

# Appendix 4D

Half-year Report  
31 December 2022

**Smart Parking Limited**  
ABN 45 119 327 169

## Results for announcement to the market

<b>Financial Results</b>	<b>% change</b>	<b>Dec 2022 \$</b>	<b>Dec 2021 \$</b>
Revenue from ordinary activities	Up 18%	22,094,496	18,706,568
Profit after tax attributable to members	Down 11%	1,914,204	2,154,199
Net Profit for the period attributable to members	Down 15%	1,892,860	2,235,112

### Dividends

It is not proposed that Smart Parking Limited pays a dividend.

<b>Net Tangible Asset Backing</b>	<b>Dec 2022</b>	<b>Dec 2021</b>
Net tangible asset backing per ordinary security	4.33 cents	4.52 cents

### Other explanatory notes

The results from the underlying business reflect the increased sites under management in existing and new countries.

The Group's Adjusted EBITDA is \$5.3m after non-recurring items, an increase from the prior period of 2%. The German business commenced operations on 1 January 2022. If the \$0.9m German EBITDA loss is excluded, the Group's Adjusted EBITDA is \$6.1m (H1 FY22: \$5.1m), an increase from the prior period of 19%.

Adjusted EBITDA in H1 FY23 in the Parking Management division (including the new German operation) was \$5.5m. Adjusted EBITDA (excluding the new German operation) was \$6.3m (H1 FY22: \$5.8m), up 9% on H1 HY22.

Parking Management revenue of \$20.0m was up 18% (H1 FY22: \$16.9m) due to the increased sites under management. The Company won and installed 173 new ANPR sites globally increasing sites under management by a net 145 sites to 984. The number of Parking Breach Notices issued increased by 25% compared to the prior corresponding period.

External revenue in the Technology division was up 16% from \$1.8m (H1 FY22) to \$2.1m (H1 FY23). Installations in Australia and New Zealand included City of Bunbury and Queensgate Shopping Centre. The Adjusted EBITDA profit of \$0.8m improved from a profit of \$0.4m in H1 FY22.

The Group had strong net operating cash inflows (before the movement in client funds and non-recurring/non-operating items) for the half-year ended 31 December 2022 of \$5.1m. The company spent \$3.0m on capital expenditure which will drive revenue and earnings growth in future periods. This is largely related to the installation of new parking management sites. The company continued its share buy-back in H1 FY23 at a total cost of \$0.5m at an average price of \$0.2291 per share.

Further commentary on the results is included in the Investor Presentation.

**The information required by listing rule 4.2A is contained in both this Appendix 4D and the attached Interim Financial Statements. These Interim Financial Statements should be read in conjunction with the most recent Annual Financial Report of the Group.**

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Smart Parking Limited  
and its Controlled Entities

ABN 45 119 327 169

# Interim Financial Report

for the half-year ended  
31 December 2022

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**Smart Parking Limited and its Controlled Entities**

ABN 45 119 327 169

**Interim Financial Report**

**For the half-year ended 31 December 2022**

## Contents

Directors' Report .....	1
Auditor's Independence Declaration.....	7
Independent Auditor's Review Report.....	8
Consolidated Statement of Profit or Loss and Other Comprehensive Income .....	10
Consolidated Statement of Financial Position.....	11
Consolidated Statement of Changes in Equity .....	12
Consolidated Statement of Cash Flows .....	13
Notes to the Financial Statements .....	14
Directors' Declaration.....	23

These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2022 and any public announcements made by Smart Parking Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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## Directors' Report

Your Directors present their report together with the consolidated financial statements for the half-year ended 31 December 2022.

### Directors

The names of the Directors in office during the half-year and until the date of this report are as follows. All Directors were in office for the entire period.

Mr Christopher Morris	Chairman
Mr Paul Gillespie	Managing Director
Ms Fiona Pearse	Non-Executive Director
Mr Jeremy King	Non-Executive Director

### Principal activities

The Group operates three divisions:

- **Parking Management**: Provision of parking management solutions, predominantly servicing the retail sector, managing agents and landowners in the United Kingdom, NZ, Australia and Germany.
- **Technology**: The sale of Technology, hardware and software predominantly for parking solutions around the world and to support the parking management division.
- **Research and Development**: Includes costs to research, develop and enhance ANPR software/hardware for both the Technology and Parking Management divisions.

## Directors' Report (continued)

### Review of Operations

The Group's revenue for the half-year ended 31 December 2022 was up 18% to \$22.1m compared to the period ending 31 December 2021. The increase mainly reflects the increased number of sites under management in existing and newer countries.

The operating profit after income tax for the half-year ended 31 December 2022 was \$1.9m, compared to a profit for the half-year ended 31 December 2021 of \$2.2m. This result reflects the strong ongoing returns from the underlying business, as well as extensive investment into new businesses, particularly Germany.

The Group's Adjusted EBITDA is \$5.3m after non-recurring items, an increase from the prior period of 2%. The German business commenced operations on 1 January 2022. If the \$0.9m German EBITDA loss is excluded, the Group's Adjusted EBITDA is \$6.1m (H1 FY22: \$5.1m), a very strong increase from the prior period of 19%.

Adjusted EBITDA is calculated after excluding the effects of items incurred but not related to underlying operations or not expected to occur in the future and is outlined below.

	Half-year 2022	Half-year 2021 (Restated) <sup>1</sup>
	\$	\$
<b>Revenue</b>	<b>22,108,076</b>	<b>18,707,413</b>
<b>Net Profit for the half-year after tax</b>	<b>1,914,204</b>	<b>2,154,199</b>
Group EBITDA <sup>2</sup>	5,328,983	5,178,612
Professional fees <sup>3</sup>	35,058	101,235
Other non-recurring items <sup>4</sup>	216,810	74,507
Financial reporting system implementation <sup>5</sup>	55,000	-
COVID-19 Government subsidies <sup>6</sup>	-	(41,812)
Foreign exchange gains <sup>7</sup>	(377,929)	(174,566)
<b>Adjusted EBITDA<sup>8</sup></b>	<b>5,257,922</b>	<b>5,137,976</b>
Depreciation and amortisation	(2,537,135)	(1,958,282)
Loss on disposal of fixed property, plant and equipment	(19,987)	(43,740)
<b>Adjusted EBIT<sup>8</sup></b>	<b>2,700,800</b>	<b>3,135,954</b>
Adjusted EBITDA margin	23.8%	27.5%

<sup>1</sup>Refer to Note 1 for additional information.

<sup>2</sup>EBITDA represents Earnings before interest, taxation, depreciation, amortisation and loss on disposal of plant and equipment.

<sup>3</sup>The professional fees are advisory costs related to business acquisitions.

<sup>4</sup>The other non-recurring items are either non-recurring and/or non-operating in nature.

<sup>5</sup>Implementation of a new cloud based financial reporting system.

<sup>6</sup>The 2021 COVID-19 Government subsidies include the utilisation of the UK Coronavirus Job Retention Scheme.

<sup>7</sup>The foreign exchange gains relate to funding within the Group.

<sup>8</sup>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.

## Directors' Report (continued)

The Group has 82% of its revenue derived in the United Kingdom resulting in revenue and profits denominated in Great British Pounds ("GBP"). These are impacted by movements in the exchange rate between GBP and the Group's presentation currency of Australian dollars. The following commentary is based on presentation currency unless otherwise stated.

As at 31 December 2022, the Group had cash on hand (excluding cash held on behalf of customers) of \$10.7m (30 June 2022: \$10.8m).

The Group had strong net operating cash inflows (before the movement in client funds and non-recurring/non-operating items) for the half-year ended 31 December 2022 of \$5.1m (2021: inflow \$5.3m). The reported net operating cash inflow, including movements in client funds and non-recurring/non-operating items, was \$4.9m (2021: \$5.0m).

The table below summarises the net operating cash movements for the half year.

	Half-year 2022	Half-year 2021
	\$	\$
Net operating cash inflow excluding movement in client funds and non-recurring items	5,080,571	5,290,462
Non-recurring cash items <sup>1</sup>	(90,058)	(175,744)
Net movement in client funds	(44,532)	(97,533)
<b>Net reported cash inflow from operating activities</b>	<b>4,945,981</b>	<b>5,017,185</b>

<sup>1</sup>The non-recurring items are either non-recurring or non-operating in nature.

The Parking Management division collects cash from sites that it operates on behalf of customers on an ongoing basis. As payment terms vary between customers, the cash profile of collecting and remitting cash is variable and may have a material impact on the Company's cash balances at any one point in time. Cash flow from operating activities, excluding the movements in client cash, better reflects the Company's underlying performance.

The company spent \$3.0m on capital expenditure which will drive revenue and earnings growth in future periods. This is largely related to the installation of new parking management sites.

The company continued its share buy-back in H1 FY23 at a total cost of \$0.5m at an average price of \$0.2291 per share.



## Directors' Report (continued)

### Review of Operations (cont'd)

**Parking Management Division** – Sales of \$20.0m (2021: \$16.9m) were up 18%.

The company added 173 new Automatic Number Plate Recognition (ANPR) sites, up 34% on the prior corresponding period, as a result of growth in the UK and ongoing expansion into New Zealand, Australia and, more recently, Germany. The number of site losses was significantly less than the prior comparable period giving a total portfolio of 984 sites under management, up from 839 sites at 30 June 2022.

The company has established Parking Management businesses in NZ and Australia in the last 2 years. Both operations are performing ahead of expectations with 110 ANPR sites installed at 31 December 2022 representing a 134% increase in sites compared to 30 June 2022. Revenue in NZ and Australia of \$2.1m was up 484% compared to the prior comparative period.

The Queensland government, without any consultation with the industry, has temporarily removed the ability for private parking operators to access vehicle registration details from 20 February 2023 pending a review of regulations. This change implemented by the Government will impact the Company's Queensland operations, our customers and Smart Parking's ability to operate effectively using our tried and tested global business model. The Queensland operation represents less than 5% of Smart Parking's total revenue and, while it is still early in its growth phase, was not yet profitable in H1 FY23.

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 and Smart Parking's SmartCloud platform, in order to differentiate ourselves with German customers. At 31 December 2022, the German operation has 10 sites operating and it expects to have a total of 20 sites contracted by 28 February 2023. The German business incurred overheads of \$0.9m in H1 FY23 (H1 FY22: nil).

All countries in which the Group operates have significant opportunity for growth. The total addressable market in Germany is twice that of the UK and represents a significant opportunity to grow into Europe. The company remains focused on its strategy of growing the installed number of group ANPR sites to 1,500 by 30 June 2025.

Parking Breach Notices (PBNs) issued increased by 25% to 346,168 compared to H1 FY22 due to the increased sites under management in all operating territories.

Adjusted EBITDA in H1 FY23 in the Parking Management division (including the new German operation) was \$5.5m. Adjusted EBITDA (excluding the new German operation) was \$6.3m (H1 FY22: \$5.8m), up 9% on H1 FY22.

Overheads of \$6.4m (excluding German overheads of \$0.9m) were up 41% compared to H1 FY22. Personnel costs of \$4.2m comprising 66% of total overheads were up 46% on the prior corresponding period with increased level of business activities returning to pre-COVID levels, increased capacity to manage anticipated growth in all territories and inflationary cost increases. Personnel costs in New Zealand and Australia increased by \$0.6m as the business scaled to take advantage of market opportunities. Personnel costs in the UK increased by \$0.7m which included increased headcount associated with higher volumes of activity, new staff to increase business capability for future expansion, and remuneration changes for cost of living increases.

## Directors' Report (continued)

### Review of Operations (cont'd)

**Technology Division** – External revenue in the Technology division was \$2.1m (FY21: \$1.8m).

Installations in Australia and New Zealand included City of Bunbury and Queensgate Shopping Centre.

The Adjusted EBITDA profit of \$0.8m improved from a profit of \$0.4m in H1 FY21.

**Research and Development Division** – The company invested \$0.3m on Research and Development during the period, largely focusing on the development of the technology platform to support the scaling of the Parking Management business into new and existing territories.

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## Directors' Report (continued)

### Dividends

No dividend has been paid or recommended by the Directors since the commencement of the financial year.

### Auditor's Independence Declaration

The Auditor's Independence Declaration on page 7 forms part of the Directors' Report for the half-year ended 31 December 2022.

This report is signed in accordance with a resolution of the Board of Directors.



Christopher Morris  
Chairman



Paul Gillespie  
Managing Director

**17 February 2023**

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**Grant Thornton Audit Pty Ltd**

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## Auditor's Independence Declaration

### To the Directors of Smart Parking Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Smart Parking Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



B A Mackenzie  
Partner – Audit & Assurance

Melbourne, 17 February 2023

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## Independent Auditor's Review Report

### To the Members of Smart Parking Limited

#### Report on the half year financial report

##### Conclusion

We have reviewed the accompanying half year financial report of Smart Parking Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Smart Parking Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Smart Parking Limited's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

##### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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### Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Report on other legal and regulatory requirements

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



B A Mackenzie  
Partner – Audit & Assurance

Melbourne, 17 February 2023

## Consolidated Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2022

	Notes	Half-Year	
		2022 \$	2021 \$ (Restated) <sup>1</sup>
Revenue from continuing operations	4	<b>22,108,076</b>	18,707,413
Raw materials and consumables used		<b>(1,443,929)</b>	(1,421,900)
Employee benefits expense		<b>(6,626,115)</b>	(5,199,003)
Depreciation and amortisation expense	2	<b>(2,537,135)</b>	(1,958,282)
Rental and operating lease costs		<b>(311,920)</b>	(295,484)
Share-based payments expense		<b>(109,678)</b>	(111,688)
Finance and interest expense		<b>(388,771)</b>	(290,865)
Foreign exchange gains		<b>377,929</b>	174,566
COVID-19 Government subsidies	2	-	41,812
Other expenses	3	<b>(8,611,636)</b>	(6,704,939)
Profit before income tax		<b>2,456,821</b>	2,941,630
Income tax expense		<b>(542,617)</b>	(787,431)
Profit for the half-year		<b>1,914,204</b>	2,154,199
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		<b>(21,344)</b>	80,913
Other comprehensive income for the half-year, net of tax		<b>(21,344)</b>	80,913
Total comprehensive income, for the half-year		<b>1,892,860</b>	2,235,112
Total comprehensive income for the half-year attributable to the owners of Smart Parking Limited		<b>1,892,860</b>	2,235,112
Basic earnings per share from continuing operations attributable to the ordinary equity holders of the company.			
- basic earnings per share (cents per share)		<b>0.55</b>	0.61
- diluted earnings per share (cents per share)		<b>0.54</b>	0.60

<sup>1</sup>Refer to note 1 for additional information.

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

## Consolidated Statement of Financial Position As at 31 December 2022

	Note	31 December 2022 \$	30 June 2022 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	11,206,636	11,362,399
Trade and other receivables		9,456,644	9,994,009
Contract assets		537,881	758,507
Inventories		618,296	959,981
Deferred tax assets	8	323,369	-
<b>Total Current Assets</b>		<b>22,142,826</b>	<b>23,074,896</b>
<b>Non-current Assets</b>			
Property, plant and equipment	6	8,962,291	8,225,673
Right-of-use assets		13,416,904	13,988,470
Intangible assets	7	3,770,486	3,847,548
<b>Total Non-current Assets</b>		<b>26,149,681</b>	<b>26,061,691</b>
<b>TOTAL ASSETS</b>		<b>48,292,507</b>	<b>49,136,587</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		8,665,584	10,610,044
Lease liabilities		1,619,061	1,645,775
Borrowings		998,487	962,582
Contract liabilities		1,554,343	1,814,088
Provisions		779,587	861,784
Current tax liabilities		1,452,002	813,139
<b>Total Current Liabilities</b>		<b>15,069,064</b>	<b>16,707,412</b>
<b>Non-current Liabilities</b>			
Lease liabilities		12,657,208	13,100,354
Borrowings		666,667	1,102,098
Deferred tax liabilities		947,529	773,222
<b>Total Non-current Liabilities</b>		<b>14,271,404</b>	<b>14,975,674</b>
<b>TOTAL LIABILITIES</b>		<b>29,340,468</b>	<b>31,683,086</b>
<b>NET ASSETS</b>		<b>18,952,039</b>	<b>17,453,501</b>
<b>EQUITY</b>			
Contributed equity	9	66,180,005	66,684,005
Accumulated losses		(51,947,236)	(53,861,440)
Reserves	10	4,719,270	4,630,936
<b>TOTAL EQUITY</b>		<b>18,952,039</b>	<b>17,453,501</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.



## Consolidated Statement of Changes in Equity For the half-year ended 31 December 2022

	Note	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2022		66,684,005	4,630,936	(53,861,440)	17,453,501
<b>Total comprehensive income for the half-year</b>					
Profit for the half-year		-	-	1,914,204	1,914,204
Other comprehensive income for the half-year	10	-	(21,344)	-	(21,344)
<b>Total comprehensive income for the half-year</b>		<b>-</b>	<b>(21,344)</b>	<b>1,914,204</b>	<b>1,892,860</b>
<b>Transactions with owners, recorded directly in equity</b>					
<b>Contributions by owners</b>					
Share buy-back		(504,000)	-	-	(504,000)
Share-based payment transactions	10	-	109,678	-	109,678
Total transactions with owners		(504,000)	109,678	-	(394,322)
<b>Balance at 31 December 2022</b>	<b>9</b>	<b>66,180,005</b>	<b>4,719,270</b>	<b>(51,947,236)</b>	<b>18,952,039</b>

	Note	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2021		67,802,022	4,286,259	(54,821,207)	17,267,074
<b>Total comprehensive income for the half-year</b>					
Profit for the half-year		-	-	2,154,199	2,154,199
Other comprehensive income for the half-year	10	-	80,913	-	80,913
<b>Total comprehensive income for the half-year</b>		<b>-</b>	<b>80,913</b>	<b>2,154,199</b>	<b>2,235,112</b>
<b>Transactions with owners, recorded directly in equity</b>					
<b>Contributions by owners</b>					
Share buy-back		(95,606)	-	-	(95,606)
Share-based payment transactions	10	-	111,688	-	111,688
Total transactions with owners		(95,606)	111,688	-	16,082
<b>Balance at 31 December 2021</b>	<b>9</b>	<b>67,706,416</b>	<b>4,478,860</b>	<b>(52,667,008)</b>	<b>19,518,268</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows For the half-year ended 31 December 2022

	Note	Half-Year	
		2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		21,119,201	17,001,693
Cash payments in the course of operations		(16,142,478)	(11,887,676)
Interest received		13,580	845
Income taxes refunded/(paid)		210	(144)
<b>Net cash inflow from operating activities before movement in client funds</b>		<b>4,990,513</b>	<b>5,114,718</b>
Net decrease in cash held on behalf of customers	5	(44,532)	(97,533)
<b>Net cash inflow from operating activities</b>	11	<b>4,945,981</b>	<b>5,017,185</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible assets		(136,294)	(116,900)
Purchase of plant and equipment		(2,898,964)	(1,803,573)
Purchase of investment in subsidiary net of cash acquired		-	(1,410,222)
<b>Net cash outflow from investing activities</b>		<b>(3,035,258)</b>	<b>(3,330,695)</b>
<b>Cash flows from financing activities</b>			
Payments for on-market share buy-back		(504,000)	(95,606)
Interest and other finance costs paid		(328,620)	(235,803)
Principal elements of lease payments		(829,066)	(687,758)
Proceeds from borrowings		-	94,180
Repayment of borrowings		(438,220)	(327,014)
<b>Net cash outflow from financing activities</b>		<b>(2,099,906)</b>	<b>(1,252,001)</b>
Net (decrease)/increase in cash and cash equivalents		(189,183)	434,489
Cash and cash equivalents at beginning of the half-year		11,362,399	11,287,265
Effects of exchange rate changes on cash and cash equivalents		33,420	46,628
<b>Cash and cash equivalents at end of the half-year</b>	5	<b>11,206,636</b>	<b>11,768,382</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## Notes to the Financial Statements

### Note 1 – Basis of preparation

The half-year financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standards AASB 134: “Interim Financial Reporting”.

These financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2022 and any publications made by Smart Parking Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*. The half-year financial statements do not include full disclosures of the type normally included in annual financial statements. The accounting policies adopted are consistent with those of the previous financial year except where otherwise disclosed.

### Restatement of 2021 Comparative

During the financial year ending 30 June 2022 Smart Parking Limited reviewed and amended its accounting policies for its arrangements with debt recovery agencies related to debt collection costs for outstanding Parking Breach Notices identifying that Smart Parking Limited was under recognising revenue and other expenses. There is no impact on the reported profit for the year, or basic or diluted earnings per share. Refer to the 2022 Annual Report for further information.

The prior period comparatives have been restated in the financial statements as follows:

Half-year – 2021	2021 (as prev. reported) \$	2021 (restated) \$	Change \$
Revenue	17,291,550	18,707,413	1,415,863
Other expenses	(5,289,076)	(6,704,939)	(1,415,863)
EBITDA	5,137,976	5,137,976	-
Net profit after tax	2,154,199	2,154,199	-

### Note 2 – Segment information

#### 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 perspective and has identified three reportable segments. Technology consists of the sale of Smart City and IoT technology products and solutions predominantly for 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, NZ, Australia and Germany. Research and Development includes costs to research, develop and enhance software/hardware for both the Technology and Parking Management divisions.

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.

## Notes to the Financial Statements (continued)

### Note 2 – Segment information (cont'd)

b) Segment information provided to the Board

The segment information provided to the Board for the reportable segments for the half-year ended 31 December 2022 is as follows:

	Technology	Research and Development	Parking Management	Total
Half-year - 2022	\$	\$	\$	\$
Total segment revenue	3,942,871	-	20,018,434	23,961,305
Inter-segment revenue	(1,866,809)	-	-	(1,866,809)
<b>Revenue from external customers</b>	<b>2,076,062</b>	<b>-</b>	<b>20,018,434</b>	<b>22,094,496</b>
The Group's revenue disaggregated by pattern of revenue recognition as follows:				
Services transferred over time	2,076,062	-	20,018,434	22,094,496
	<b>2,076,062</b>	<b>-</b>	<b>20,018,434</b>	<b>22,094,496</b>
<b>Segment Adjusted EBITDA</b>	<b>810,930</b>	<b>(318,171)</b>	<b>5,468,757</b>	<b>5,961,516</b>
Depreciation and amortisation	(155,564)	-	(2,381,571)	(2,537,135)
Loss on disposal of fixed property, plant and equipment	-	-	(19,987)	(19,987)
<b>Segment Adjusted EBIT</b>	<b>655,366</b>	<b>(318,171)</b>	<b>3,067,199</b>	<b>3,404,394</b>
<b>Total segment assets</b>				
31 December 2022	4,925,022	-	58,299,318	63,224,340
30 June 2022	4,657,082	-	53,240,373	57,897,455

## Notes to the Financial Statements (continued)

### Note 2 – Segment information (cont'd)

b) Segment information provided to the Board (cont'd)

	Technology	Research and Development	Parking Management <sup>1</sup>	Total
Half-year – 2021 (Restated) <sup>1</sup>	\$	\$	\$	\$
Total segment revenue	3,456,848	-	16,919,385	20,376,233
Inter-segment revenue	(1,669,665)	-	-	(1,669,665)
<b>Revenue from external customers</b>	<b>1,787,183</b>	<b>-</b>	<b>16,919,385</b>	<b>18,706,568</b>
The Group's revenue disaggregated by pattern of revenue recognition as follows:				
Services transferred over time	1,787,183	-	16,919,385	18,706,568
	<b>1,787,183</b>	<b>-</b>	<b>16,919,385</b>	<b>18,706,568</b>
<b>Segment Adjusted EBITDA</b>	<b>402,502</b>	<b>(417,635)</b>	<b>5,798,837</b>	<b>5,783,704</b>
Depreciation and amortisation	(148,535)	-	(1,809,747)	(1,958,282)
Loss on disposal of fixed property, plant and equipment	-	-	(43,740)	(43,740)
<b>Segment Adjusted EBIT</b>	<b>253,967</b>	<b>(417,635)</b>	<b>3,945,350</b>	<b>3,781,682</b>

<sup>1</sup>Refer to note 1 for additional information.

The Board assesses the performance of the operating segments based on a measure of Adjusted EBIT and Adjusted EBITDA which excludes the effects of non-operating and non-recurring costs and income, and government subsidies. Interest income is 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.

## Notes to the Financial Statements (continued)

### Note 2 – Segment information (cont'd)

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

	Half-Year	
	2022	2021
	\$	\$
<b>Segment Adjusted EBIT<sup>1</sup></b>	<b>3,404,394</b>	3,781,682
Interest revenue	<b>13,580</b>	845
Interest expense	<b>(328,620)</b>	(235,803)
Non-recurring items <sup>2</sup>	<b>(306,868)</b>	(175,744)
COVID-19 Government subsidies <sup>3</sup>	-	41,812
Foreign exchange gains on intra group funding	<b>377,929</b>	174,566
Adjusted EBIT for Group Corporate function	<b>(703,594)</b>	(645,728)
<b>Profit before income tax from operations</b>	<b>2,456,821</b>	2,941,630

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

<sup>2</sup>Non-recurring items include professional fees relating to business acquisitions and other expenses which are either non-recurring or non-operating in nature.

<sup>3</sup>The 2021 COVID-19 Government subsidies include the utilisation of the UK Coronavirus Job Retention Scheme.

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

<b>Segment Adjusted EBIT</b>	<b>3,404,394</b>	3,781,682
Adjusted EBIT for Group Corporate function	<b>(703,594)</b>	(645,728)
<b>Adjusted Group EBIT</b>	<b>2,700,800</b>	3,135,954

The amounts provided to the Board with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

## Notes to the Financial Statements (continued)

### Note 3 – Other expenses

	Half-Year	
	2022	2021
	\$	\$
		(Restated) <sup>1</sup>
<b>Other expenses</b>		
Audit fees	34,550	30,500
Legal fees	194,900	89,341
Loss on disposal of fixed property, plant and equipment	19,987	43,740
Motor vehicle expenses	327,740	136,963
Travel and accommodation	467,933	175,447
Insurance	185,030	159,961
Telephone and communications	266,616	194,839
Other site service costs	785,009	776,916
Licencing authority fees	1,644,564	1,279,140
Recruitment expenses	148,394	121,937
Repairs and maintenance	348,721	337,848
IT Support	270,214	170,706
Acquisition related costs from the business combination	-	101,235
Bad debts provision	113,937	307,341
Debt recovery costs	1,508,751	1,415,863
Other expenses	2,295,290	1,363,162
	<b>8,611,636</b>	<b>6,704,939</b>

### Note 4 – Revenue and other income

	Note	Half-Year	
		2022	2021
		\$	\$
			(Restated) <sup>1</sup>
<b>From continuing operations</b>			
<b>Revenue</b>			
Revenue from sale of goods and services (recognised over time)	2	22,094,496	18,706,568
Interest revenue		13,580	845
<b>Total revenue from continuing operations</b>		<b>22,108,076</b>	<b>18,707,413</b>

<sup>1</sup>Refer to note 1 for additional information.

## Notes to the Financial Statements (continued)

### Note 5 – Cash and cash equivalents

Current	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
Cash at bank and in hand	10,708,679	10,819,910
Cash held on behalf of customers	497,957	542,489
	<b>11,206,636</b>	<b>11,362,399</b>

Cash and cash equivalents includes cash that Smart Parking Limited (UK) has collected and counted on behalf of customers, the associated liability for this is included in other payables.

The Parking Management division collects cash from sites that it operates on behalf of customers on an ongoing basis. These amounts can be material. As cash is collected and banked, a corresponding liability is recognised for the same amount. As payment terms vary between customers, the cash profile of collecting and remitting cash is variable and can have a material impact on the company's cash balances at any one point in time.

### Note 6 - Property, plant and equipment (non-current)

	Motor Vehicles	Office Equipment	Plant and Equipment	Leasehold Improvements	Total
Consolidated	\$	\$	\$	\$	\$
<b>Year ended 30 June 2022</b>					
At 30 June 2022					
Cost	303,453	548,415	19,185,482	612,859	20,650,209
Accumulated depreciation & impairment	(271,680)	(367,054)	(11,550,942)	(234,860)	(12,424,536)
Net book amount	<b>31,773</b>	<b>181,361</b>	<b>7,634,540</b>	<b>377,999</b>	<b>8,225,673</b>
<b>Half-year ended 31 December 2022</b>					
Opening net book amount	31,773	181,361	7,634,540	377,999	8,225,673
Additions	43,104	37,454	2,046,003	22,223	2,148,784
Disposals	(6,483)	-	(151,823)	-	(158,306)
Depreciation charge for the year	(14,357)	(44,898)	(1,284,918)	(20,564)	(1,364,737)
Foreign exchange translation	2,121	2,855	102,512	3,389	110,877
Closing net book amount	<b>56,158</b>	<b>176,772</b>	<b>8,346,314</b>	<b>383,047</b>	<b>8,962,291</b>
<b>At 31 December 2022</b>					
Cost	317,542	595,034	21,257,835	640,815	22,811,226
Accumulated depreciation & impairment	(261,384)	(418,262)	(12,911,521)	(257,768)	(13,848,935)
Net book amount	<b>56,158</b>	<b>176,772</b>	<b>8,346,314</b>	<b>383,047</b>	<b>8,962,291</b>



## Notes to the Financial Statements (continued)

### Note 7 – Intangible Assets (non-current)

	Software	Developed Technology	Consolidated Goodwill	Customer Relationships	Other intangible assets	Total
Consolidated	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2022</b>						
At 30 June 2022						
Cost	1,546,403	6,159,967	2,847,519	1,610,879	17,318	12,182,086
Amortisation charge	(1,321,231)	(5,895,047)	(881,679)	(219,263)	(17,318)	(8,334,538)
<b>Net book amount</b>	<b>225,172</b>	<b>264,920</b>	<b>1,965,840</b>	<b>1,391,616</b>	<b>-</b>	<b>3,847,548</b>
<b>Half-year ended 31 December 2022</b>						
Opening net book amount	225,172	264,920	1,965,840	1,391,616	-	3,847,548
Additions	14,169	136,294	-	-	-	150,463
Amortisation charge	(55,727)	(37,522)	-	(160,131)	-	(253,380)
Foreign exchange translation	673	-	16,076	9,106	-	25,855
<b>Closing net book amount</b>	<b>184,287</b>	<b>363,692</b>	<b>1,981,916</b>	<b>1,240,591</b>	<b>-</b>	<b>3,770,486</b>
<b>At 31 December 2022</b>						
Cost	1,568,823	6,296,261	2,870,806	1,637,521	17,318	12,390,729
Amortisation charge	(1,384,536)	(5,932,569)	(888,890)	(396,930)	(17,318)	(8,620,243)
<b>Net book amount</b>	<b>184,287</b>	<b>363,692</b>	<b>1,981,916</b>	<b>1,240,591</b>	<b>-</b>	<b>3,770,486</b>

## Notes to the Financial Statements (continued)

### Note 8 – Deferred tax asset

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
<b>Deferred Tax Assets</b>	<b>323,369</b>	-

A deferred tax asset of \$323,369 has been recognised at 31 December 2022 relating to tax losses in Smart Parking Technology Limited (NZ) which are expected to be utilised within the next 12 months. The Group has determined that it is probable that these tax losses will be utilised as a result of the improved financial performance of this entity.

The group still has remaining tax losses available after recognition of the above deferred tax asset in New Zealand of \$12,939,644 giving rise to an unrecognised deferred tax asset of \$3,623,100.

### Note 9 – Issued Capital

There are 350,353,001 shares on issue. There have been no equity securities issued during the year.

On 3 March 2022, Smart Parking Limited announced an on-market share buy-back with an aggregate value of up to \$2.5m for capital management purposes, which commenced on 17 March 2022. From 23 August 2022 to 12 October 2022, the Company purchased and cancelled 2,200,000 ordinary shares at a total cost of \$0.5m with an average price of \$0.2291 and a price range of \$0.2150 to \$0.2350.

### Note 10 – Reserves

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
Share based payments	<b>3,879,400</b>	3,769,722
Foreign currency translation	<b>839,870</b>	861,214
	<b>4,719,270</b>	4,630,936

## Notes to the Financial Statements (continued)

### Note 11 – Reconciliation of cash flows from operating activities

	Half-Year	
	2022	2021
	\$	\$
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Profit after income tax for the period	<b>1,914,204</b>	2,154,199
Adjustments for:		
Loss on disposal of plant and equipment	<b>19,987</b>	43,740
Depreciation and amortisation expense	<b>2,537,135</b>	1,958,282
Interest expense	<b>328,620</b>	235,803
Share-based payments expense	<b>109,678</b>	111,688
Net foreign exchange differences	<b>(377,929)</b>	(174,566)
Change in operating assets and liabilities, net of effects from purchase of controlled entity:		
Decrease in trade debtors and contract assets	<b>1,594,620</b>	76,105
Decrease in inventories	<b>341,685</b>	271,104
Increase in other current assets	<b>(1,000,588)</b>	(934,970)
Increase/(decrease) in trade payables and accruals	<b>(1,824,582)</b>	243,769
Increase in tax payable and deferred tax	<b>1,303,151</b>	1,032,031
Net Cash inflow from operating activities	<b>4,945,981</b>	5,017,185

### Note 12 – Dividends

No dividends were paid or declared during the period.

### Note 13 – Events subsequent to Reporting Date

There were no events after the end of the reporting period.

### Note 14 – Contingent Liabilities

There have been no changes in contingent liabilities since the last annual reporting period date, 30 June 2022.

## Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 10 to 24 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standard: *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional requirements; and
  - (ii) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Smart Parking Limited will be able to pay its debts as and when they become due and payable; and
- (c) The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors and is signed for and on behalf of the directors by:



Mr Christopher Morris  
Chairman



Paul Gillespie  
Managing Director

**17 February 2023**