

Smart Parking Limited
and its Controlled Entities

ABN 45 119 327 169

Preliminary Final Report

for the year ended
30 June 2024

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ASX PRELIMINARY FINAL REPORT

Smart Parking Limited

ABN 45 119 327 169

30 June 2024

Lodged with the ASX under Listing Rule 4.3A

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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
For the year ended 30 June 2024

Details of the reporting period

Current period: 12 months ending 30 June 2024 (FY24)
 Prior period: 12 months ending 30 June 2023 (FY23)

RESULTS FOR ANNOUNCEMENT TO MARKET

	Change Up/(Down)	2024 (\$)	2023 (\$)
Revenue from ordinary activities	21%	54,703,059	45,176,722
Profit after tax attributable to members	(42%)	3,688,663	6,383,150
Total comprehensive income for the year attributable to owners	(44%)	3,808,142	6,756,349

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 FY24

In FY24, the Company delivered a strong improvement in earnings, higher cash flows and further expansion in its international operations.

Smart Parking delivered revenue of \$54.7m, an increase of 21% from FY23. Added to this, adjusted EBITDA of \$13.9m was also an increase of 21%. When allowing for the new set up of Danish operations and new territory exploration activity, the adjusted EBITDA increased further to \$14.7m, growth of 28% compared to FY23.

Adjusted EBITDA provides a better perspective of normalised underlying business performance, as it excludes tax adjustments, foreign exchange gains and other non-recurring items/non-operating items (refer Note 2). The Group's adjusted EBITDA of \$13.9m includes \$0.8m of costs related to international expansion, including the setup and investment in the new Denmark territory (\$0.6m) and costs related to evaluating new territories (\$0.2m) where the company will consider deploying its technology and business model in the future. The 28% increase in adjusted EBITDA reflects organic growth in the underlying business and contributions from recent acquisitions, partially offset by costs related to Denmark and exploring new territories with Adjusted EBIT (excluding Denmark and new territory costs) increasing 26% from FY23 to \$7.6m.

The net statutory profit after tax attributable to members is \$3.7m, down 42% (FY23: \$6.4m). This decrease is largely due to the higher underlying result from operations being offset by an unfavourable foreign exchange movement of \$1.4m (FY23: gain of \$1.2m), and prior year favourable tax adjustments of \$2.1m related to historical tax losses.

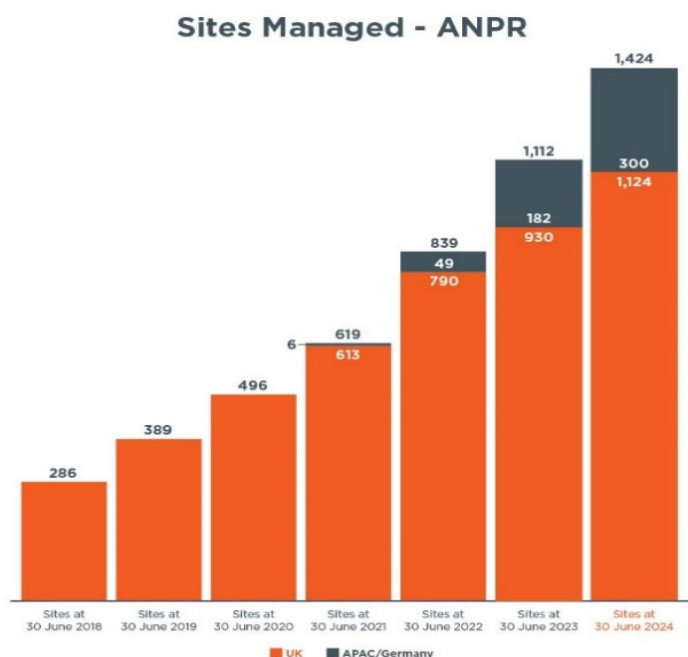
The Group's continued positive cashflow performance was a highlight of the results. The Company generated strong operating cash returns over FY24 of \$13.5m up 46% on FY23. Cashflows from operating activities increased due to the impact of new site installations, contributions from acquisitions, and reduced spend on technology inventory as the company focuses on expanding the Managed Services business.

Commentary on the results for FY24 (continued)

At year end, the Group had available cash of \$7.2m, a reduction of \$3.5m after spending \$7.7m on two acquisitions, \$4.2m on the investment in organic site expansion and the repayment of borrowings of \$1m.

Revenue in the Parking Management division of \$51.5m was up 25% (FY23: \$41.2m). The increase reflects the growth in Automatic Number Plate Recognition (ANPR) sites under management and new acquisitions.

The Company's sales effort continues to deliver by adding 302 new Automatic Number Plate Recognition (ANPR) sites for existing, new and acquired customers, which combined with 68 ANPR sites from the acquisition of Local Parking Security resulted in a net 28% increase in sites over the year. The portfolio has undergone rapid growth over the last six years, as shown in the graph below, rising from 286 ANPR sites under management at 30 June 2018 to 1,424 ANPR sites under management at 30 June 2024.



The Company made progress expanding its international footprint and building scale in new markets. Smart Parking has established parking management businesses in NZ, Australia (Queensland) and Germany in the last 3 years, and has recently established a new business in Denmark.

Our NZ business continues to perform strongly with 162 sites installed at 30 June 2024 generating revenue of \$4.6m, up 56% on FY23. Parking Breach Notices (PBNs) issued increased by 70% to 126,692 compared to FY23. Staff previously engaged in the technology business were redeployed during the year into the fast-growing NZ parking management business. NZ remains an attractive market with limited competition and significant potential for growth. The Company increased the size of the sales team from 3 to 4 staff during H1 FY24 and intends to add a further person in H1 FY25.

Commentary on the results for FY24 (continued)

The Company launched its first operation in mainland Europe on 1 January 2022 by opening a Parking Management business in Germany. The focus since launch has been on establishing a team, business processes and leveraging off the Group's best-in-class ANPR technology. Smart Parking's proprietary technology, SmartCloud, is being deployed in order to differentiate the business against German competition. At 30 June 2024, the German operation has 67 ANPR sites. The German market presents a substantial opportunity leveraging the Group's technology, knowledge and expertise. In FY24 the Company also expanded in Germany through the acquisition of ParkInnovation as detailed below. The German business generated revenue of \$2.8m, up 519% on FY23.

Another feature of the year was the expansion into Denmark. On 1 January 2024, the Company launched its second operation in mainland Europe by opening a Parking Management business in Denmark. The business will operate in the same fashion as other countries and will focus on growing sites under management in the region. Expansion into Denmark provides an opportunity for the company to continue its expansion in Europe. The Company believes the technology-led solutions that it currently provides in other operating territories will be a significant point of difference during the sales process and will lead to greater client wins. The business has begun to generate revenue from PBN's in early FY25.

In Australia, the Queensland government continued its temporary pause on private parking operators' access to the Queensland Motor Vehicle Register. On 10th August 2023, the Queensland Department of Transport and Main Roads released a consultation document seeking comments and submissions on options to reform the release of personal information for enforcement of private car park conditions. At the date of the pause in operations, 71 ANPR sites were installed in Queensland. Some sites are now manually operated, pending the outcome of the government decision.

Since the consultation there was a change in December 2023 with a new Premier and Transport Minister being appointed who are positively disposed towards the need for an effective parking industry due to the impact parking abuse has on Queensland businesses. Smart Parking continues to engage in positive dialogue with the Queensland Government and Department of Transport and Main Roads (TMR). TMR is currently completing a review, working with stakeholders (including Smart Parking) and international parking experts to develop a Code of Practice for parking on private land.

The UK government temporarily withdrew the Private Parking Code of Practice in June 2022, pending review of the levels of private parking charges and additional fees. On 28th July 2023, a call for evidence was announced on private parking charges and debt recovery fees, adding new more favourable options and an openness to consider further options compared to the earlier communications.

It is important to note that the UK review is substantially different from the Queensland review. The UK review covers the value of the Parking Breach Notice and debt recovery fees, accepting that Private Car Park operators have the right to access contact details of number plate owners in order to charge fees. Like NZ and Germany (but unlike in Queensland), in the UK there is a Code of Practice, enabling legal framework and established cost-effective mechanism for retrieval of number plate details for enforcement of private car parks.

In June 2024 the BPA (British Parking Association) and the IPC (International Parking Community) published the private parking sector single Code of Practice to be used across the entire private parking sector. This new single Code will raise standards and deliver greater transparency and consistency for the benefit of UK motorists. Smart Parking fully endorses the single Code of Practice and the raising of standards in the industry.

Commentary on the results for FY24 (continued)

It is uncertain if the UK Government review of the Private Parking Code of Practice will proceed particularly given the recent changes with the adoption of a single industry Code of Practice and the change of the UK government. In the event the Government proceeds with the review, it is unclear when it will be finalised and implemented.

The UK company restructured the sales team in early FY24 with the benefit of this showing in H2 FY24. The business added 75 sites in H1 and 109 in H2 bringing total UK sites to 1,124 at 30 June 2024. The strategy of growing the number of customers with multiple sites is proving beneficial. The site portfolio will continue to be optimised to increase yields.

The Company believes there is a significant opportunity across the UK, Germany, Denmark and NZ and will be focused on the continued roll out of sites and customer wins in the coming years.

The Company remains focused on its strategy of growing the installed number of ANPR sites to 1,500 by 31 December 2024, and is on track to exceed this milestone.

Across the Group, Parking Breach Notices (PBNs) issued increased by 22% to 855,672 compared to FY23 due to the increased sites under management in all operating territories (except Australia). The Parking Management division expects growth in revenue and earnings in FY25 due to the full year contribution of the FY24 new sites acquired through organic growth and acquisitions, plus ongoing additional new customer sites.

Adjusted EBITDA for FY24 in the Parking Management Division of \$12.3m was up 8% on FY23. This included an EBITDA loss of \$0.6m related to the new Denmark business (established in January 2024). The result was also significantly impacted by the temporary pause in Queensland where revenue decreased from the prior period by \$1.3m.

External revenue in the Technology division was down from \$3.9m (FY23) to \$2.9m (FY24) with an intentional shift to higher margin products and growing the Parking Management division.

At year end, the Group had available cash of \$7.2m. The Company generated strong operating cash returns over FY24 of \$13.5m up 46% on FY23. Cashflows from operating activities increased due to the impact of new site installations, contributions from acquisitions and reduced spend on technology inventory as the Company focuses on expanding the Managed Services business. Cash balances decreased from FY23 by \$3.5m, partly due to ongoing significant capital investment of \$4.2m in organic site expansion, a \$1.0m outflow for repayment of borrowings, and \$7.7m on acquisitions.

In addition to delivering organic growth across existing territories, and commencing operations in Denmark, the Company also completed two complementary acquisitions. On 14th July 2023, the Group entered into an agreement to acquire ParkInnovation for total cash consideration of \$1.8m (net of cash acquired). ParkInnovation provides parking management solutions in Germany and has 46 manually operated sites under management. The acquisition accelerates growth in the German market and the acquisition provides the opportunity to upgrade suitable sites to ANPR technology, while continuing to operate remaining sites manually.

Commentary on the results for FY24 (continued)

On 5th March 2024, Smart Parking Limited acquired the parking management contracts and assets from Local Parking Security Limited, an unlisted company based in the United Kingdom for consideration of \$5.9m. The acquisition builds scale through the addition of 72 ANPR sites and 54 manually operated sites and provides the opportunity to upgrade suitable sites to ANPR technology.

The Company will continue to take advantage of further acquisition opportunities and explore new territories suitable for leveraging the Company's technology and commercial model.

The Company expects to grow its footprint in the UK, Germany, New Zealand and Denmark and to assess if other markets are suitable for new operations.

The Company expects revenue and earnings growth as a result of the growth in the number of sites.

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

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue from operations	9(c)	54,703,059	45,176,722
Raw materials and consumables used		(1,905,629)	(3,132,319)
Employee benefits expense		(16,009,807)	(13,506,650)
Depreciation and amortisation expense		(6,973,030)	(5,372,465)
Rental and operating lease costs		(1,023,345)	(640,317)
Share-based payments expense		(437,581)	(241,950)
Interest expense		(610,990)	(643,083)
Foreign exchange gains/(losses)		(239,540)	1,166,991
Other expenses	10	(21,941,659)	(16,613,094)
Profit before income tax		5,561,478	6,193,835
Income tax benefit/(expense)	11	(1,872,815)	189,315
Profit for the year from continuing operations		3,688,663	6,383,150
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		119,479	373,199
Other comprehensive income for the year, net of tax		119,479	373,199
Total comprehensive income for the year		3,808,142	6,756,349
Total comprehensive income for the year attributable to owners of Smart Parking Limited		3,808,142	6,756,349
Earnings per share from continuing operations attributable to the ordinary equity holders of the Company:			
- basic earnings per share (cents per share)	7	1.06	1.82
- diluted earnings per share (cents per share)	7	1.05	1.82

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

For the year ended 30 June 2024

	Note	2024 \$	Consolidated 2023 \$
ASSETS			
Current Assets			
Cash and cash equivalents		7,229,643	10,726,176
Trade and other receivables	12	16,260,823	13,730,414
Contract assets		1,783	22,312
Inventories		586,090	705,184
Other financial assets		642,200	650,626
Total Current Assets		24,720,539	25,834,712
Non-Current Assets			
Property, plant and equipment	13	11,458,125	10,008,090
Right-of-use asset		9,074,673	15,336,143
Intangible assets	14	11,008,316	3,987,244
Deferred tax asset		1,294,422	805,844
Total Non-current Assets		32,835,536	30,137,321
TOTAL ASSETS		57,556,075	55,972,033
LIABILITIES			
Current Liabilities			
Trade and other payables	15	13,323,019	10,862,187
Lease liabilities		2,723,939	1,974,498
Borrowings		239,407	1,048,146
Contract liabilities		796,216	1,110,268
Current tax liabilities		1,959,415	841,042
Employee benefit obligations		1,210,425	818,773
Total Current Liabilities		20,252,421	16,654,914
Non-Current Liabilities			
Lease liabilities		7,359,480	14,384,598
Borrowings		-	239,125
Deferred tax liabilities		1,999,188	994,133
Total Non-current Liabilities		9,358,668	15,617,856
TOTAL LIABILITIES		29,611,089	32,272,770
NET ASSETS		27,944,986	23,699,263
EQUITY			
Contributed equity		65,931,468	65,931,468
Accumulated losses	3	(43,789,627)	(47,478,290)
Reserves	16	5,803,145	5,246,085
TOTAL EQUITY		27,944,986	23,699,263

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 2024

	Note	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2023		65,931,468	5,246,085	(47,478,290)	23,699,263
Total comprehensive income for the year					
Profit for the year		-	-	3,688,663	3,688,663
Other comprehensive income		-	119,479	-	119,479
Total comprehensive profit for the year		-	119,479	3,688,663	3,808,142
Transactions with owners, recorded directly in equity					
Contributions by owners					
Share buy-back		-	-	-	-
Share-based payment transactions		-	437,581	-	437,581
Total transactions with owners		-	437,581	-	437,581
Balance at 30 June 2024		65,931,468	5,803,145	(43,789,627)	27,944,986
Balance at 1 July 2022		66,684,005	4,630,936	(53,861,440)	17,453,501
Total comprehensive income for the year					
Profit for the year		-	-	6,383,150	6,383,150
Other comprehensive income		-	373,199	-	373,199
Total comprehensive profit for the year		-	373,199	6,383,150	6,756,349
Transactions with owners, recorded directly in equity					
Contributions by owners					
Share buy-back		(752,537)	-	-	(752,537)
Share-based payment transactions		-	241,950	-	241,950
Total transactions with owners		(752,537)	241,950	-	(510,587)
Balance at 30 June 2023		65,931,468	5,246,085	(47,478,290)	23,699,263

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 2024

	Note	2024 \$	Consolidated 2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST and VAT)		52,884,532	42,713,493
Payments to suppliers and employees (inclusive of GST and VAT)		(37,515,274)	(32,951,803)
Professional fees (acquisitions and regulatory matters)		(1,121,371)	(243,368)
Interest received		248,397	125,528
Income taxes paid		(949,279)	(357,354)
Net cash inflow from operating activities	17	13,547,005	9,286,496
Cash flows from investing activities			
Payments for intangible assets	14	(916,729)	(417,922)
Payments for property, plant and equipment		(4,234,471)	(5,286,116)
Purchase of investments in subsidiaries, net of cash acquired		(7,694,040)	-
Net cash outflow from investing activities		(12,845,240)	(5,704,038)
Cash flows from financing activities			
Payments for on-market share buy-back		-	(752,537)
Interest and other finance costs paid		(610,990)	(643,083)
Principal elements of lease payments		(2,541,616)	(1,716,844)
Repayment of borrowings		(1,047,864)	(893,385)
Net cash outflow from financing activities		(4,200,470)	(4,005,849)
Net decrease in cash and cash equivalents		(3,498,705)	(423,391)
Cash and cash equivalents at beginning of period		10,726,176	10,819,910
Effects of exchange rate changes on cash and cash equivalents		2,172	329,657
Cash and cash equivalents at end of period		7,229,643	10,726,176

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

Supplementary Appendix 4E Information
For the year ended 30 June 2024

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

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 \$3.7m (2023: \$6.4m).

An analysis of underlying Adjusted EBIT and Adjusted EBITDA in the current period which is calculated after excluding the effects of costs incurred but not related to underlying operations or not expected to occur in the future is outlined below.

	2024 \$	2023 \$
Net Profit for the year after tax	3,688,663	6,383,150
EBITDA ¹	12,974,643	12,094,170
Professional fees ²	398,581	553,996
Other non-recurring items ³	318,425	48,869
Foreign exchange (gains)/losses ⁴	239,540	(1,166,991)
Adjusted EBITDA⁵	13,931,189	11,530,044
Depreciation and amortisation	(6,973,030)	(5,372,465)
Loss on disposal of property, plant and equipment	(77,542)	(10,315)
Adjusted EBIT⁵	6,880,617	6,147,264

1. EBITDA represents earnings before interest, taxation, depreciation, amortisation and loss on disposal of plant and equipment.

2. Professional fees relate to completed and evaluated business acquisitions.

3. The other non-recurring items are either non-recurring and/or non-operating in nature. In FY24, \$0.3m relates to professional fees on regulatory matters.

4. The foreign exchange gains/losses relate to funding within the Group.

5. The Board assesses the underlying performance of the business based on measures of Adjusted EBITDA and Adjusted EBIT which exclude the effect of non-operating and non-recurring items.

Supplementary Appendix 4E Information
For the year ended 30 June 2024

3. Accumulated Losses (*Appendix 4E item 6*)

	Consolidated	
	2024	2023
	\$	\$
Balance 1 July	(47,478,290)	(53,861,440)
Net profit for the year	3,688,663	6,383,150
Balance 30 June	(43,789,627)	(47,478,290)

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. Net Tangible Assets Backing (*Appendix 4E item 9*)

	2024	2023
	\$	\$
Net tangible asset backing per ordinary share	0.0485	0.0564

7. Earnings Per Share (*Appendix 4E item 14.1*)

	2024	2023
	\$	\$
Basic profit per share (cents per share)	1.06	1.82
Diluted profit per share (cents per share)	1.05	1.82
Profit used in calculating EPS (\$)	3,688,663	6,383,150

	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	349,277,206	349,944,794
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	351,777,206	350,616,922

Reconciliation of basic and diluted earnings per share

Profit attributable to the ordinary equity holders of the Company used in calculating earnings per share:	3,688,663	6,383,150
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Supplementary Appendix 4E Information
For the year ended 30 June 2024

8. Contributed Equity (*Appendix 4E item 14.2*)

There are 349,277,206 shares on issue. During the period the company issued 5,000,000 shares under the Deferred Share and Incentive Plan that are subject to restrictions and won't be quoted on the ASX until the restrictions end.

The Company had no on-market buy back in operation during the year ended 30 June 2024.

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 and geographical perspective and has identified four reportable segments. Technology consists of the sale of Smart City and IoT technology products and solutions predominantly to the parking market globally. Parking Management 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 in the UK, New Zealand, Australia, Denmark and Germany, and Research and Development includes costs to research, develop and enhance software/hardware for both the Technology and Parking Management divisions. While the UK Parking Management business is a reportable segment due to its significance to the Group, the Company has also included disclosures for other non reportable geographies related to the Parking Management business.

The segment disclosures are before corporate costs. The corporate function's main purpose is to conduct financing and Head Office activities and represents parent company costs which are not otherwise allocated to operating segments, and foreign exchange gains and losses on the translation of foreign operations.

Supplementary Appendix 4E Information
For the year ended 30 June 2024

9. Segment Information (continued) (Appendix 4E item 14.4)

b) Segment information provided to the Board

The segment information provided to the Board for the reportable segments for the year ended 30 June 2024 is as follows:

	Technology	R&D	Parking Management					Total Parking Management	Total
			United Kingdom	New Zealand	Australia	Germany	Denmark		
Group - 2024	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total segment revenue	6,275,715	-	43,985,380	4,571,628	69,939	2,790,052	109,415	51,526,414	57,802,129
Inter-segment revenue	(3,347,467)	-	-	-	-	-	-	-	(3,347,467)
Revenue from external customers	2,928,248	-	43,985,380	4,571,628	69,939	2,790,052	109,415	51,526,414	54,454,662
Segmental Adjusted EBITDA	3,783,179	(658,716)	14,366,467	1,384,954	(1,141,076)	(1,686,243)	(599,871)	12,324,231	15,448,694
Depreciation and amortisation	(398,473)	-	(5,024,224)	(517,109)	(491,338)	(536,968)	(4,918)	(6,574,557)	(6,973,030)
Gain/(Loss) on disposal of fixed property, plant and equipment	-	-	(84,005)	(7,688)	14,151	-	-	(77,542)	(77,542)
Segmental Adjusted EBIT	3,384,706	(658,716)	9,258,238	860,157	(1,618,263)	(2,223,211)	(604,789)	5,672,132	8,398,122

The segment information provided to the Board for the reportable segments for the year ended 30 June 2023 was as follows:

	Technology	R&D	Parking Management					Total Parking Management	Total
			United Kingdom	New Zealand	Australia	Germany	Denmark		
Group - 2023	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total segment revenue	7,563,408	-	36,389,813	2,923,173	1,405,976	450,552	-	41,169,514	48,732,922
Inter-segment revenue	(3,681,728)	-	-	-	-	-	-	-	(3,681,728)
Revenue from external customers	3,881,680	-	36,389,813	2,923,173	1,405,976	450,552	-	41,169,514	45,051,194
Segmental Adjusted EBITDA	2,031,092	(555,489)	12,382,274	1,241,668	(701,935)	(1,512,273)	-	11,409,734	12,885,337
Depreciation and amortisation	(292,185)	-	(4,212,157)	(297,929)	(471,085)	(99,109)	-	(5,080,280)	(5,372,465)
Gain/(Loss) on disposal of fixed property, plant and equipment	4,800	-	(15,115)	-	-	-	-	(15,115)	(10,315)
Segmental Adjusted EBIT	1,743,707	(555,489)	8,155,002	943,739	(1,173,020)	(1,611,382)	-	6,314,339	7,502,557

Supplementary Appendix 4E Information
For the year ended 30 June 2024

9. Segment Information (continued) (Appendix 4E item 14.4)

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:

	2024	2023
	\$	\$
Total segment revenue	57,802,129	48,732,922
Intersegment eliminations	(3,347,467)	(3,681,728)
Interest revenue	248,397	125,528
	<u>54,703,059</u>	<u>45,176,722</u>

(ii) Adjusted EBIT

The Board assesses the performance of the operating segments based on a measure of Adjusted EBIT which excludes the effects of non-operating and non-recurring costs. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the Group function, which manages the cash position for the Group as a whole.

A reconciliation of Segment Adjusted EBIT to operating profit before income tax is provided as follows:

	2024	2023
	\$	\$
Segment Adjusted EBIT¹	8,398,122	7,502,557
Interest revenue	248,397	125,528
Interest expense	(610,990)	(643,083)
Other non-recurring items ²	(318,425)	(48,869)
Professional fees ³	(398,581)	(553,996)
Foreign exchange gain/(loss) on intra group funding	(239,540)	1,166,991
Adjusted EBIT for Group Corporate function	(1,517,505)	(1,355,293)
Profit before income tax from continuing operations	<u>5,561,478</u>	<u>6,193,835</u>

¹Segment Adjusted EBIT is for the operating divisions which excludes corporate costs and non-recurring items.

²The other non-recurring items are either non-recurring and/or non-operating in nature. In FY24, \$318k relates to professional fees on regulatory matters.

³Professional fees relate to completed and evaluated business acquisitions.

A reconciliation of Segment Adjusted EBIT to Adjusted Group EBIT is provided below:

Segment Adjusted EBIT	8,398,122	7,502,557
Adjusted EBIT for Group Corporate function	(1,517,505)	(1,355,293)
Adjusted Group EBIT	<u>6,880,617</u>	<u>6,147,264</u>

Supplementary Appendix 4E Information
For the year ended 30 June 2024

	2024	Consolidated	2023
	\$		\$
10. Other expenses			
Audit fees	314,774		227,985
Bank fees and charges	160,309		104,639
Legal fees	557,132		428,670
Loss on disposal of fixed property, plant and equipment	77,542		10,315
Motor vehicle expenses	836,302		622,709
Travel and accommodation	919,207		840,523
Insurance	395,931		404,681
Telephone and communications	426,711		489,360
Other site service costs	3,373,813		2,182,115
Licencing authority fees	3,462,676		3,127,468
Recruitment expenses	414,600		247,744
Repairs and maintenance	1,050,064		752,533
IT Support	547,270		384,853
Professional fees for completed and evaluated business acquisitions	398,580		553,996
Professional fees relating to regulatory matters	318,425		-
Financial reporting system implementation	-		55,000
Bad debts provision and write-offs	552,559		414,713
Debt recovery costs	3,783,458		3,199,307
Other expenses	4,352,306		2,566,483
	<u>21,941,659</u>		<u>16,613,094</u>

11. Income tax benefit/(expense)

Income tax benefit/(expense)	(1,872,815)	189,315
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The tax expense in FY24 arises predominantly from the UK business as there are no more historical tax losses that can be applied against taxable income. This is partially offset by the recognition of an additional deferred tax asset of \$0.5m (FY23: \$0.8m) relating to tax losses in New Zealand.

12. Trade and other receivables

Current

Trade receivables	2,909,582	3,366,105
Provision for impairment of receivables	(722,330)	(663,682)
	<u>2,187,252</u>	<u>2,702,423</u>
Prepayments	1,404,523	1,083,539
Accrued parking breach notice revenue ¹	11,276,784	9,008,812
Other receivables	1,392,264	935,640
	<u>16,260,823</u>	<u>13,730,414</u>

¹ The Group recognises a year end accrual for parking breach notice infringements issued which have not yet been received.

Supplementary Appendix 4E Information
For the year ended 30 June 2024

13. Property, plant and equipment

	Motor Vehicles	Office Equipment	Plant and Equipment	Leasehold Improve- ments	Total
Consolidated	\$	\$	\$	\$	\$
Year ended 30 June 2024					
Opening net book amount	56,274	165,461	9,325,621	460,734	10,008,090
Acquisitions (Note 20)	-	2,458	1,152,624	-	1,155,082
Additions	91,034	152,081	3,923,732	-	4,166,847
Disposals	-	(8,665)	(118,658)	(6,507)	(133,830)
Depreciation charge for the year	(23,008)	(85,926)	(3,526,935)	(54,956)	(3,690,825)
Foreign exchange translation	(1,849)	(2,699)	(43,726)	1,035	(47,239)
Closing net book amount	122,451	222,710	10,712,658	400,306	11,458,125
At 30 June 2024					
Cost or fair value	308,130	780,304	29,101,549	749,874	30,939,857
Accumulated depreciation & impairment	(185,679)	(557,594)	(18,388,891)	(349,568)	(19,481,732)
Net book amount	122,451	222,710	10,712,658	400,306	11,458,125

14. Intangible assets

	Software	Developed Technology	Goodwill	Customer Relation- ships	Other intangible assets	Total
Consolidated	\$	\$	\$	\$	\$	\$
Year ended 30 June 2024						
Opening net book amount	249,346	459,217	2,123,481	1,155,200	-	3,987,244
Acquisitions (Note 20)	-	-	3,931,180	3,198,187	-	7,129,367
Additions	12,449	573,436	-	-	330,844	916,729
Disposals	(11,860)	(12,029)	-	-	-	(23,889)
Amortisation charge	(83,935)	(204,483)	-	(477,046)	(101,756)	(867,220)
Exchange differences	533	-	(73,196)	(59,221)	(2,031)	(133,915)
Closing net book amount	166,533	816,141	5,981,465	3,817,120	227,057	11,008,316
At 30 June 2024						
Cost or fair value	1,564,287	6,762,999	6,934,937	4,874,359	372,445	20,509,027
Accumulated amortisation and impairment	(1,397,754)	(5,946,858)	(953,472)	(1,057,239)	(145,388)	(9,500,711)
Net book amount	166,533	816,141	5,981,465	3,817,120	227,057	11,008,316

Supplementary Appendix 4E Information
For the year ended 30 June 2024

	2024	Consolidated	2023
	\$		\$
15. Trade and other payables			
Current			
Trade payables	4,469,401		2,553,275
Related party payables	6,369		3,907
Other payables	8,847,249		8,305,005
	<u>13,323,019</u>		<u>10,862,187</u>

16. Reserves

Share based payments	4,449,253	4,011,672
Foreign currency translation	1,353,892	1,234,413
	<u>5,803,145</u>	<u>5,246,085</u>

17. Reconciliation of cash flows from operating activities

Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax for the period	3,688,663	6,383,150
Adjustments for:		
Loss on disposal of plant and equipment	77,542	10,315
Bad debt	552,559	414,713
Depreciation and amortisation expense	6,973,030	5,372,465
Interest received	(248,397)	(125,528)
Interest expense	610,990	643,083
Share-based payments expense	437,581	241,950
Net foreign exchange differences	239,540	(1,166,991)
Change in operating assets and liabilities, net of effects from purchase of controlled entity:		
(Increase)/decrease in trade receivables and contract assets	163,487	1,074,851
Decrease in inventories	119,094	254,797
Increase in other current assets	(2,674,361)	(4,183,198)
Increase in trade payables and accruals	2,749,340	923,919
Decrease/(Increase) in net deferred tax and movement in tax payable	857,937	(557,030)
Net cash inflow from operations	<u>13,547,005</u>	<u>9,286,496</u>

Supplementary Appendix 4E Information
For the year ended 30 June 2024

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

Refer to the attached Market Announcement and Investor Presentation.

19. 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.

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

Acquisition of ParkInnovation GmbH

On 13 July 2023, the Group acquired 100% of the issued shares in ParkInnovation GmbH, an unlisted company based in Germany for cash consideration of \$2.0m. ParkInnovation provides parking management solutions in Germany and has 46 manually operated sites under management. The acquisition accelerates growth in the German market and provides the opportunity to upgrade suitable sites to ANPR technology, while continuing to operate remaining sites manually, as well as leverage a key customer to potentially install additional sites.

The fair values of the identifiable assets and liabilities of ParkInnovation GmbH as at the date of acquisition were:

	Fair Value Recognised on Acquisition
	\$
Assets	
Cash and cash equivalents	120,223
Trade and other receivables	180,574
Property, plant and equipment (Note 13)	26,860
Customer relationships (Note 14)	624,489
	952,146
Liabilities	
Trade and other payables	119,141
Deferred tax liabilities	187,347
	306,488
Total Identifiable Net Assets at Fair Value	645,658
Goodwill arising on acquisition (Note 14)	1,316,088
Purchase Consideration Transferred	1,961,746

(i) Goodwill

The goodwill is attributable to ParkInnovation's portfolio of sites and the expected increase in profitability following the upgrade of suitable sites to the ANPR technology.

(ii) Customer Relationships

The fair value of the acquired customer relationships of \$624,489 is based on an independent valuation. Judgement is required to estimate future cashflows from customer relationships and their estimated useful lives which form inputs to the valuation. A corresponding deferred tax liability of \$187,347 has been recognised in relation to this fair value adjustment.

(iii) Contribution to the Group

From the date of acquisition, ParkInnovation has contributed revenue of \$1,369,701, an adjusted EBITDA loss of \$18,583 and a loss before tax from continuing operations of \$244,268.

Supplementary Appendix 4E Information
For the year ended 30 June 2024

20. Controlled Entities Acquired or Disposed of (continued) (Appendix 4E item 10)

Acquisition of Local Parking Security Limited (Provisional)

On 5 March 2024, the Group acquired the parking management contracts and assets from Local Parking Security Limited, an unlisted company based in the United Kingdom for cash consideration of \$5,825,517. The acquisition builds scale through the addition of 72 automatic number plate recognition ("ANPR") sites and 54 manually operated sites and provides opportunity to upgrade suitable sites to the ANPR technology.

The provisional fair values of the identifiable assets and liabilities of Local Parking Security as at the date of acquisition were:

	Fair Value Recognised on Acquisition
	\$
Assets	
Trade and other receivables	201,150
Property, plant and equipment (Note 13)	1,128,222
Provisional customer relationships (Note 14)	2,573,698
	3,903,070
Liabilities	
Trade and other payables	22,221
Deferred tax liabilities	643,424
	665,645
Total Identifiable Net Assets at Fair Value	3,237,425
Provisional goodwill arising on acquisition (Note 14)	2,615,092
Purchase Consideration Transferred	5,852,517

(i) Goodwill

The provisional goodwill is attributable to Local Parking Security's portfolio of sites and the expected increase in profitability following the upgrade of suitable sites to the ANPR technology.

(ii) Customer Relationships

The provisional fair value of the acquired customer relationships of \$2,573,698 is based on management's initial estimate and as such, the final fair value of the acquired customer relationships is likely to change. The Group will seek an independent valuation for the intangible assets acquired. The valuation will be completed within one year from the date of acquisition. A corresponding provisional deferred tax liability of \$643,424 has been recognised in relation to this fair value adjustment.

(iii) Contribution to the Group

From the date of acquisition, Local Parking Security has contributed revenue of \$1,229,775, adjusted EBITDA of \$691,032 and a profit before tax from continuing operations of \$589,184.

Supplementary Appendix 4E Information
For the year ended 30 June 2024

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

The Company does not hold any interests in Joint Ventures or Associates.

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

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

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

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

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

Refer to the attached Market Announcement and Investor Presentation.

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

Refer to the attached Market Announcement and Investor Presentation.

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