

Appendix 4D

Smart Parking Limited and its Controlled Entities

ABN 45 119 327 169

Half-year ended 31 December 2023

(Previous corresponding Half-year ended 31 December 2022)

Results for announcement to the market

Financial Results	Dec 2023 \$	Dec 2022 \$	Change \$	Change %
Revenue from ordinary activities	26,580,734	22,094,496	4,486,238	20%
Profit from ordinary activities after tax attributable to members	2,297,833	1,914,204	383,629	20%
Net Profit for the period attributable to members	2,174,981	1,892,860	282,121	15%

Dividends

Current period: There were no dividends paid, recommended or declared during the current financial period.

Previous period: There were no dividends paid, recommended or declared during the previous financial period.

Net Tangible Asset Backing	Dec 2023	Dec 2022
Net tangible asset backing per ordinary security	5.83 cents	4.33 cents

Other explanatory notes

The excellent results from the underlying business reflect the increased sites under management in various countries. The Company 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.

The Group's Adjusted EBITDA is \$7.6m after non-recurring/non-operating items, an increase from the prior period of 44%.

Adjusted EBITDA in H1 FY24 in the Parking Management division was \$6.6m (H1 FY23: \$5.5m), up 20% on H1 FY23.

Parking Management revenue of \$25.0m was up 25% (H1 FY23: \$20.0m) due to the increased sites under management. The Company won and installed 131 new ANPR sites globally, increasing sites under management by a net 107 sites to 1,219. The total number of Parking Breach Notices issued increased by 22% compared to the prior corresponding period.

External revenue in the Technology division was \$1.6m (H1 FY23: \$2.1m) with an intentional shift to higher margin products and focus on growing the Parking Management division. The Technology Division's Adjusted EBITDA profit was a pleasing \$2.1m, an improvement of 155% from \$0.8m in H1 FY23 mainly due to an increase in the licence fee received from the Parking Management Division that is linked to revenue in that division, and the reduction of costs following the redeployment of staff into the fast-growing Parking Management division.

The Group had net operating cash inflows (before non-recurring/non-operating items) for the half-year ended 31 December 2023 of \$5.3m. The company spent \$2.0m 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 UK Coronavirus Business Interruption Loan is due to be fully repaid in September 2024. Annual principal repayments are \$0.9m.

Controlled entities acquired or disposed of

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. Refer to the Interim Report for further commentary.

Details of associates and joint ventures

Not applicable.

Foreign entities

For foreign entities, International Financial Reporting Standards are used in compiling the half-year consolidated report.

Refer to the review and results of operations included within the Directors' Report for further commentary on the results of the Company and its controlled entities.

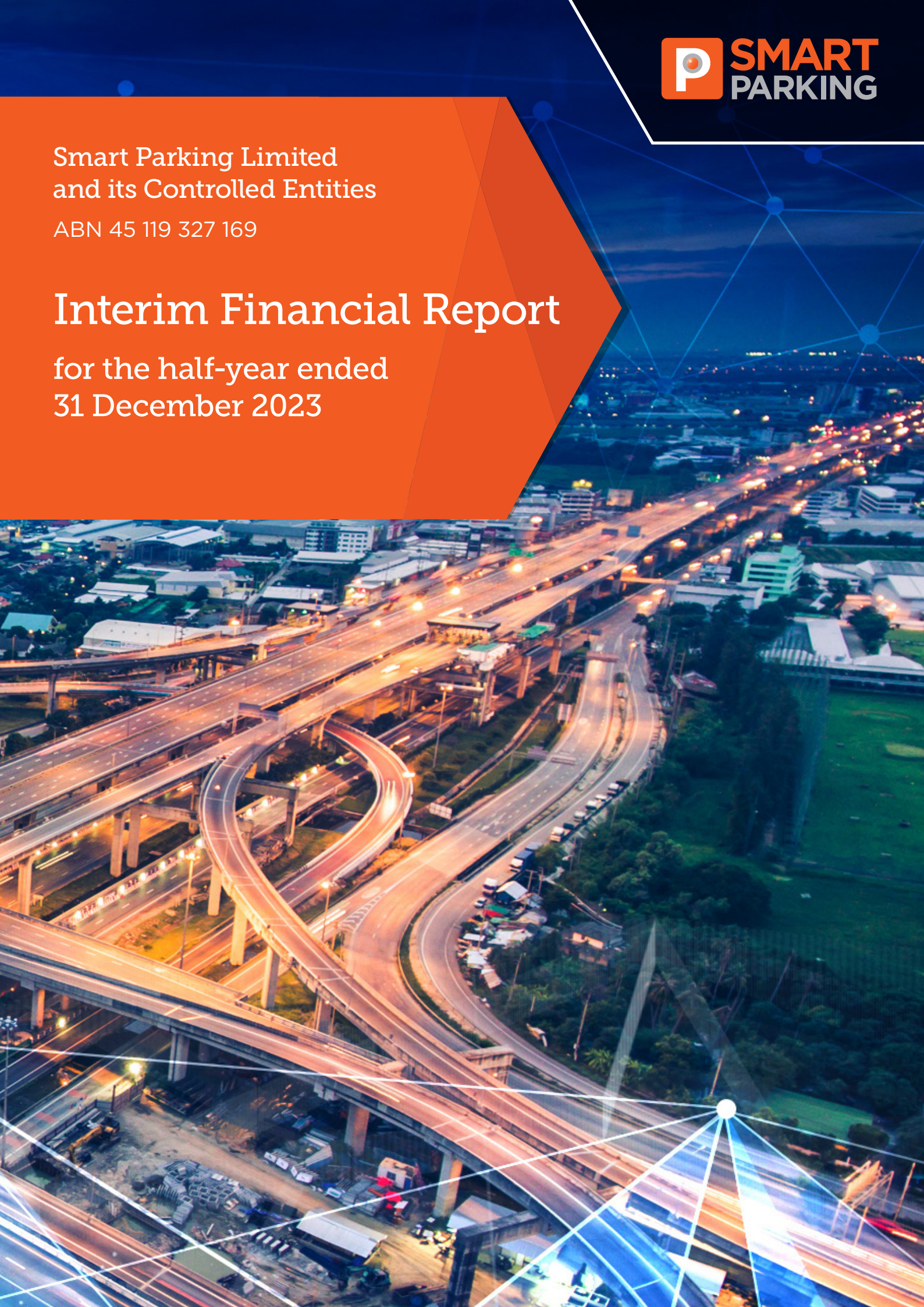
The information required by listing rule 4.2A is contained in both this Appendix 4D and the attached Interim Financial Statements. These Interim Financial Statements should be read in conjunction with the most recent Annual Financial Report of the Group.

Smart Parking Limited
and its Controlled Entities

ABN 45 119 327 169

Interim Financial Report

for the half-year ended
31 December 2023





Smart Parking Limited and its Controlled Entities
ABN 45 119 327 169

Interim Financial Report

For the half-year ended 31 December 2023

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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 2023 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*.

Directors' Report

Your Directors present their report together with the consolidated financial statements for the half-year ended 31 December 2023.

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 2023 was up 21% to \$26.7m compared to the period ending 31 December 2022. The increase mainly reflects the increased number of sites under management in various countries. The Company 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.

The Group reported a net profit after income tax increase of 20% to \$2.3m (2022: \$1.9m) for the half-year ended 31 December 2023.

The Group's Adjusted EBITDA is \$7.6m after non-recurring items, an increase from the prior period of 44%.

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 2023	Half-year 2022
	\$	\$
Revenue	26,725,667	22,108,076
Net Profit for the half-year after tax	2,297,833	1,914,204
Group EBITDA ¹	6,715,711	5,328,983
Professional fees ²	339,684	35,058
Other non-recurring items ³	166,707	216,810
Financial reporting system implementation ⁴	-	55,000
Foreign exchange (gains)/losses ⁵	335,447	(377,929)
Adjusted EBITDA⁶	7,557,549	5,257,922
Depreciation and amortisation	(3,185,027)	(2,537,135)
Loss on disposal of fixed property, plant and equipment	(34,057)	(19,987)
Adjusted EBIT⁶	4,338,465	2,700,800
Adjusted EBITDA margin	28.3%	23.8%

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

²The professional fees relate to completed and evaluated business acquisitions.

³The other non-recurring items are either non-recurring and/or non-operating in nature.

⁴Implementation of a new cloud based financial reporting system.

⁵The foreign exchange gains/losses relate to funding within the Group.

⁶The 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 2023, the Group had cash on hand of \$9.7m (30 June 2023: \$10.7m).

The Group had net operating cash inflows (before non-recurring/non-operating items) for the half-year ended 31 December 2023 of \$5.3m (2022: \$5.1m).

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

	Half-year 2023	Half-year 2022
	\$	\$
Net operating cash inflow excluding non-recurring items	5,275,317	5,080,571
Non-recurring cash items ¹	(506,391)	(90,058)
Net reported cash inflow from operating activities	4,768,926	4,990,513

¹The non-recurring items are either non-recurring or non-operating in nature.

The cashflow from operating activities included tax paid of \$0.6m (2022: nil).

The company spent \$2.0m on capital expenditure which will drive revenue and earnings growth in future periods.

The Group spent \$1.8m (net of cash acquired) on the acquisition of ParkInnovation GmbH.

The UK Coronavirus Business Interruption Loan is due to be fully repaid in September 2024. Annual principal repayments are \$0.9m.

Directors' Report (continued)

Review of Operations (cont'd)

Parking Management Division

Revenue in the Parking Management division of \$25.0m (2022: \$20.0m) is up 25% compared H1 FY23.

The Company added 131 new Automatic Number Plate Recognition (ANPR) sites for existing, new and acquired customers, resulting in a net 24% increase on the prior corresponding period. The portfolio has grown to 1,219 sites under management, up from 1,112 ANPR sites at 30 June 2023.

The Company 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 124 sites installed at 31 December 2023 generating revenue of \$2.1m, up 94% on H1 FY23. Parking Breach Notices (PBNs) issued increased by 113% to 64,206 compared to H1 FY23. Staff previously engaged in the technology business were redeployed during H1 into the fast-growing NZ parking management business. NZ remains an attractive market with limited competition and significant potential for growth.

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. It is unclear if or when access to the Queensland Motor Vehicle Register will be reinstated. At the date of the pause in operations, 71 ANPR sites were installed in Queensland. The Queensland plant and equipment can be redeployed in other jurisdictions as deemed necessary. Some sites are now manually operated, pending the outcome of the government decision.

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. The Company continues to engage in dialogue with the UK government discussing the merits of a range of options. It is unclear when the review will be finalised and implemented.

Revenue in the UK of \$21.8m was up 22% compared to H1 FY23. Growth in sites was 14% compared to the prior comparative period, and the outlook for 2024 remains strong with the pipeline including several multi-site opportunities.

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 31 December 2023, the German operation has 43 ANPR sites. The German market presents a substantial opportunity leveraging the Group's technology, knowledge and expertise.

On 13 July 2023, the Group acquired 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. It 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 in some of its extensive range of German sites.

Directors' Report (continued)

Review of Operations (cont'd)

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 to 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 majority of the competitive landscape provides manual parking management through the use of people/parking attendants instead of technology. 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.

Across the Group, Parking Breach Notices (PBNs) issued increased by 22% to 422,030 compared to H1 FY23 due to the increased sites under management in all operating territories (except Australia).

Adjusted EBITDA for H1 FY24 in the Parking Management Division of \$6.6m was up 20% on H1 FY23. Overheads of \$9.7m were up 33% compared to H1 FY23 with higher resourcing requirements following increased activity, ongoing expansion into new territories, the acquisition of ParkInnovation and the redeployment of staff from the Technology division, along with inflationary increases.

Technology Division

External revenue in the Technology division was \$1.6m (H1 FY23: \$2.1m) with an intentional shift to higher margin products and growing the Parking Management division.

The Adjusted EBITDA profit was a pleasing \$2.1m, an improvement of 155% from \$0.8m in H1 FY23, mainly due to an increase in the licence fee received from the Parking Management Division that is linked to revenue in that division, and the reduction of costs following the redeployment of staff into the fast-growing Parking Management division.

Research and Development Division

The company invested \$0.4m on Research and Development, continuing its investment in technology.

Development during the period included the continued improvements of the technology platform to support expansion of the Parking Management business into new territories. The deployment of AI technology to improve Licence Plate recognition rates and deliver operational efficiencies, and ongoing enhancement of the functionality of the Smart City platform (SmartCloud).

Outlook

The Company is well placed to take advantage of opportunities as they arise. All countries in which the Group operates (with the possible exception of Australia) have significant opportunity for growth. The company remains focused on its strategy of growing the installed number of group ANPR sites to 1,500 by 31 December 2024. Growth in sites is expected to drive increased revenue and operating leverage, delivering earnings growth.

The Company has a strong balance sheet to take advantage of further acquisition opportunities and explore new territories suitable for the Company's technology and commercial model.

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 2023.

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



Christopher Morris
Chairman



Paul Gillespie
Managing Director

16 February 2024

Grant Thornton Audit Pty Ltd

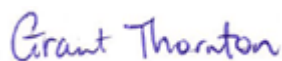
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Auditor's Independence Declaration

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 2023, 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



Michael Climpson
Partner – Audit & Assurance
Melbourne, 16 February 2024

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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 2023, 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 2023 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 2023 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



Michael Climpson
Partner – Audit & Assurance
Melbourne, 16 February 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2023

	Notes	Half-Year	
		2023	2022
		\$	\$
Revenue from operations	4	26,725,667	22,108,076
Raw materials and consumables used		(848,541)	(1,443,929)
Employee benefits expense		(7,638,636)	(6,626,115)
Depreciation and amortisation expense	2	(3,185,027)	(2,537,135)
Rental and operating lease costs		(375,793)	(311,920)
Share-based payments expense		(166,964)	(109,678)
Interest expense		(356,584)	(388,771)
Foreign exchange gains/(losses)		(335,447)	377,929
Other expenses	3	(10,533,699)	(8,611,636)
Profit before income tax		3,284,976	2,456,821
Income tax expense		(987,143)	(542,617)
Profit for the half-year		2,297,833	1,914,204
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(122,852)	(21,344)
Other comprehensive income for the half-year, net of tax		(122,852)	(21,344)
Total comprehensive income, for the half-year		2,174,981	1,892,860
Total comprehensive income for the half-year attributable to the owners of Smart Parking Limited		2,174,981	1,892,860
Basic earnings per share from continuing operations attributable to the ordinary equity holders of the company.			
- basic earnings per share (cents per share)		0.66	0.55
- diluted earnings per share (cents per share)		0.66	0.54

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 2023

	Note	31 December 2023 \$	30 June 2023 \$
ASSETS			
Current Assets			
Cash and cash equivalents		9,705,516	10,726,176
Trade and other receivables		15,094,789	13,730,414
Contract assets		23,291	22,312
Inventories		713,642	705,184
Other financial assets		459,613	650,626
Total Current Assets		25,996,851	25,834,712
Non-current Assets			
Property, plant and equipment	5	9,761,059	10,008,090
Right-of-use assets		14,738,085	15,336,143
Intangible assets	6	5,682,444	3,987,244
Deferred tax assets		1,056,835	805,844
Total Non-current Assets		31,238,423	30,137,321
TOTAL ASSETS		57,235,274	55,972,033
LIABILITIES			
Current Liabilities			
Trade and other payables		9,704,581	10,862,187
Lease liabilities		2,110,853	1,974,498
Borrowings		775,524	1,048,146
Contract liabilities		1,290,745	1,110,268
Current tax liabilities		1,707,626	841,042
Employee benefit obligations		851,081	818,773
Total Current Liabilities		16,440,410	16,654,914
Non-current Liabilities			
Lease liabilities		13,733,777	14,384,598
Borrowings		-	239,125
Deferred tax liabilities		1,019,879	994,133
Total Non-current Liabilities		14,753,656	15,617,856
TOTAL LIABILITIES		31,194,066	32,272,770
NET ASSETS		26,041,208	23,699,263
EQUITY			
Contributed equity	8	65,931,468	65,931,468
Accumulated losses		(45,180,457)	(47,478,290)
Reserves	9	5,290,197	5,246,085
TOTAL EQUITY		26,041,208	23,699,263

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 2023

	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 half-year					
Profit for the half-year		-	-	2,297,833	2,297,833
Other comprehensive income for the half-year	9	-	(122,852)	-	(122,852)
Total comprehensive income for the half-year		-	(122,852)	2,297,833	2,174,981
Transactions with owners, recorded directly in equity					
Contributions by owners					
Share-based payment transactions	9	-	166,964	-	166,964
Total transactions with owners		-	166,964	-	166,964
Balance at 31 December 2023	8	65,931,468	5,290,197	(45,180,457)	26,041,208

	Note	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2022		66,684,005	4,630,936	(53,861,440)	17,453,501
Total comprehensive income for the half-year					
Profit for the half-year		-	-	1,914,204	1,914,204
Other comprehensive income for the half-year	9	-	(21,344)	-	(21,344)
Total comprehensive income for the half-year		-	(21,344)	1,914,204	1,892,860
Transactions with owners, recorded directly in equity					
Contributions by owners					
Share buy-back		(504,000)	-	-	(504,000)
Share-based payment transactions	9	-	109,678	-	109,678
Total transactions with owners		(504,000)	109,678	-	(394,322)
Balance at 31 December 2022	8	66,180,005	4,719,270	(51,947,236)	18,952,039

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 2023

	Note	Half-Year	
		2023	2022
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST and VAT)		26,088,505	21,119,201
Payments to suppliers and employees (inclusive of GST and VAT)		(20,381,749)	(16,052,420)
Professional fees (related to corporate advisory costs and other non-recurring payments)		(506,391)	(90,058)
Interest received		144,933	13,580
Income taxes refunded/(paid)		(576,372)	210
Net cash inflow from operating activities	10	4,768,926	4,990,513
Cash flows from investing activities			
Payments for intangible assets		(344,490)	(136,294)
Payments for property, plant and equipment		(1,675,914)	(2,898,964)
Purchase of investment in subsidiary net of cash acquired	7	(1,841,523)	-
Net cash outflow from investing activities		(3,861,927)	(3,035,258)
Cash flows from financing activities			
Payments for on-market share buy-back		-	(504,000)
Interest and other finance costs paid		(356,584)	(328,620)
Principal elements of lease payments		(992,649)	(829,066)
Repayment of borrowings		(480,310)	(438,220)
Net cash outflow from financing activities		(1,829,543)	(2,099,906)
Net (decrease)/increase in cash and cash equivalents		(922,544)	(144,651)
Cash and cash equivalents at beginning of the half-year		10,726,176	10,819,910
Effects of exchange rate changes on cash and cash equivalents		(98,116)	33,420
Cash and cash equivalents at end of the half-year		9,705,516	10,708,679

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 2023 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.

Note 2 – Segment information

a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Board 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 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, and 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 2023 is as follows:

Half-year 2023	Technology	R&D	Parking Management				Total parking management	Total
			United Kingdom	New Zealand	Australia	Germany		
Total segment revenue	3,526,508	-	21,764,257	2,124,717	44,398	1,088,500	25,021,872	28,548,380
Inter-segment revenue	(1,967,646)	-	-	-	-	-	-	(1,967,646)
Revenue from external customers	1,558,862	-	21,764,257	2,124,717	44,398	1,088,500	25,021,872	26,580,734

The Group's revenue disaggregated by pattern of revenue recognition as follows:

Service transferred over time	1,558,862	-	21,764,257	2,124,717	44,398	1,088,500	25,021,872	26,580,734
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Segment Adjusted EBITDA	2,067,843	(379,358)	7,672,395	553,390	(597,705)	(976,733)	6,651,347	8,339,832
Depreciation and amortisation	(176,983)	-	(2,460,063)	(253,864)	(200,932)	(93,185)	(3,008,044)	(3,185,027)
Loss on disposal of fixed property, plant and equipment	-	-	(24,807)	-	-	(9,250)	(34,057)	(34,057)
Segment Adjusted EBIT	1,890,860	(379,358)	5,187,525	299,526	(798,637)	(1,079,168)	3,609,246	5,120,748

Total segment assets								
31 December 2023	2,809,376	-	60,336,771	3,119,818	870,297	3,853,272	68,180,158	70,989,534
30 June 2023	3,955,818	-	58,413,971	3,395,007	1,694,457	1,361,292	64,864,727	68,820,545

Notes to the Financial Statements (continued)

Note 2 – Segment information (cont'd)

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

Half-year 2022	Technology	R&D	Parking Management				Total parking management	Total
			United Kingdom	New Zealand	Australia	Germany		
Total segment revenue	3,942,871	-	17,875,585	1,065,954	1,014,449	62,446	20,018,434	23,961,305
Inter-segment revenue	(1,866,809)	-	-	-	-	-	-	(1,866,809)
Revenue from external customers	2,076,062	-	17,875,585	1,065,954	1,014,449	62,446	20,018,434	22,094,496

The Group's revenue disaggregated by pattern of revenue recognition as follows:

Service transferred over time	2,076,062	-	17,875,585	1,065,954	1,014,449	62,446	20,018,434	22,094,496
Segment Adjusted EBITDA	810,930	(318,171)	6,291,208	390,166	(341,257)	(871,360)	5,468,757	5,961,516
Depreciation and amortisation	(155,564)	-	(2,117,130)	(115,080)	(123,616)	(25,745)	(2,381,571)	(2,537,135)
Loss on disposal of fixed property, plant and equipment	-	-	(19,987)	-	-	-	(19,987)	(19,987)
Segment Adjusted EBIT	655,366	(318,171)	4,154,091	275,086	(464,873)	(897,105)	3,067,199	3,404,394

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. 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 profit before income tax is provided as follows:

	Half-Year	
	2023	2022
	\$	\$
Segment Adjusted EBIT¹	5,120,748	3,404,394
Interest revenue	144,933	13,580
Interest expense	(356,584)	(328,620)
Non-recurring items ²	(506,391)	(306,868)
Foreign exchange gains on intra group funding	(335,447)	377,929
Adjusted EBIT for Group Corporate function	(782,283)	(703,594)
Profit before income tax from operations	3,284,976	2,456,821

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

²Non-recurring items include professional fees relating to actual and evaluated business acquisitions, government lobbying, and other expenses which are either non-recurring or non-operating in nature.

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

Segment Adjusted EBIT	5,120,748	3,404,394
Adjusted EBIT for Group Corporate function	(782,283)	(703,594)
Adjusted Group EBIT	4,338,465	2,700,800

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	
	2023	2022
	\$	\$
Other expenses		
Audit fees	36,970	34,550
Legal fees	166,272	194,900
Loss on disposal of fixed property, plant and equipment	34,057	19,987
Motor vehicle expenses	456,961	327,740
Travel and accommodation	510,207	467,933
Insurance	201,475	185,030
Telephone and communications	278,851	266,616
Other site service costs	1,571,941	1,118,299
Licencing authority fees	1,692,126	1,644,564
Recruitment expenses	132,048	148,394
Repairs and maintenance	373,686	348,721
IT Support	290,472	270,214
Professional fees related to completed and evaluated business acquisitions	339,684	-
Bad debts provision	120,411	113,937
Debt recovery costs	1,880,836	1,508,751
Other expenses	2,447,702	1,962,000
	10,533,699	8,611,636

Note 4 – Revenue and other income

		Half-Year	
		2023	2022
		\$	\$
	Note		
From continuing operations			
Revenue			
Revenue from sale of goods and services (recognised over time)	2	26,580,734	22,094,496
Interest revenue		144,933	13,580
Total revenue from continuing operations		26,725,667	22,108,076

Notes to the Financial Statements (continued)

Note 5 - Property, plant and equipment (non-current)

	Motor Vehicles	Office Equipment	Plant and Equipment	Leasehold Improvem- ents	Total
Consolidated	\$	\$	\$	\$	\$
Year ended 30 June 2023					
At 30 June 2023					
Cost	317,003	643,445	24,616,869	758,140	26,335,457
Accumulated depreciation & impairment	(260,729)	(477,984)	(15,291,248)	(297,406)	(16,327,367)
Net book amount	56,274	165,461	9,325,621	460,734	10,008,090
Half-year ended 31 December 2023					
Opening net book amount	56,274	165,461	9,325,621	460,734	10,008,090
Acquisition of subsidiary (note 7)	-	-	26,860	-	26,860
Additions	52,518	10,634	1,808,685	-	1,871,837
Disposals	-	-	(240,654)	-	(240,654)
Depreciation charge for the year	(7,953)	(40,705)	(1,700,296)	(27,417)	(1,776,371)
Foreign exchange translation	(330)	(550)	(119,003)	(8,820)	(128,703)
Closing net book amount	100,509	134,840	9,101,213	424,497	9,761,059
At 31 December 2023					
Cost	366,857	648,596	25,698,947	742,246	27,456,646
Accumulated depreciation & impairment	(266,348)	(513,756)	(16,597,734)	(317,749)	(17,695,587)
Net book amount	100,509	134,840	9,101,213	424,497	9,761,059

Notes to the Financial Statements (continued)

Note 6 – Intangible Assets (non-current)

	Software	Developed Technology	Consolidated Goodwill	Customer Relationships	Other intangible assets	Total
Consolidated	\$	\$	\$	\$	\$	\$
Year ended 30 June 2023						
At 30 June 2023						
Cost	1,697,653	6,452,024	3,075,863	1,740,056	17,318	12,982,914
Amortisation charge	(1,448,307)	(5,992,807)	(952,382)	(584,856)	(17,318)	(8,995,670)
Net book amount	249,346	459,217	2,123,481	1,155,200	-	3,987,244
Half-year ended 31 December 2023						
Opening net book amount	249,346	459,217	2,123,481	1,155,200	-	3,987,244
Acquisition of subsidiary (note 7)	-	-	1,753,231	-	-	1,753,231
Additions	9,470	242,507	-	-	92,513	344,490
Disposals	(7,255)	-	-	-	-	(7,255)
Amortisation charge	(42,740)	(78,208)	-	(175,426)	(13,239)	(309,613)
Foreign exchange translation	(2,086)	-	(64,058)	(19,790)	281	(85,653)
Closing net book amount	206,735	623,516	3,812,654	959,984	79,555	5,682,444
At 31 December 2023						
Cost	1,688,221	6,694,529	4,744,448	1,702,440	116,890	14,946,528
Amortisation charge	(1,481,486)	(6,071,013)	(931,794)	(742,456)	(37,335)	(9,264,084)
Net book amount	206,735	623,516	3,812,654	959,984	79,555	5,682,444

Notes to the Financial Statements (continued)

Note 7 – Business Combination

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

	Fair value recognized on acquisition \$
Assets	
Cash and cash equivalents	120,223
Trade and other receivables	180,574
Property, plant and equipment (note 5)	26,860
	327,657
Liabilities	
Trade and other payables	119,142
	119,142
Total identifiable net assets at fair value	208,515
Provisional Goodwill and Intangible assets arising on acquisition (note 6)	1,753,231
Purchase consideration transferred	1,961,746

(i) Goodwill and Intangible assets

The Company has one year from the date of acquisition to finalise the fair value of assets and liabilities acquired on acquisition. The company expects to recognise Intangible assets related to the acquired customer relationships pending receipt of valuations for those assets. Judgement is required to estimate future cashflows from customer relationships and their estimated useful lives. A deferred tax liability will be provided in relation to those fair value adjustments.

The goodwill will be finalised once the customer relationships have been valued. The goodwill is attributable to ParkInnovation's portfolio of sites and the expected increase in revenue and profitability following the upgrade of suitable sites to ANPR technology.

Notes to the Financial Statements (continued)

(ii) Revenue contribution

The acquired business contributed revenues of \$504,646, Adjusted EBITDA loss of \$37,847 and Adjusted Net loss before tax of \$53,632 to the group for the period from 13 July 2023 to 31 December 2023.

Note 8 – Issued Capital

There are 349,277,206 shares on issue. During the period the company issued 5m 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.

Note 9 – Reserves

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
Share based payments	4,178,636	4,011,672
Foreign currency translation	1,111,561	1,234,413
	5,290,197	5,246,085

Notes to the Financial Statements (continued)

Note 10 – Reconciliation of cash flows from operating activities

	Half-Year	
	2023	2022
	\$	\$
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax for the period	2,297,833	1,914,204
Adjustments for:		
Loss on disposal of plant and equipment	34,057	19,987
Depreciation and amortisation expense	3,185,027	2,537,135
Interest expense	356,584	328,620
Share-based payments expense	166,964	109,678
Net foreign exchange differences	335,447	(377,929)
Change in operating assets and liabilities, net of effects from purchase of controlled entity:		
(Increase)/Decrease in trade debtors and contract assets	(344,919)	1,594,620
(Increase)/Decrease in inventories	(8,458)	341,685
Increase in other current assets	(829,422)	(1,000,588)
Decrease in trade payables and accruals	(1,065,526)	(1,780,050)
Increase in tax payable and deferred tax	641,339	1,303,151
Net Cash inflow from operating activities	4,768,926	4,990,513

Note 11 – Dividends

No dividends were paid or declared during the period.

Note 12 – Events Subsequent to Reporting Date

No matter or circumstance has arisen since the reporting date which is not otherwise reflected in this report that has significantly affected or may significantly affect the operations of the consolidated entity.

Note 13 – Contingent Liabilities

There have been no changes in contingent liabilities since the last annual reporting period date, 30 June 2023.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 10 to 23 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 2023 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

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

16 February 2024