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ASX Announcement

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17 February 2025

SMART PARKING LIMITED TO FURTHER ITS GEOGRAPHIC EXPANSION BY ENTERING INTO THE US WITH PEAK PARKING ACQUISITION, FUNDED BY FULLY UNDERWRITTEN EQUITY RAISING AND EXPANSION OF DEBT FACILITY

Smart Parking (ASX:SPZ) has entered into a binding agreement to acquire Peak Parking LP, a boutique parking operator that provides a comprehensive portfolio of parking services to businesses and clients with 134 locations across six states in the US

Transaction highlights

- Smart Parking has entered into a binding agreement to acquire 100% of the issued capital in Peak Parking LP, a prominent and diversified US based parking services business, to be effected via an equity purchase agreement.
- Acquisition price of up to USD$36.0m[1], with upfront consideration of USD$32.0m (payable USD$26.0m in cash and USD$6.0m in SPZ scrip), with a sliding scale earnout capped at USD$4.0m based on Peak Parking achieving CY25 EBITDA of USD$4.5m (paid in SPZ scrip).
- Implied EV / CY25 EBITDA acquisition multiple of 8.0x assuming Peak Parking CY25 EBITDA of USD$4.5m is achieved – if CY25 EBITDA is higher, the valuation multiple will decrease.
- Smart Parking expects the acquisition to deliver >25% EPS accretion in FY25[1,2] on a pro forma basis[3], with future identified revenue and margin expansion opportunities through the implementation of Smart Parking's technology platform.
- The acquisition provides immediate geographic expansion into the US leveraging Smart Parking's proprietary technology, is aligned with Smart Parking's long-term growth strategy and is expected to deliver immediate EPS accretion.
- Acquisition is to be funded by an institutional placement of ~A$32.2 million and a pro-rata accelerated non-renounceable entitlement offer of ~A$12.8 million to raise gross proceeds of ~A45.0m million, fully underwritten by Canaccord Genuity. Acquisition funding will also include the partial use of Smart Parking's expanded US$10.0m revolving credit facility with HSBC.

Acquisition details

Smart Parking Limited (ASX:SPZ) (**Smart Parking**) is pleased to announce that it has entered into a binding agreement to acquire 100% of the issued capital in Peak Parking LP (**Peak Parking**). The acquisition price of up to USD$36.0m[1] consists of upfront consideration of USD$32.0m (payable USD$26.0m in cash and USD$6.0m in SPZ scrip), and a sliding scale earnout capped at USD$4.0m (**Acquisition**).

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[1] Assumes CY25 EBITDA of US$4.5m is achieved and full consideration is payable (US$36m).
[2] Accretion assumes analyst consensus NPAT estimate of A$7.4m in FY25 and capital raise of A$45.0m issued at an offer price of A$0.88 and a debt raise of A$4.8m incurring a 7.1% interest rate.
[3] Illustratively assumes 12-month impact of transaction and includes a full year contribution of Peak Parking.

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The consideration is to be paid as follows:

- USD$2m deposit payable in cash on signing;
- USD$24m payable in cash on completion;
- USD$6m in SPZ scrip deliverable and priced on completion; and
- Up to USD$4m earnout payment to be satisfied by issue of SPZ scrip, expected to be in March 2026 and priced at that time.

The earnout payment is based on the CY25 EBITDA performance of Peak Parking, with a maximum of USD$4m payable should the CY25 EBITDA reach USD$4.5m. A minimum CY25 EBITDA of USD$4m must be achieved for any earnout amount to be paid. All SPZ shares issued to the vendors will be subject to 12 months voluntary escrow.

The cash acquisition component of the purchase price of the Acquisition and associated transaction costs will be funded by a combination of:

- a fully underwritten placement to new institutional investors and existing shareholders to raise ~A$32.2 million (**Placement)**;
- a fully underwritten pro-rata accelerated non-renounceable entitlement offer to raise ~A$12.8 million (**Entitlement Offer**);
- SPZ's revolving credit facility with HSBC, which has been expanded from A$10.0m to US$10.0m.

Peak Parking is a boutique parking operator that provides a comprehensive portfolio of parking services to businesses and clients with 134 locations across six states in the US. Their service offerings focus on parking garage management, valet parking, special events parking and parking consulting services. Founded in 2016, Peak Parking have quickly become one of the fastest growing parking operators in the country, delivering revenue CAGR of 45%[4,5] from CY22 – CY24 (CY24 US$9.1m[5]) and a track record of profitability, with CY24 EBITDA of US$3.3m[5] (growing from USD$1.0m in CY22[5]).

The implied acquisition multiple represents 8.0x EV / CY25 EBITDA and assumes CY25 EBITDA of USD$4.5m is achieved – if Peak Parking CY25 EBITDA is higher, the valuation multiple Smart Parking pays will decrease. Smart Parking expects the acquisition to deliver >25% EPS accretion in FY25[1,2] on a pro forma basis[3], with future identified revenue and margin expansion opportunities through the implementation of the Smart Parking platform.

Provided certain conditions precedent are satisfied (as described in Smart Parking's Investor Presentation released to ASX today), the Acquisition is expected to complete in March 2025.

Smart Parking Chief Executive Officer, Paul Gillespie, said:

"We are delighted to announce the acquisition of Texas based Peak Parking, a strategic acquisition that broadens our global operations into the US, the largest parking operations market in the world.

Peak Parking has built a well-respected parking management business since its beginning in 2016, which has resulted in an attractive and diverse portfolio of sites across six states in the US. We are looking forward to welcoming the Peak team to Smart Parking and sharing our expertise and technology to accelerate growth in this exciting market".

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[4] CAGR: compounded annual growth rate calculated from CY22A to CY24A.
[5] Historical financials are unaudited Peak Parking management accounts only. The company will implement IFRS which is expected to increase revenue and maintain profit before tax.

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Equity Raising

Smart Parking's A$45.0 million equity raising is comprised of the Placement to raise ~A$32.2 million and the Entitlement Offer to raise ~A$12.8 million (**Equity Raising**), fully underwritten by the lead manager and bookrunner, Canaccord Genuity (**Lead Manager**). The proceeds of the Equity Raising will be applied principally to fund the cash consideration payable by Smart Parking for the Acquisition and associated transaction costs.

Approximately 51.1 million new Smart Parking shares will be issued under the Equity Raising. New Smart Parking shares issued under the Equity Raising (each a **New Share**) will rank equally with existing Smart Parking shares and Smart Parking will, upon issue of those shares, seek quotation of the shares on ASX.

Under the Entitlement Offer, eligible institutional and retail shareholders in Australia and New Zealand are invited to subscribe for 1 New Share for every 24.35 existing Smart Parking shares (**Entitlement**) held as at 7:00pm (Melbourne time) on 19th February 2025.

All New Shares offered under the Equity Raising will be issued at a price of A$0.88 per New Share (**Offer Price**), which represents a:

- 9.3% discount to the last closing price of A$0.97 per Smart Parking share on 14th February 2025;
- 7.2% discount to the 5-day volume weighted average price of A$0.95; and
- 8.2% discount to the theoretical ex-rights price (**TERP**) of A$0.96 per Smart Parking share[6].

Placement

Smart Parking is undertaking the Placement to raise ~A$32.2 million (before costs) through the issue of approximately 36.6 million New Shares to new institutional investors and existing institutional shareholders at the Offer Price. The Placement will be conducted concurrently with the Institutional Entitlement Offer (as described below).

The New Shares issued under the Placement will be issued within Smart Parking's existing placement capacity under ASX Listing Rule 7.1.

New Shares issued under the Placement will not be eligible to participate in the Entitlement Offer.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**), which is being conducted today, 17th February 2025.

Eligible institutional shareholders can choose to take up all, part or none of their Entitlement at the Offer Price (**Institutional Entitlements**). Institutional Entitlements cannot be traded on ASX or transferred.

Institutional Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to new institutional investors and existing institutional shareholders concurrently with the Institutional Entitlement Offer through a bookbuild process.

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[6] The TERP is the theoretical price at which Smart Parking shares should trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Smart Parking shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP. The TERP includes the new Smart Parking shares issued under the Placement.

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Smart Parking's shares will remain in a trading halt pending completion of the Placement and the Institutional Entitlement Offer (**Institutional Offer**).

Retail Entitlement Offer

Eligible Retail Shareholders (defined below) in Australia and New Zealand will be invited to participate in the retail component of the Entitlement Offer at the same Offer Price and offer ratio as the Institutional Entitlement Entitlements (**Retail Entitlement Offer**). The Retail Entitlement Offer will open on Monday, 24 February 2025 and close at 5:00pm (Melbourne time) on 7 March 2025 (**Retail Offer Period**).

Further details about the Retail Entitlement Offer will be set out in the Retail Entitlement Offer information booklet (**Retail Offer Booklet**), which Smart Parking expects to lodge with ASX and make available to Eligible Retail Shareholders on 24 February 2025. The Retail Offer Booklet will also be accompanied by personalised entitlement and acceptance forms.

Eligible Retail Shareholders are shareholders on the Record Date who:

- have a registered address on the Smart Parking register of members which is in Australia or New Zealand;
- are not in the United States nor acting for the account or benefit of a person in the United States (to the extent such person holds existing shares for the account or benefit of such person in the United States);
- were not invited to participate in the Institutional Entitlement Offer and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer (other than as nominee or custodian, in each case in respect of other underlying holdings); and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer,

Eligible Retail Shareholders can choose to take up all, part or none of their Entitlement.

If an Eligible Retail Shareholder takes no action, they will not be allocated New Shares and their Entitlement will lapse.

Entitlements cannot be traded on ASX or transferred. Eligible retail shareholders who do not take up their Entitlement under the Retail Entitlement Offer, in full or in part, will not receive any value in respect to those Entitlements not taken up.

Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Offer Booklet and accompanying personalised Entitlement and Acceptance Form which contains their Entitlement and the terms and conditions of the Retail Entitlement Offer.

Entitlements under the Retail Entitlement Offer that Eligible Retail Shareholders do not take up by the close of the Retail Offer Period (being shortfall shares), will be subscribed for by the Lead Manager or persons nominated by the Lead Manager.

Canaccord Genuity is acting as lead manager and underwriter to the Equity Raising. Lander & Rogers is acting as Smart Parking's legal adviser to the Equity Raising.

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Key dates[7]

Equity Raising announced and investor presentation lodged to the ASX	Monday, 17 February 2025
Institutional Entitlement Offer and Placement opens	Monday, 17 February 2025
Institutional Entitlement Offer and Placement closes	Tuesday, 18 February 2025
Results of Institutional Entitlement Offer and Placement announced and trading resumes on an ex-entitlement basis	Wednesday, 19 February 2025
Record Date for Retail Entitlement Offer	7:00pm Wednesday, 19 February 2025
Retail Entitlement Offer opens and Retail Offer Booklet despatched	Monday, 24 February 2025
Settlement of Institutional Entitlement Offer and Placement	Tuesday, 25 February 2025
Allotment and normal trading of New Shares under the Institutional Entitlement Offer and Placement	Wednesday, 26 February 2025
Despatch of holdings statements for New Shares under the Institutional Entitlement Offer and Placement	Thursday, 27 February 2025
Retail Entitlement Offer closes	Friday, 7 March 2025
Results of Retail Entitlement Offer announced	Wednesday, 12 March 2025
Settlement of Retail Entitlement Offer	Thursday, 13 March 2025
Allotment of New Shares under the Retail Entitlement Offer	Friday, 14 March 2025
Normal trading of New Shares issued under the Retail Entitlement Offer	Monday, 17 March 2025
Despatch of holding statements for New Shares under the Retail Entitlement Offer	Monday, 17 March 2025

[7] All dates and times are indicative only (except where historical) and subject to change. Unless otherwise specified, all times and dates refer to Melbourne time. Smart Parking in conjunction with the Lead Manager reserves the right to amend any or all of these dates and times subject to the Corporations Act 2001 (Cth), the ASX Listing Rules, and other applicable laws without prior notice or consultation with you. Any extension of the Retail Closing Date will have a consequential effect on the anticipated date for issue of the New Shares under the Retail Entitlement Offer. The Directors also reserve the right not to proceed with the whole or part of any of the Offer at any time prior to allotment. In that event, the relevant application monies will be returned without interest.

Shareholder enquires

Further details of the Acquisition and Equity Raising are set out in Smart Parking's Investor Presentation provided to ASX today. The Investor Presentation contains important information including key risks of investing in Smart Parking and foreign selling restrictions with respect to the Equity Raising.

Eligible Retail Shareholders who have questions relating to the Retail Entitlement should either please contact their professional adviser or Smart Parking's share registry, Computershare Investor Services Pty Limited, between 8.30am and 5.00pm (Melbourne time) Monday to Friday on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) during the Retail Offer Period.

Authorised for release by the Board of Smart Parking Limited

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This announcement is not financial product or investment advice, a recommendation to acquire New Shares or accounting, legal or tax advice. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek appropriate legal and taxation advice.

About Smart Parking Limited

Smart Parking Limited is a pioneering technology innovator and services company in the parking industry. With offices in Australia, New Zealand, Germany, Denmark and the UK our aim is to bring our intelligent integrated smart parking services to the world and reinvent the parking experience.

The Company operates and manages thousands of car park spaces across the globe using our proprietary Smart Cloud technology linked with Automatic Number Plate Recognition/License Plate Recognition (ANPR/LPR) systems. This can be used as a single solution or with the option to be combined with payment solutions.

Smart Parking Limited has been an Australian Securities Exchange (ASX:SPZ) publicly listed company since early 2011.

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