Paul Gillespie**

Chief Executive Officer

- Appointed CEO of Smart Parking in January 2013
- 13+ years experience in parking technology industry
- Led the UK division of Xerox Parking Services



**John Heard**

Chief Technical Officer

- Leads Smart Parking's technology and product delivery
- Founded the GNOME Foundation, used by major industry operating systems
- Founded OpenOffice.org industry programme, now has 100+ million users



# Smart Parking | Business Overview



**World leading technology for parking design, development & management**

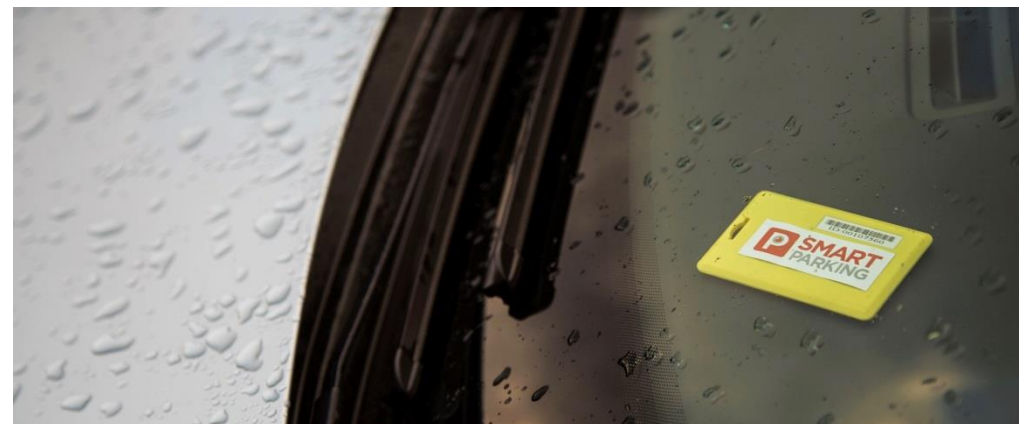
## MANAGEMENT SERVICES | UK

Operates exclusively in the UK and specialises in managing car parks on behalf of retail customers, land owners and managing agents – currently generates 90% of the Groups revenue



## TECHNOLOGY | GLOBAL

Designs, develops and specialises in on-street and off-street parking technology and software, enabling clients to manage parking efficiently and cost effectively – Technology division is critical to competitive advantage in the Services business and to the future growth of SPZ





# 2 UK MANAGEMENT SERVICES

# Management Services | Overview



Operating more than 120,000 car parking spaces in the United Kingdom



**FY16 Revenue** of \$28.4m - up 33%

**FY16 EBITDA** of \$5.3m - up \$4.7 million

## FY16 KEY CONTRACT WINS

- **Lidl UK** Managing +30 sites
- **Matalan UK** Managing +88 sites
- **New UK sites added every month to enable growth in market share**



## OUR UK CUSTOMERS

# Management Services | How it works



Parking management improving customer satisfaction & revenue generation

**SP 123**

MON 02 APR  
11:43 AM

☒ Q 1  
☐ Q 2  
☐ Q 3



**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

# ANPR | How it works

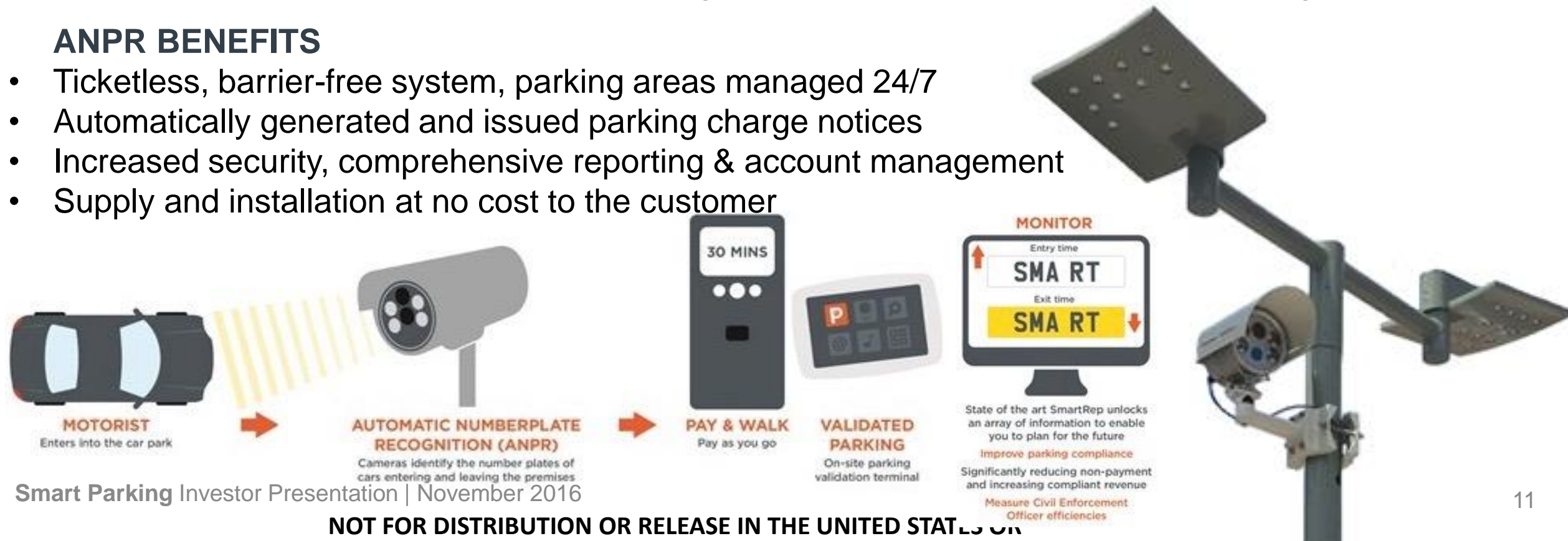


## Automatic Number/ License Plate Recognition (ANPR)

- **ANPR parking system:** Reliable, accurate, cost effective off-street parking management solution
- **Proven to serve a wide range of industry:** Supermarkets, retail, hotels, hospitals, leisure centres
- **Smart Parking's ANPR solution:** Ensures greater compliance and increased parking revenue

### ANPR BENEFITS

- Ticketless, barrier-free system, parking areas managed 24/7
- Automatically generated and issued parking charge notices
- Increased security, comprehensive reporting & account management
- Supply and installation at no cost to the customer





# 3 TECHNOLOGY

## Global Growth



# Technology | Overview



Expanding across key markets: UK, AUS, NZ | Strengthening sales capacity



**FY16 Revenue of \$5.6m**

increased 40% on FY15

**FY16 Recurring revenue of \$1.9m**  
increased 49% on FY15

## Completed 2016 installations

ACT & NSW in Australia  
Wellington & Auckland in NZ

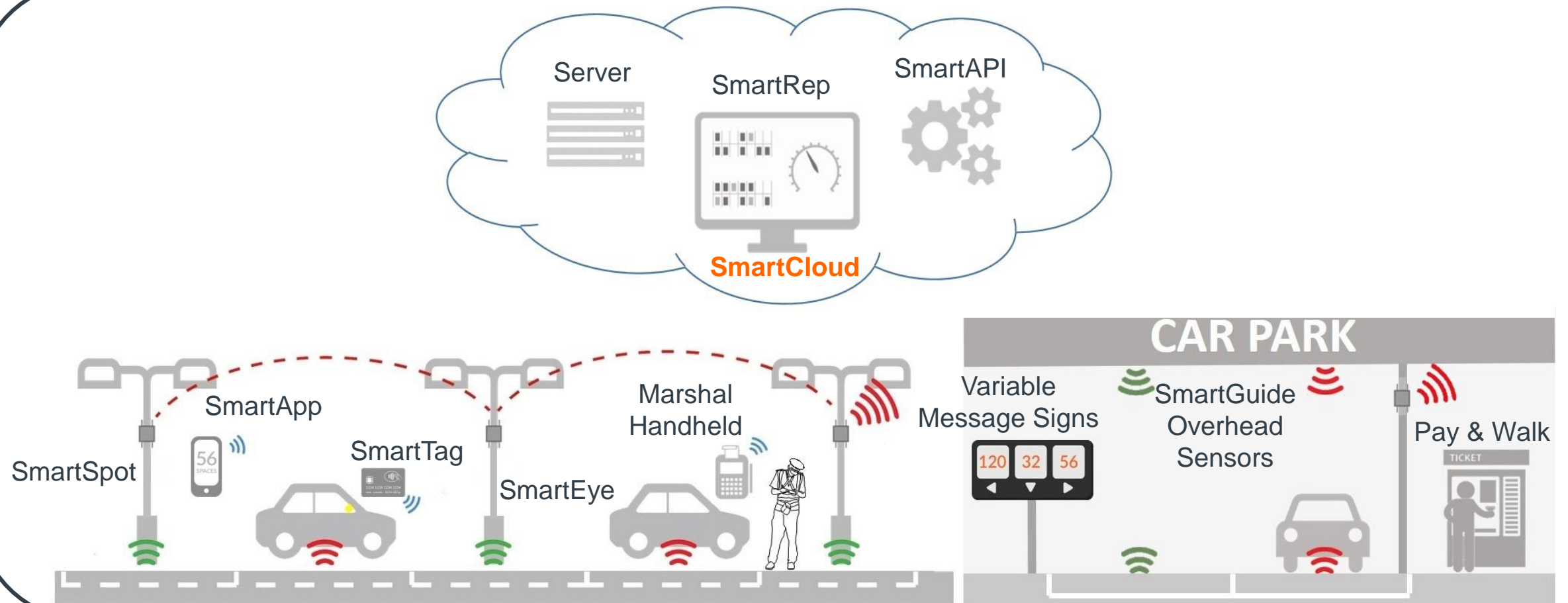
**Continued investment**  
Sales & marketing, R&D  
and operational capacity



# Technology | How it works



Providing effective parking management solutions around the world



# Technology | FY16 Highlights



## Smart Parking Technology validated with new business orders



Wellington



Auckland



Canberra



Sydney



Westminster



Cardiff



An Auckland Council Organisation

**Auckland Transport, New Zealand** | Project to install a further 672 sensors



**Mosman Municipal Council, Australia** | Project to install 1,100 sensors



**Stockland Group (ASX:SGP), Australia** | Project to install 1,000 sensors



**Progressive Enterprises, New Zealand** | Project to install 280 sensors



# Smart Parking | Wellington Case Study



[Wellington: Case Study Video](#)



[Greg Orchard, COO Wellington Council](#)



[Lisa Baines, Smart Parking User](#)



[Peter Mackenzie, Pay My Park](#)



## Wellington City Council, New Zealand | August 2016

The world's southern most capital has gone live with Smart Parking's SmartPark solution and parking payment app PayMyPark in Wellington's central business district



# 4 FINANCIALS



# Q1 FY17 | Highlights



## OPERATIONS

- Results driven by over achievement against budget in Services & Technology

## UK MANAGEMENT SERVICES

- UK Services installations are ahead of budget and pipeline is strong

## TECHNOLOGY

- New orders won, tenders submitted, existing installations completed

## FINANCIALS

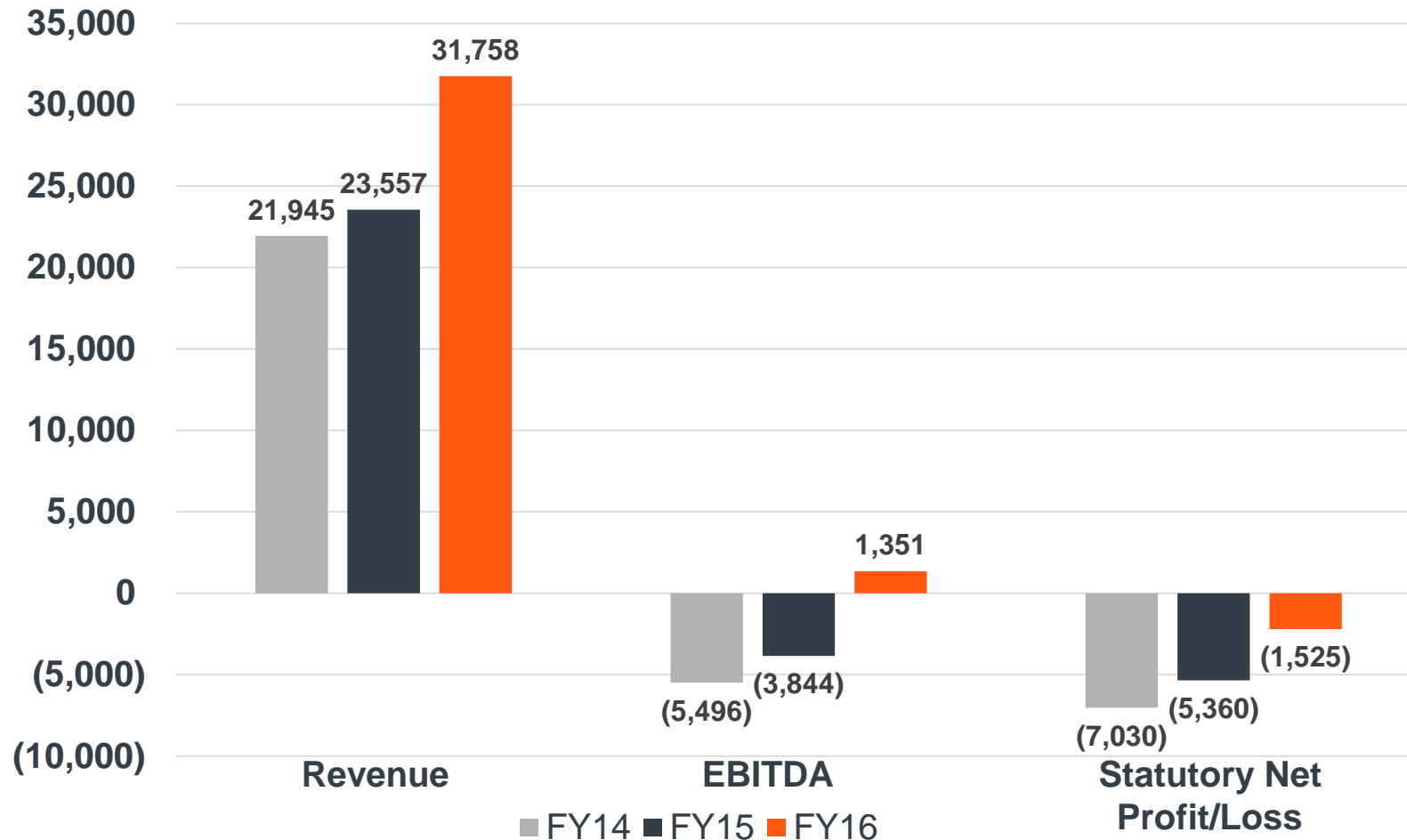
- Up against budget - Revenue up 7%, EBITDA up 94% in FY17 Q1
- Back to pre-Asda loss profitability by end of Q1



# Financials | FY16 Overview



**Strong revenue growth | EBITDA profitability | No debt**



**Revenue of \$31.8m - up 34%**

**EBITDA of \$1.4m - up \$5.2m**

**Statutory net loss after tax of \$1.5m, improved \$3.8m**

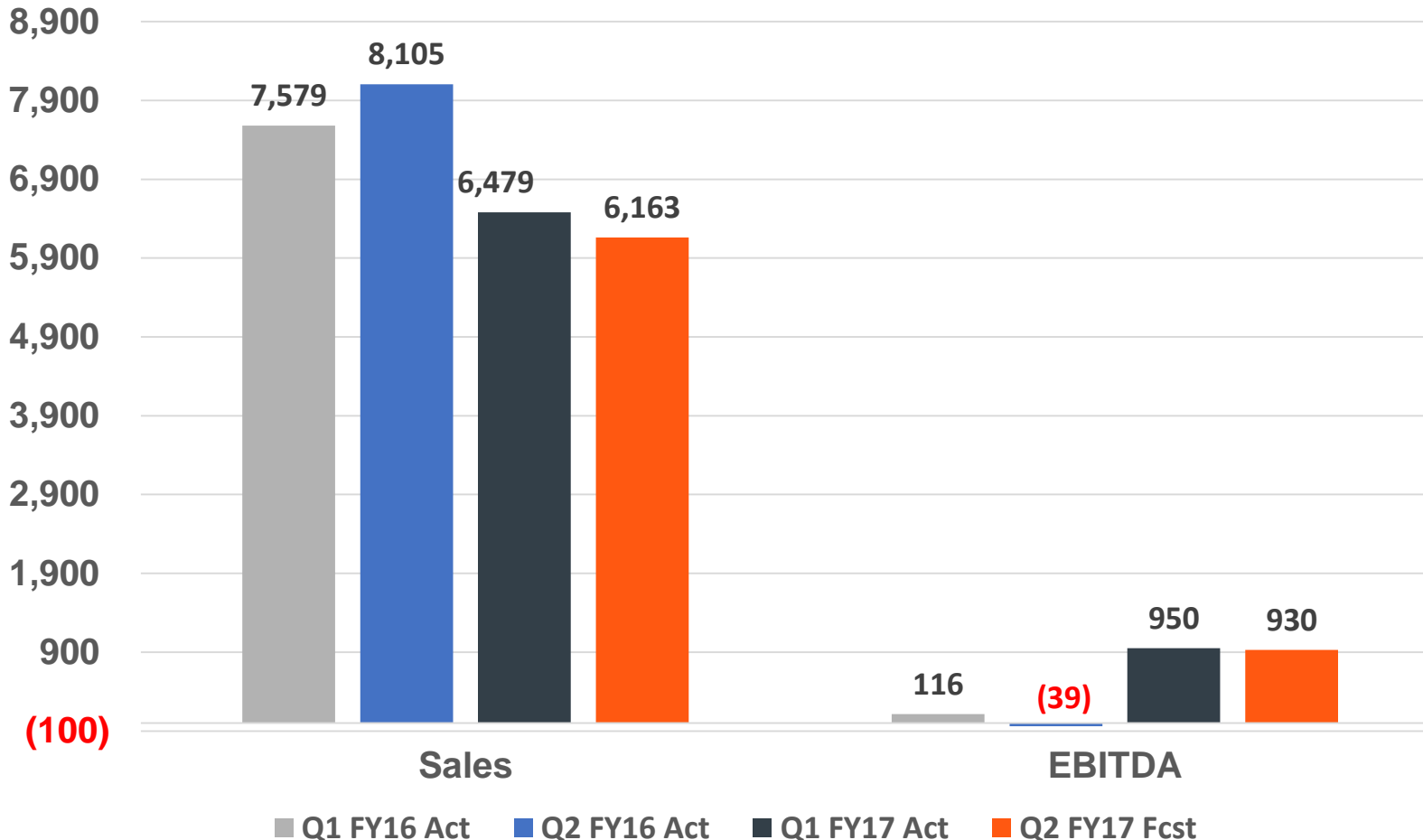
Including non-recurring & non-cash items:

- Amortisation (\$0.9m)
- Professional fees (\$0.8m)
- Loss on disposal of assets (\$0.9m)

# Group Financials | Q1 FY17 unaudited



## EBITDA margin growth continues into Q2 FY17



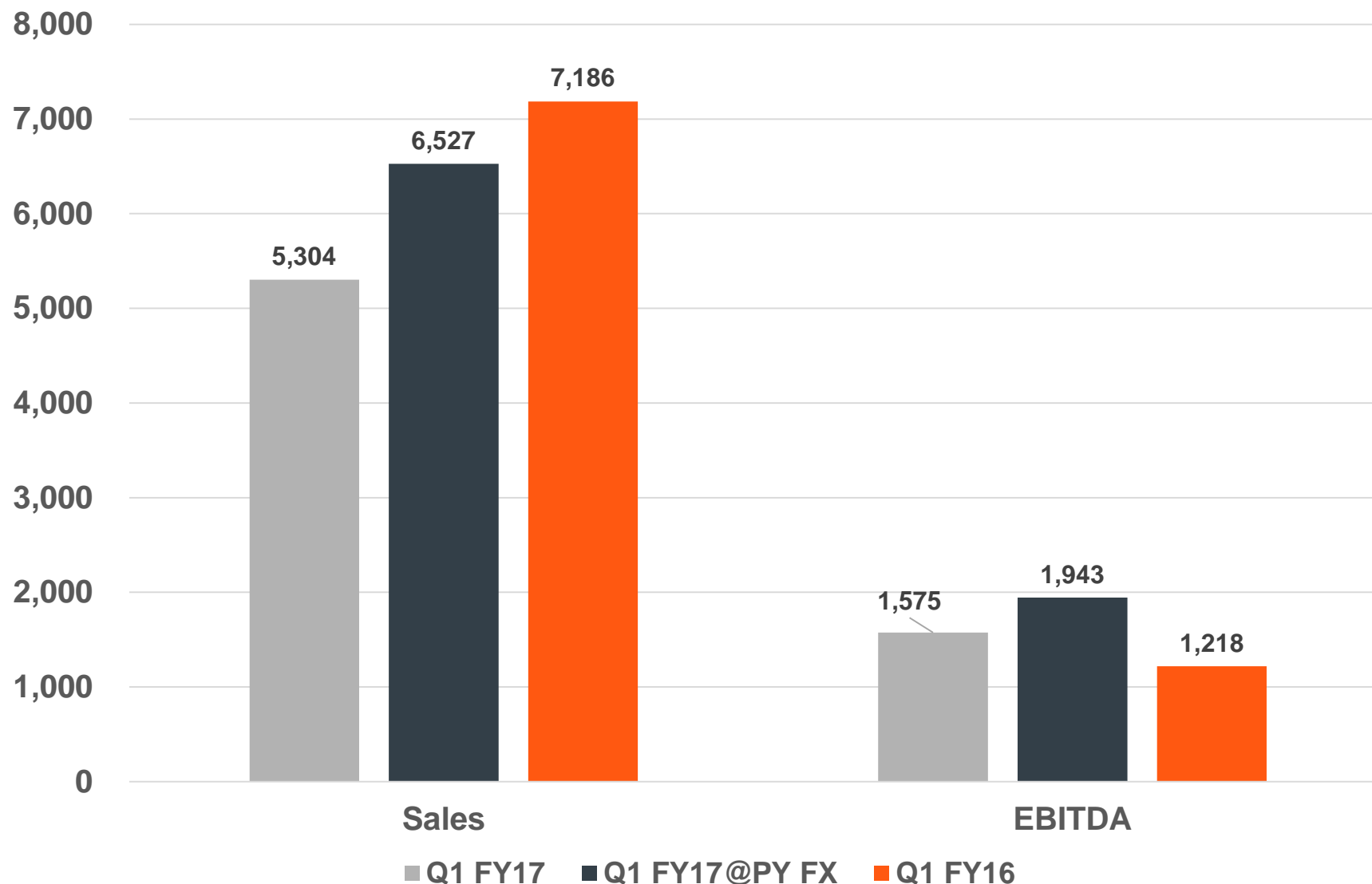
**Q1 FY17 EBITDA up 719% on Q1 FY16**

**Q1 FY17 EBITDA margin up from 1.5% to 14.7%**

FY17 Q1 Revenue of \$6.5m down 15% on Q1 FY16 following Asda contract loss and foreign exchange movements

FY17 Q2 Revenue and EBITDA in line with SPZ expectation noting seasonal quarterly impact H1 FY17 does not include any major technology deals with the majority of this business expected in H2

# Management Services | Q1 FY17 unaudited



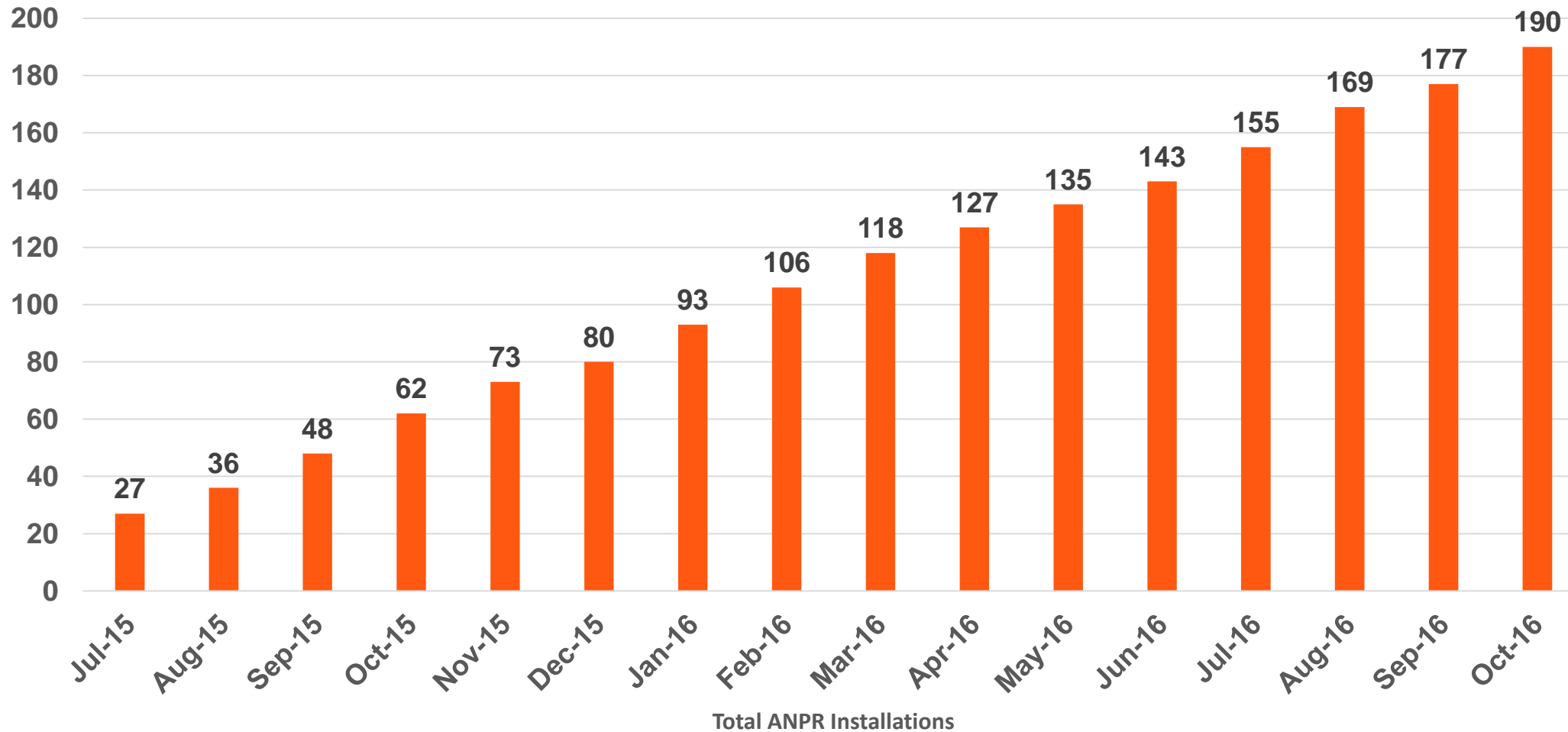
**EBITDA of \$1.6m up 29%**  
on FY16, despite the loss of  
Asda contract and FX  
movements

**Revenue of \$5.3m**  
down 26% on FY16 following  
loss of Asda contract and  
result of FX movements

**UK headcount down**  
to 136 in Q1 FY17  
278 in Q1 FY16

The Asda contract loss,  
where income was shared,  
has been replaced with higher  
margin business such as new  
sites with technology

# Management Services | ANPR Installations



# Management Services | ANPR Revenue (£)



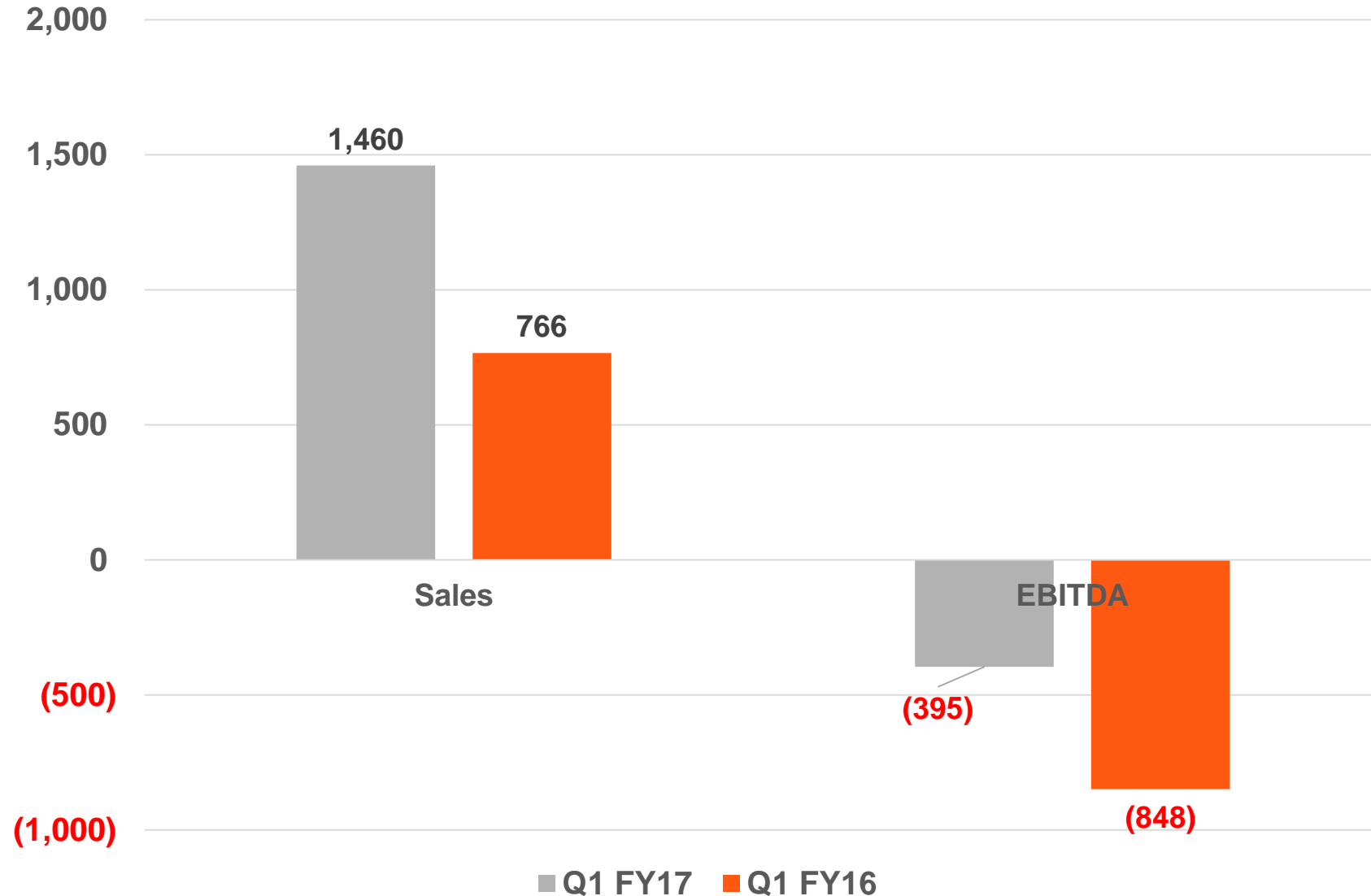
- Momentum continues with ongoing ANPR site installations in FY17
- 47 sites installed in FY17
- +80 sites in the pipeline for installation
- Sales team growing to continue site roll out



- Installation provided at zero cost to the customer
- Average CAPEX per site £15,000
- Average monthly ANPR revenue per site £6,000
- Average EBITDA margin per site per month 70%



# Technology | Q1 FY17 unaudited



↑ ↑ ↑ ↑ ↑  
**Revenue up 91%**  
against Q1 FY16

**EBITDA loss**  
**improved**  
by 53% against  
Q1 FY16





# 5 OPPORTUNITY & PIPELINE

# Smart Parking | Global mega trends



Smart Parking is ideally positioned to leverage from global mega trends



US telco giant **Verizon Communications Inc. (NYSE:VZ)** acquired parking video analytics business Sensity for its burgeoning Smart Cities business. Verizon's 'Smart Communities' division lies within the IoT business.



Research & advisory firm **Frost & Sullivan** expects the smart parking industry to create many and various opportunities for cities and to boost the value of global parking operations to more than \$43 billion by 2025.



Research & advisory firm **Forrester Research Inc (NASDAQ:FORR)** In 1950 there were two megacities with more than 10 million people - New York and Tokyo. By 2025 the world is expected to have 29 megacities.



Research & advisory firm **International Data Corporation** forecasts the global market for IoT solutions will grow from \$1.9 trillion in 2013 to \$7.1 trillion by 2020.

# Smart Parking | Strategic Opportunities



Strategic opportunities and partnerships are being pursued

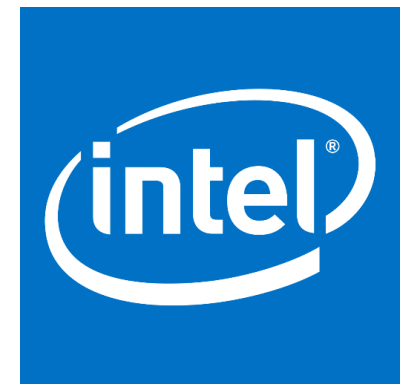
Smart Parking is building relationships with market leading technology companies and telcos



Smart Parking is growing its relationship with CISCO with partnership opportunities across the UK and Australia



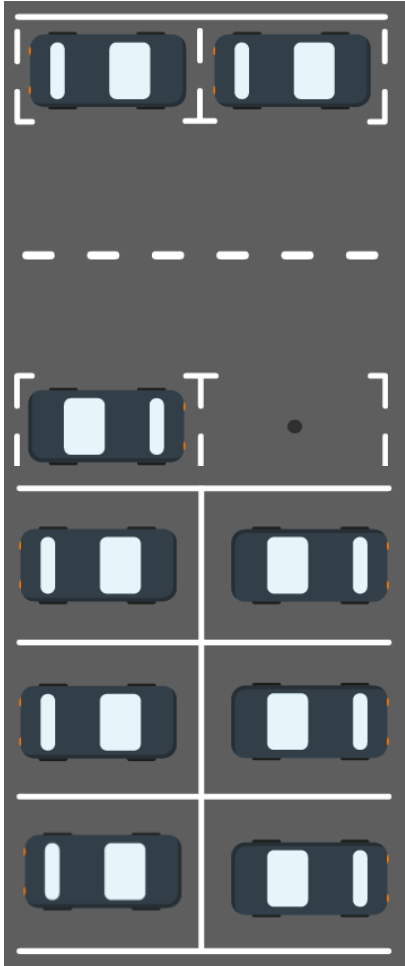
Smart Parking are working with Intel and exploring an ongoing partnership for projects across Australia



# Smart Parking | Business Pipeline



A robust business pipeline is filled with key sales opportunities



## MANAGEMENT SERVICES

Q1 site installations, revenue & EBITDA ahead of budget  
Two new sales staff have been employed, 144 total staff  
More than 80 sites in the pipeline at various stages  
from survey to contract signature

## TECHNOLOGY

Over \$30 million of tenders, quotations & proposals in the pipeline for key markets. Awaiting outcomes across Australia, New Zealand and EMEA. Ongoing focus on Research and Development



# Smart Parking | FY17 Outlook

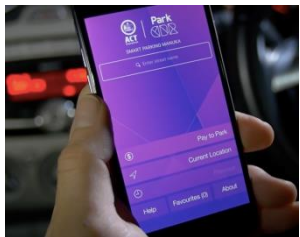


## Foundations in place for sustained expansion in global parking industry

**Smart Parking's FY17 growth** will be driven by continued roll out of Smart Parking's technology in the Management Services division and project wins in the Technology division

**FY17 Management Services** targets include installing +130 new managed service sites in the UK

**FY17 Technology** targets are focussed on designing, building, installing and maintaining best in class Smart City products in key markets globally





6

# CAPITAL RAISING



# Smart Parking | Equity Offer Details



Sources	\$m
Existing Cash	\$2.5
Equity raising	\$11.0
<b>Total sources</b>	<b>\$13.5</b>

Uses	\$m
Capital Expenditure	\$4.0
Strategic opportunities	\$4.5
Technology development	\$1.0
Working capital	\$3.6
Transaction costs	\$0.4
<b>Total uses</b>	<b>\$13.5</b>

Equity Offer Details	
<b>Offer size and structure</b>	<ul style="list-style-type: none"> <li>\$2.5m placement to institutional investors ("Placement")</li> <li>\$8.5m underwritten 1-for-7 pro-rata accelerated non-renounceable entitlement offer ("Entitlement Offer")</li> </ul>
<b>Offer price</b>	<ul style="list-style-type: none"> <li>Fixed price of \$0.20 per New Share for the Placement and Entitlement Offer</li> <li>22.8% discount to (TERP)<sup>1</sup> with TERP calculated to reflect both the Placement and Entitlement Offer at the offer price</li> </ul>
<b>Institutional offer, placement and bookbuild</b>	<ul style="list-style-type: none"> <li>Eligible institutional shareholders can take-up their entitlements on Wednesday, 23 November 2016</li> <li>Entitlements belonging to ineligible institutional shareholders or those institutional shareholders who elect not to take up their entitlement, together with New Shares to be issued under the Placement, will be offered for sale in a bookbuild on Wednesday, 23 November 2016</li> </ul>
<b>Record date</b>	<ul style="list-style-type: none"> <li>7pm (AEDT), 25 November 2016</li> </ul>
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>The Entitlement Offer is fully underwritten by Baillieu Holst Limited</li> </ul>
<b>Ranking of new shares</b>	<ul style="list-style-type: none"> <li>New Shares issued will rank equally with existing Smart Parking shares in all respects</li> </ul>
<b>Retail Top Up Offer</b>	<ul style="list-style-type: none"> <li>Under the Entitlement Offer all eligible shareholders are entitled to subscribe for up to their 1-for-7 entitlement</li> <li>In addition, eligible retail shareholders may apply for Additional New Shares in excess of their entitlement through the Top Up offer, with such over-subscription to be satisfied out of any shortfall shares, subject to Board discretion and potential scaleback</li> </ul>
<b>Director participation</b>	<ul style="list-style-type: none"> <li>Some of Smart Parking's directors intend to take-up some or all of their Entitlements</li> </ul>

1. The TERP is a theoretical price at which a SPZ shares will trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer and the Placement. The TERP is a theoretical calculation only and the actual price at which SPZ shares after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP. TERP is calculated by reference to SPZ's closing price of \$0.27 per share on 22 November 2016.

# Smart Parking | Equity Offer Timetable



Event	Date
Announcement of Equity Raising	Wednesday, 23 November 2016
Placement and Institutional Entitlement Offer opens	Wednesday, 23 November 2016
Institutional Entitlement Offer bookbuild	Wednesday, 23 November 2016
SPZ shares recommence trading	Friday, 25 November 2016
Entitlement Offer Record Date (7pm AEDT time)	Friday, 25 November 2016
Retail Offer Document and Application and Entitlement Forms dispatch to Eligible Retail Shareholders	Tuesday, 29 November 2016
Settlement of New Shares issued under Placement and Institutional Entitlement Offer	Wednesday, 30 November 2016
Retail Entitlement Offer opens	Wednesday, 30 November 2016
Allotment and commencement of trading of New Shares issued under the Placement and Institutional Entitlement Offer	Thursday, 1 December 2016
Retail Entitlement Offer closes	Tuesday, 13 December 2016
Settlement of New Shares issued under the Retail Entitlement Offer	Monday, 19 December 2016
Allotment and commencement of trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 20 December 2016

# Smart Parking | Effect of the Offer



Pro forma balance sheet (as at 31 October 2016)

\$m's	Unaudited Oct-16	Capital Raising	Proforma Oct-16
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash at bank and in hand	2.51	10.96	13.47
Cash held on behalf of customers	0.45		0.45
Other Current Assets	6.10		6.10
Total Current Assets	9.07	10.96	20.03
<b>Non-current Assets</b>			
Property, plant and equipment	3.70		3.70
Intangible assets	2.69		2.69
Deferred tax assets	1.41		1.41
Total Non-current Assets	7.80	0.00	7.80
<b>TOTAL ASSETS</b>	16.86	10.96	27.83
<b>LIABILITIES</b>			
Current Liabilities	4.40		4.40
Non-current Liabilities	0.15		0.15
<b>TOTAL LIABILITIES</b>	4.55	-	4.55
<b>NET ASSETS</b>	12.31	10.96	23.27
<b>EQUITY</b>			
Contributed equity	57.75	10.96	68.71
Accumulated losses	(47.56)		(47.56)
Reserves	2.12		2.12
<b>TOTAL EQUITY</b>	12.31	10.96	23.27



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# KEY RISKS

# Smart Parking | Key Risks



## Introduction

An investment in the Company is not risk free and prospective new investors should consider the risk factors described below, together with information contained elsewhere in this document and the publicly available information about the Company, before deciding whether to participate in the Offer. The below list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. Other factors not specifically referred to may in the future materially affect the financial performance of the Company and the value of the securities offered under this Offer. Therefore, the securities to be issued pursuant to this Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities. Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to participate in the Offer.

## Technology Changes

A portion of the Company's business is centred on parking technology products, software and associated hardware. The technology industry is constantly evolving with new technologies and products which could act as substitutes for the products and services that the Company provides. There is no guarantee that the Company can keep up with technological developments within the industry and a failure to do so may have a negative effect on the Company's ability to compete effectively within its target markets, and result in lower revenues and profits.

## Software Programming and Technology and Internet Failure

The Company's parking technology products and software are technically advanced and rely on complex programming and features, with much of the software reliant on consistent and good connectivity to the internet. Any errors, bugs, vulnerabilities or defects in such software or products or an inability to access the internet could result in malfunction or non-performance of such products or software. Such malfunction or non-performance could negatively impact the Company's sales.

## Written Contracts

The terms and conditions in respect of the provision of parking management services in the UK to certain clients are not fully documented. Where practically and commercially possible management is implementing comprehensive written service level agreements. However this is time consuming and there can be no guarantee that this process will be fully completed, or completed to the satisfaction of the Company. Consequently there exists a risk that such clients could terminate the provision of services by the Company without cause and with the Company being left with no contractual recourse, with the resulting reduction in revenues and associated impact on profits.

## Lead Times

The Company tenders for contracts with local government entities and councils for the provision of parking management as well as the installation and management of parking technology products. The time and resources required for the tendering process through to the award and implementation of the contract can be extensive and subject to external review. As such significant delays can occur in converting tenders into revenues which have may have a negative effect on the Company's financial position and cash flows.

# Smart Parking | Key Risks



## **Competition**

The Company competes with other car parking technology and parking management companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. In particular the Company operates in the parking management business in the United Kingdom, where it is a mature and competitive industry. The potential exists for the nature and extent of the competition to change rapidly, which may cause loss to the Company. There can be no assurance that the Company can compete with changes in the competition within the industry in which it operates. It is possible that new competitors may enter the car parking technology market which the Company that provide products which are similar to those that the Company currently provides or otherwise compete with the Company's developed technologies. As a result, the Company's sales may be negatively impacted by such competition with the resulting impact on profits.

## **Assembly and Manufacturing**

The Company currently outsources manufacturing for its car parking technology products to manufacturers and suppliers based in New Zealand. Manufacturing encompasses various business risks including risks relating to the supply and quality (including reliability) of the products manufactured and the inherent variable cost of manufacturing, particularly with respect to the cost of electrical componentry. Issues such as delayed supply or poor quality components can impact on the Company's revenues, while increases in costs of outsourced items may adversely impact the margins and profits of the Company.

## **Regulation**

The parking management services industry in the UK where the Company operates is highly regulated and the introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the interpretation of the legal requirements in any jurisdiction which governs the Company's operations or contractual obligations could impact adversely on the operations and, ultimately, the financial performance of the Company and its shares.

## **Unforeseen Expenditure Risk**

Capital expenditure may need to be incurred, or incurred at a faster rate, than has been contemplated by the Company at the time of the Offer. Although the Company is not aware of any such additional or accelerated expenditure requirements, if such expenditure is subsequently incurred or accelerated, the Company's profitability may be impaired.

## **Management of Growth and Strategy**

There is a risk that management of the Company will not be able to implement the Company's growth strategy after completion of the Offer. The capacity of the management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

## **Financial returns**

The Company generates income, in part, from deploying technology on car parking sites in the United Kingdom. There is no guarantee that income from current and future car parking sites in the UK will be at historical averages. To the extent that it falls below such averages, revenues and profits of the Company will be negatively impacted.

# Smart Parking | Key Risks



## **Foreign Exchange**

The Company currently conducts its operations across international borders, including at this time Australia, New Zealand and the UK. In the future, a proportion of the Company's revenues, cash inflows, other expenses, capital expenditure and commitments may continue to be denominated in foreign currencies, namely with costs and income likely to be mainly in NZ dollars, Australian dollars and GBP initially. To comply with Australian reporting requirements the income, expenditure and cash flows of the Company will need to be accounted for in Australian dollars. This will result in the income, expenditure and cash flows of the Company being exposed to the fluctuations and volatility of the rate of exchange between other currencies and the Australian dollar, as determined in international markets.

## **Additional Requirements for Capital**

The Company requires capital in order to finance the roll out of technology products . The Company's precise capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its expansion and development programmes as the case may be.

## **Reliance on Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees ceases their employment.



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Discover more about Smart Parking at [www.smartparking.com](http://www.smartparking.com)

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