

Smart Parking Limited (ASX:SPZ)

AGM Presentation

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CEO Paul Gillespie

smartparking.com

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Smart Parking Ltd (ASX:SPZ)

A global company focused on delivering industry leading technology innovations and solutions within the parking industry

Parking management services

Provision of parking management solutions, predominantly servicing the retail sector, managing agents and land owners in the UK. SPZ has recently been accredited in NZ to run parking management services across the country. Two sites have already gone live, and there is a strong focus to win more ANPR monitored sites.

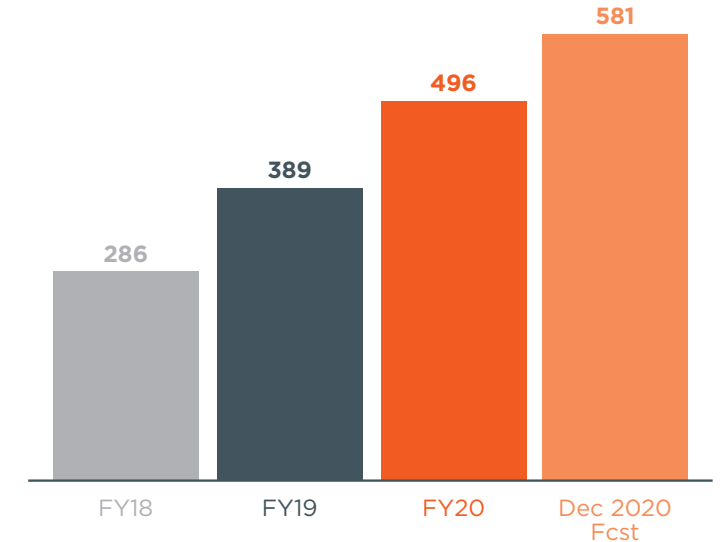
Technology

The sale of Smart City and IoT (Internet of Things) technology, hardware and software predominantly for parking solutions around the world.

Research & development

We develop proprietary solutions to enhance Smart City, IoT and ANPR software/hardware for both the Technology and Parking Management divisions.

FY20 Results |
Sites Managed - ANPR



8 MILLION CARS PER MONTH
THROUGH UK ESTATE



OVER 31m SMARTCLOUD
TRANSACTIONS PER DAY



OVER 500 CUSTOMERS
WORLDWIDE



OPERATING IN OVER
10 TERRITORIES

SPZ in review | Smart Parking Group

SPZ performed resiliently through Covid-19, and is now recovering.

- Trading for the first 8 months of FY20 was in line with expectations. COVID-19 impacted the last 4 months.
- Impact of lockdown on Smart Parking and driver behaviour resulted in PBNs dropping 80% vs pre-lockdown.
- Proactive response initiatives included an annualised reduction in personnel costs of AUD\$2.5m, and the deferral of all non-essential projects and capital expenditure including the roll out of technology on new UK parking sites during the lockdown period.
- Strong recovery under way with October PBNs recovering by 332% from COVID-19 lows – currently 11% up on monthly average for the prior year.
- New site installations re-started in June and achieved 56 new installations in Q1 FY21 with a focus on 200 new sites for the year.
- Winning new business and growth continued with KFC.
- \$3.2m of contracted technology orders to install.
- Delayed technology installations will see revenue recognised in FY21.
- Installations underway in all operating territories.



FY21 Business Update

| Initiatives implemented in FY20 to streamline & strengthen Smart Parking are beginning to deliver positive returns

- For the first 4 months of FY21, positive Group operating cashflow (including lease payments) of \$1.2m – despite government lockdown restrictions in many areas of the UK.
- Cash on hand at 31 October of \$10.0m (includes UK Coronavirus Business Interruption Loan draw down of \$2.7m).
- Framework proposed by HMRC for resolution of VAT dispute - SPZ expects to recognise up to \$7.1m one-off benefit to pre-tax profit in FY21 (up to \$3.1m cash benefit) with ongoing benefit to future years (circa \$1.7m pro forma contribution for FY20).
- UK sales team re-structure delivering results with 67 new site installations to 31 October.
- UK installed estate performing to expectations despite COVID-19 restrictions in October 2020.
- NZ managed services business established with 2 sites installed and pipeline growing.
- Strategy to leverage market-leading technologies into large global addressable markets intact. 1,000 sites under management expected by June 2023.

\$10m



**Cash balance
at 31 October**

Up \$3.7m from 30 June 2020 including \$2.7m drawdown of UK Coronavirus Business Interruption Loan

\$1.2m



**Operating cash
flow up \$1.4m**

**October 2020 YTD vs October 2019 YTD (unaudited)*

558 Total sites, up 29%

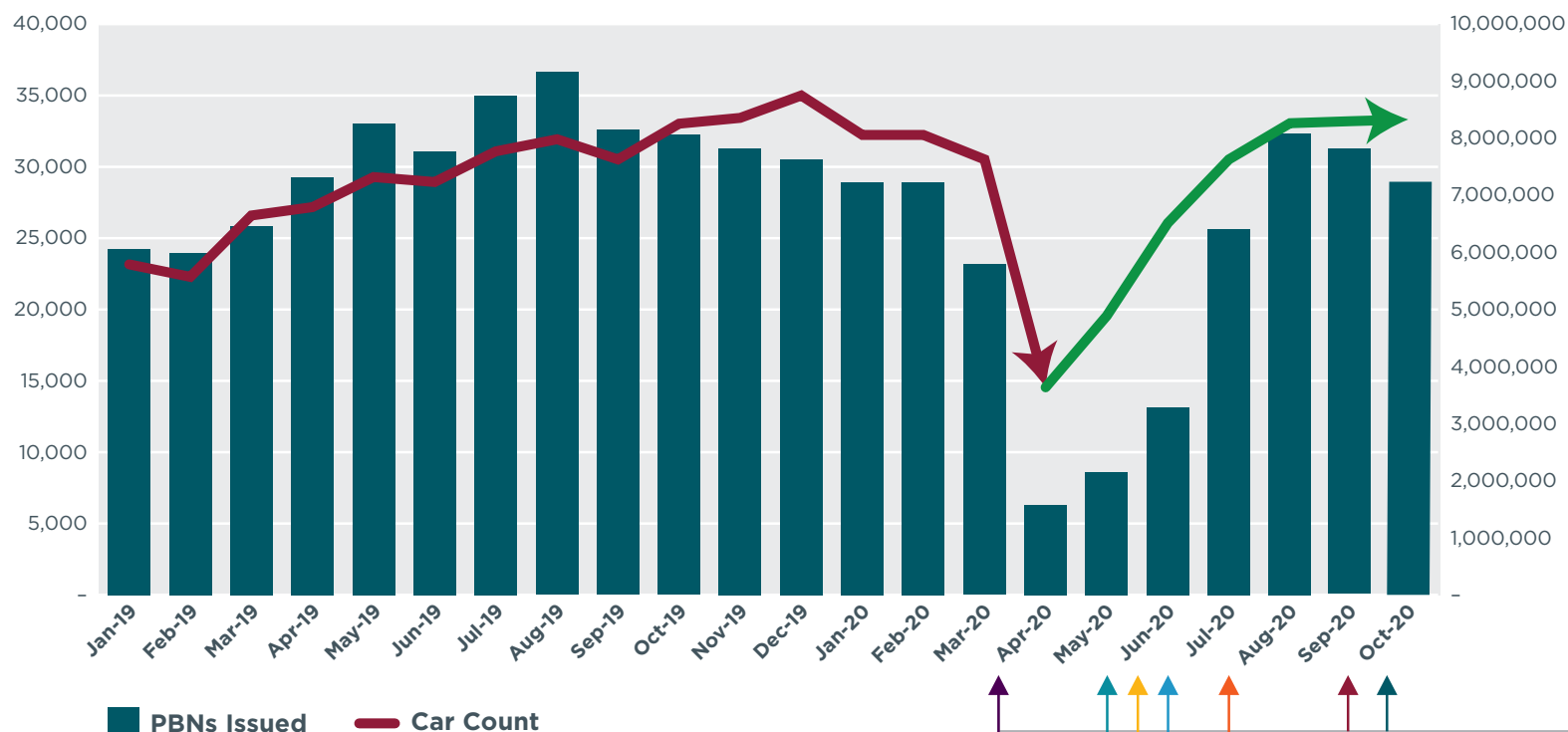


As of 31 October 2020, compared to PCP.

UK pandemic tracker

| Pandemic PBNs fell 80% in April compared to the monthly average for the year prior

PBNs Issued vs Car Count



Reduction in PBNs in September & October is in line with normal seasonal variations.

- 23 March**
UK lockdown commences.
- 15 May**
UK commences easing restrictions.
- 1 June**
Some primary schools start returning.
- 15 June**
Non-essential retail allowed to re-open.
- 4 July**
Pubs, hotels and some leisure facilities can open. Social distancing rules halved to 1 metre.
- 22 September**
Hospitality venues must close by 10pm. Social gatherings limited to 6 people.
- 14 October**
Regional restrictions commence.
- 5 November - 2 December**
New lockdown in England
- schools, universities & take-aways remain open
- Work from home if you can.

Managed Services

| Positive growth across the business

UK

- Added 67 sites to 31 October 2020 with the objective of delivering 200 new ANPR installations in FY21*
- KFC UK & Ireland installations have commenced, with 15 sites installed and a further 21 surveyed for installation (plus another 250 potentially suitable sites).
- SPZ is focused on achieving 1,000 ANPR installations under management by June 2023.

NZ

- Accreditation achieved to become an ANPR parking services operator in New Zealand.
- First two customer sites installed.
- SPZ focused on finding new territories and expanding our service model.

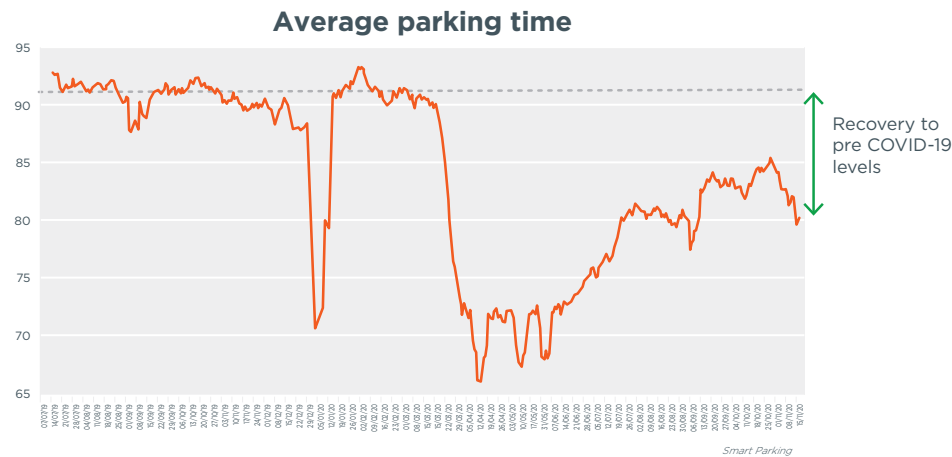
**Subject to no future UK-wide COVID-19 lockdowns.*



Multiple growth drivers

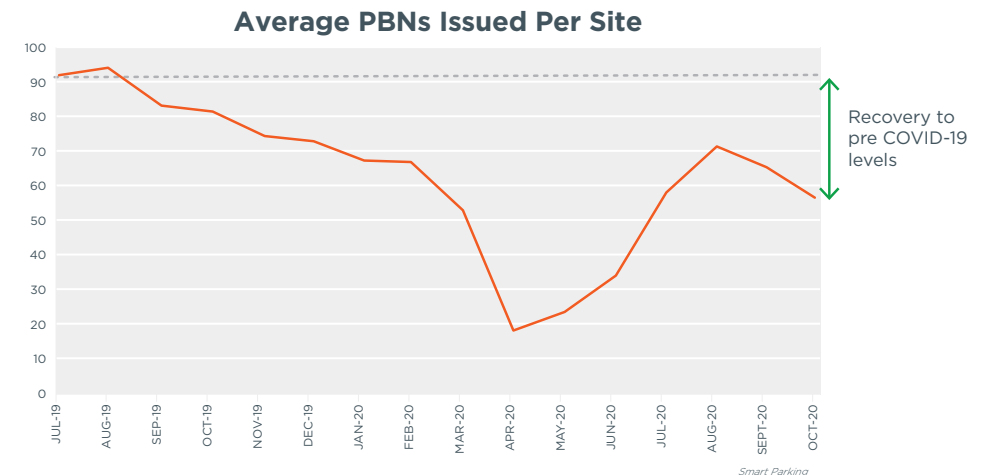
- | Recovery to pre COVID-19 levels with increased sites under management enhancing SPZ's earning potential

Cyclical recovery to pre COVID-19 levels on current sites under management



- 90 minute stay is typically the time period for increased PBN issuance
- Christmas seasonal impact average stay as per graph above

Recovery potential to pre COVID-19 levels on PBN's per site



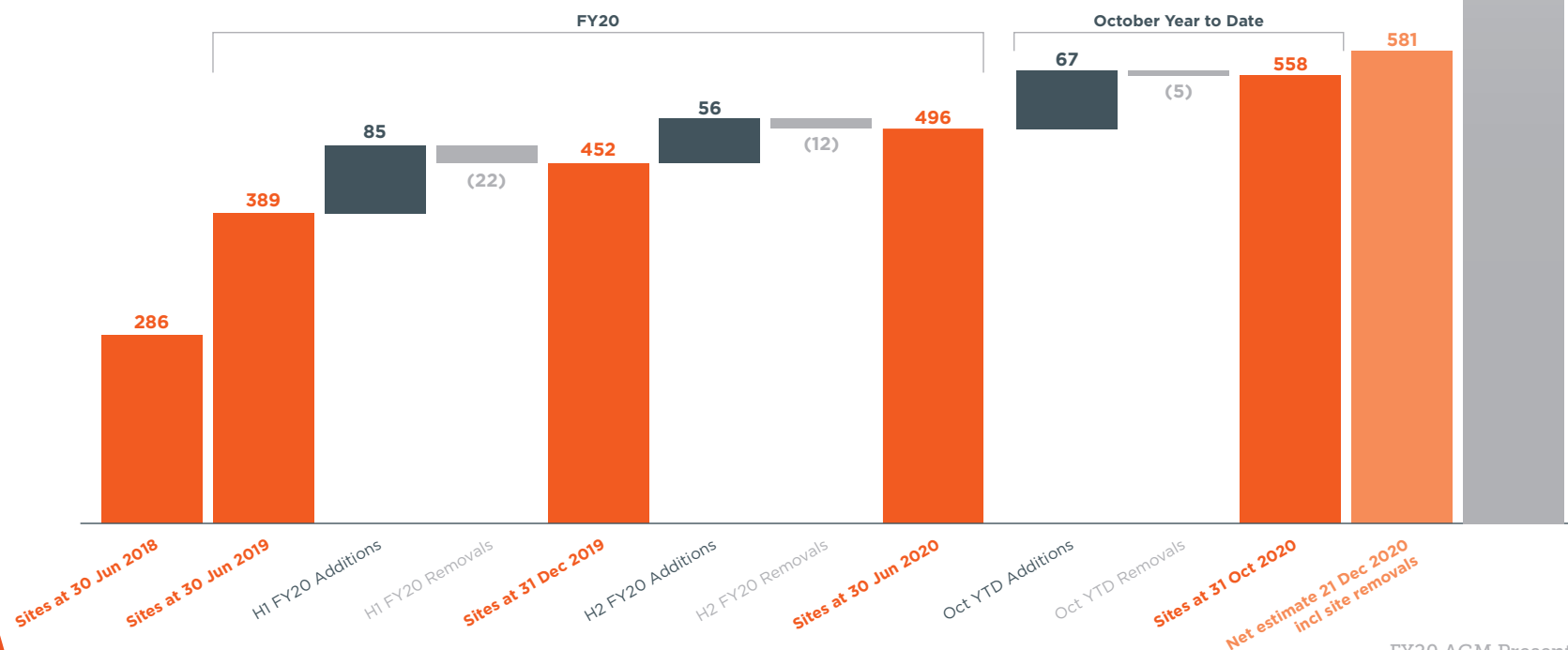
- Growth in sites under management increases SPZ's future earnings potential

Once government restrictions are lifted SPZ expects average stay time & average PBNs issued to return to pre-pandemic levels.

UK Growth

| 67 new sites added to October 31 2020. 1,000 sites expected for June 2023.

Site Reconciliation

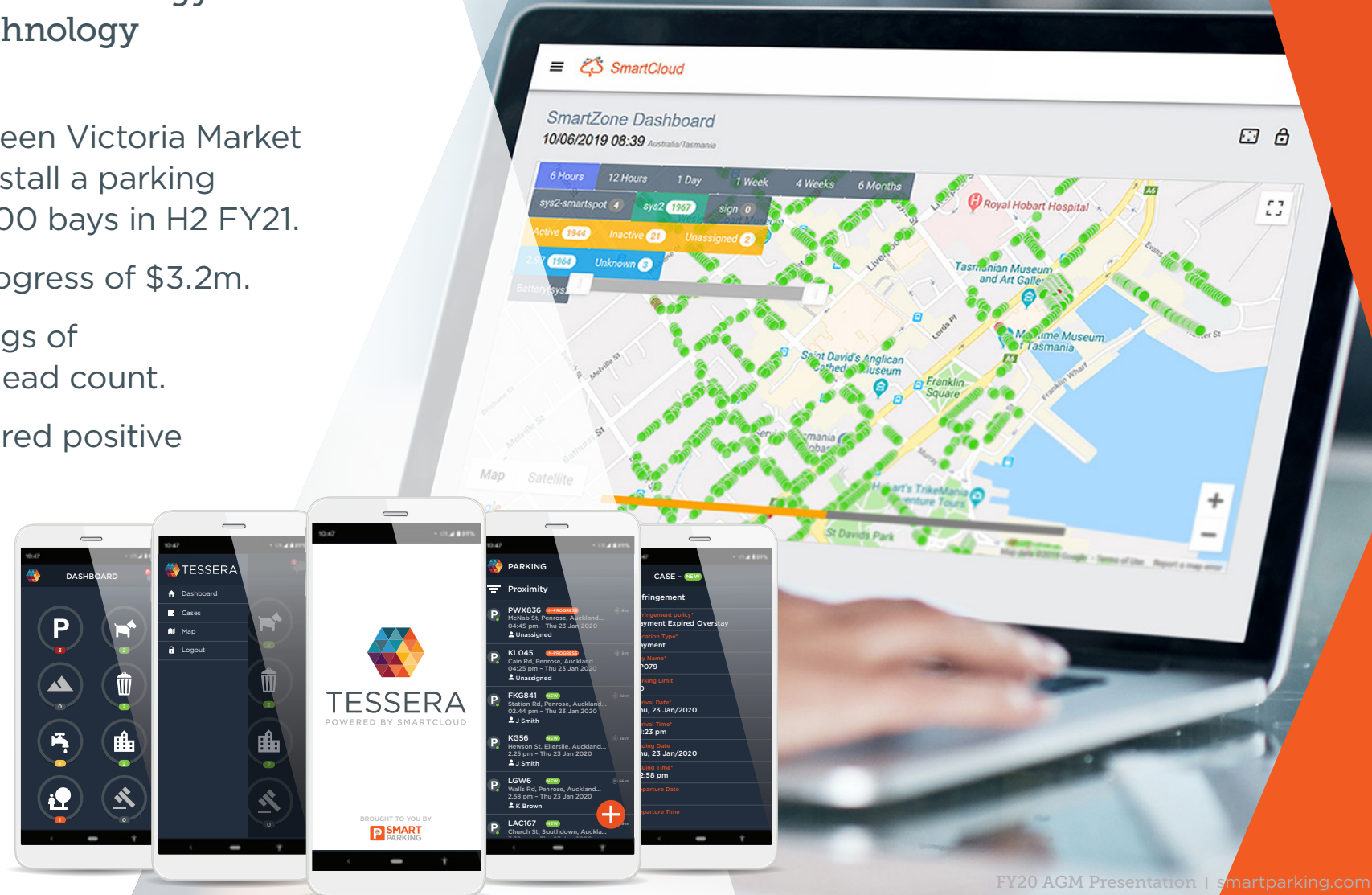


Growth target:
1,000 sites under
management
expected by
June 2023

Technology and R&D

| Continuing to execute growth strategy – leveraging proprietary technology

- Recent contract win for Queen Victoria Market (Melbourne, Australia) to install a parking guidance systems across 500 bays in H2 FY21.
- Order book and work in progress of \$3.2m.
- Annualised personnel savings of \$1.2m from a reduction in head count.
- Technology business delivered positive cash flow in Q1.
- Delivered SmartCloud enhancements to provide NZ ANPR services workflow.
- Proprietary IoT compliance product delivered in Q1.



Smart Parking outlook

| Market recovery and new opportunities for growth

- Ongoing growth in ANPR installations with 200 sites expected in FY21.
- UK market opportunity intact - growth target of 1,000 sites installed by June 2023.
- UK PBN issuance in-line with expectation and will be monitored carefully with new nationwide lockdowns in place.
- Focused on expanding our ANPR Managed Services market in NZ.
- New IoT compliance product delivered that will open up wider pools of customers and greater revenue opportunity in the technology business.
- Large addressable market available in both Managed Services (UK & NZ) and Technology businesses.
- Smart Parking has the capital and capability to execute the growth strategy.

** All forward-looking statements can be subject to change depending on COVID-19 restrictions easing or increasing.*

Thank you.

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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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