

## APPENDIX 4C COMMENTARY

### Quarter ended 31 December 2018

#### Highlights

- Awarding of a circa A\$2 million design and construction contract for auto retailer Bayswater Mazda in Western Australia with design works commenced.
- Contract variation works for Perth City Subaru project receipted.
- Revenue received for on-going design work on the Vector Management project.
- Pre-Contract design works commenced on several national projects.
- Cash reserves of \$2.177m as at 31<sup>st</sup> December 2018.

**PERTH AUSTRALIA, 31<sup>st</sup> JANUARY 2019: PARKD Ltd (“PARKD” or the “Company”)** (ASX:PKD) lodges the attached Appendix 4C Quarterly Cashflow Report for the quarter ended 31<sup>st</sup> December 2018 and provides the following update on its activities.

#### Bayswater Mazda Project Progressed

In October 2018, the Company was pleased to secure a circa A\$2m contract for the design and construction of a two-level car park and two-level showroom for Bayswater Mazda in Perth Western Australia. The Bayswater Mazda dealership is part of the largest privately owned car distribution group in Singapore, Eurokars Group, owned by Executive Chairman Mr Karsono Kwee. Eurokars have Porsche, Roll-Royce, Maserati, MINI, BMW, McLaren and Mazda dealerships across Singapore, China, Indonesia and Australia.

This project win was a significant milestone for the Company following the completion of the Perth City Subaru car park in September 2018, the first project utilising PARKD’s innovative modular car park solution.

Design works have progressed at the Bayswater Mazda project with the Development Application (DA) documentation awaiting client approval before submission. Site works are currently estimated to commence in May 2019, subject to client and DA approval.



*Render of the three-storey car park and a two storey pre-owned and used car show room*

### **Additional works completed for Perth City Subaru project, exercise of option to purchase the car park anticipated in March 2019**

During the quarter, PARKD completed and was paid for a variation of works at the Perth City Subaru project, where additional services were installed at the request of the client.

The Perth City Subaru car park was constructed at no cost to the Subaru dealer and the Company owns the car park and provides it to the Subaru dealer for its exclusive free use for 6 months from practical completion. During this 6 month period the Subaru dealer has an option to purchase the car park for \$690,000 plus GST. PARKD anticipates this option will be exercised in March 2019 and will update the market via the ASX once finalised.

### **Revenue generated for contract design work on Vector Management project**

Revenue was also received during the quarter for the completion of contract design works for Vector Management, the design contract announced to the ASX on 11<sup>th</sup> September 2018 in an announcement titled “Parkd Signs Contract for Inner City Project”. PARKD was paid for the initial design and feasibility work to validate the commercial viability of a multi-storey 389 bay car park located in inner city Perth. The Company will now work to progress the project to the next stage.

### **Multiple pre-contract design projects underway**

We have continued to grow our pre-contract design works with three projects under way on the east coast of Australia and several more in negotiation. The sectors in which the Company is currently delivering pre-contract paid services are:

- National Airport Expansion
- Commercial existing multi-level car park extension
- Commercial at grade car park multi-level extension

The delivery of pre-contract design is the first step in the development process to assess the feasibility and viability of each project. On the completion of these works the client has the option to proceed to a design and construction contract or conclude the design works.

## **Demand for PARKD's technology**

During the quarter, enquiry levels remained positive for both the construction of new car parks and feasibility works for car park developments.

Sectors in which the Company has seen the greatest value and demand for the PARKD System are as follows:

- National Airports
- Public Transport Authorities
- National Retail Shopping Centre Owners and Operators
- Automotive Retail

These new enquires, and the progression of existing enquiries, have demonstrated both the demand for the PARKD System in the market and the compatibility of our primary commercial contract; being an end-to-end design and construct delivery model which leads the client from the initial concept architectural design, through to Development Application Approval, Building Licence and site construction and assembly.

## **Cashflow commentary**

The Company generated net operating cash outflows for the quarter of \$0.700m with \$0.065m of receipts from customers partially offsetting operating cash expenditure on current projects and corporate overhead. Receipts from customers included contract variation works on the City Subaru project as well as design contract works performed for Vector Management.

In addition, the Company generated net financing cash inflows of \$0.054m during the quarter from the placement of the Entitlement Option Issue shortfall. In total, the Company raised \$0.164m, net of costs, from the 1 for 4 non-renounceable Entitlement Option Issue pursuant to a Prospectus dated 18 July 2018.

The Company had cash reserves of \$2.177m as at 31 December 2018.

## **[ENDS]**

For further information, please contact:

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## **FORWARD LOOKING STATEMENTS**

This announcement may contain certain "forward looking statements" which may not have been based solely on historical facts, but rather are based on the Company's current expectations about future events and results.

Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially to futures results expressed, projected or implied by such forward looking statements.

The Company does not undertake any obligation to release publicly any revisions to any “forward looking statements” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under the applicable securities laws.

#### **ABOUT PARKD GROUP**

Parkd has intellectual property rights to aspects of an innovative lightweight concrete “modular” car parking system. The modular aspect of the system and minimising the structural weight provides the ability to relocate the car park or adapt it to parking demands by adding or subtracting to the structural levels of the car park.

The Parkd Car Park System is currently designed for single or multi rise arrangements for up to 6 levels including ground level. The Parkd Car Park System will be prefabricated offsite with the potential to reduce construction time and construction cost when compared to traditional methods.

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

PARKD LTD

**ABN**

94 615 443 037

**Quarter ended ("current quarter")**

31 DECEMBER 2018

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(6 months)<br/>\$A'000</b> |
|-----------------------------------------------------------|------------------------------------|------------------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                                    |                                                |
| 1.1 Receipts from customers                               | 65                                 | 66                                             |
| 1.2 Payments for                                          |                                    |                                                |
| (a) research and development                              |                                    |                                                |
| (b) product research, manufacturing and operating costs   | (375)                              | (1,151)                                        |
| (c) advertising and marketing                             |                                    |                                                |
| (d) leased assets                                         |                                    |                                                |
| (e) staff costs                                           | (205)                              | (334)                                          |
| (f) administration and corporate costs                    | (232)                              | (490)                                          |
| 1.3 Dividends received (see note 3)                       |                                    |                                                |
| 1.4 Interest received                                     | 2                                  | 5                                              |
| 1.5 Interest and other costs of finance paid              | 0                                  | 0                                              |
| 1.6 Income taxes paid                                     |                                    |                                                |
| 1.7 Government grants and tax incentives                  | -                                  | -                                              |
| - R&D tax rebate                                          |                                    |                                                |
| 1.8 Other (provide details if material)                   |                                    |                                                |
| - Net GST received / (paid)                               | 45                                 | (17)                                           |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(700)</b>                       | <b>(1,921)</b>                                 |

| Consolidated statement of cash flows                      |  | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|-----------------------------------------------------------|--|----------------------------|---------------------------------------|
| <b>2. Cash flows from investing activities</b>            |  |                            |                                       |
| 2.1 Payments to acquire:                                  |  |                            |                                       |
| (a) property, plant and equipment                         |  |                            |                                       |
| (b) businesses (see item 10)                              |  |                            |                                       |
| (c) investments                                           |  |                            |                                       |
| (d) intellectual property                                 |  |                            |                                       |
| (e) other non-current assets                              |  |                            |                                       |
| 2.2 Proceeds from disposal of:                            |  |                            |                                       |
| (a) property, plant and equipment                         |  |                            |                                       |
| (b) businesses (see item 10)                              |  |                            |                                       |
| (c) investments                                           |  |                            |                                       |
| (d) intellectual property                                 |  |                            |                                       |
| (e) other non-current assets                              |  |                            |                                       |
| 2.3 Cash flows from loans to other entities               |  |                            |                                       |
| 2.4 Dividends received (see note 3)                       |  |                            |                                       |
| 2.5 Other (provide details if material)                   |  |                            |                                       |
| <b>2.6 Net cash from / (used in) investing activities</b> |  | <b>0</b>                   | <b>0</b>                              |

|                                                                                 |  |           |            |
|---------------------------------------------------------------------------------|--|-----------|------------|
| <b>3. Cash flows from financing activities</b>                                  |  |           |            |
| 3.1 Proceeds from issues of shares                                              |  | 78        | 188        |
| 3.2 Proceeds from issue of convertible notes                                    |  |           |            |
| 3.3 Proceeds from exercise of share options                                     |  |           |            |
| 3.4 Transaction costs related to issues of shares, convertible notes or options |  | (24)      | (24)       |
| 3.5 Proceeds from borrowings                                                    |  |           |            |
| 3.6 Repayment of borrowings                                                     |  | (0)       | (1)        |
| 3.7 Transaction costs related to loans and borrowings                           |  |           |            |
| 3.8 Dividends paid                                                              |  |           |            |
| 3.9 Other (provide details if material)                                         |  |           |            |
| <b>3.10 Net cash from / (used in) financing activities</b>                      |  | <b>54</b> | <b>163</b> |

| Consolidated statement of cash flows |                                                                              | Current quarter<br>\$A'000 | Year to date<br>(6 months)<br>\$A'000 |
|--------------------------------------|------------------------------------------------------------------------------|----------------------------|---------------------------------------|
| <b>4.</b>                            | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |                            |                                       |
| 4.1                                  | Cash and cash equivalents at beginning of quarter/year to date               | 2,823                      | 3,935                                 |
| 4.2                                  | Net cash from / (used in) operating activities (item 1.9 above)              | (700)                      | (1,921)                               |
| 4.3                                  | Net cash from / (used in) investing activities (item 2.6 above)              | 0                          | 0                                     |
| 4.4                                  | Net cash from / (used in) financing activities (item 3.10 above)             | 54                         | 163                                   |
| 4.5                                  | Effect of movement in exchange rates on cash held                            | 0                          | 0                                     |
| <b>4.6</b>                           | <b>Cash and cash equivalents at end of quarter</b>                           | <b>2,177</b>               | <b>2,177</b>                          |

|            |                                                                                                                                                                             |                            |                             |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
| 5.1        | Bank balances                                                                                                                                                               | 2,177                      | 2,823                       |
| 5.2        | Call deposits                                                                                                                                                               | 0                          | 0                           |
| 5.3        | Bank overdrafts                                                                                                                                                             | 0                          | 0                           |
| 5.4        | Other – bank guarantee                                                                                                                                                      | 0                          | 0                           |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>                                                                                            | <b>2,177</b>               | <b>2,823</b>                |

|                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                      |                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|----------------------------|
| 6.                                                                                                                                                                                                                                                                                                                                                                              | Payments to directors of the entity and their associates                                             | Current quarter<br>\$A'000 |
| 6.1                                                                                                                                                                                                                                                                                                                                                                             | Aggregate amount of payments to these parties included in item 1.2                                   | 76                         |
| 6.2                                                                                                                                                                                                                                                                                                                                                                             | Aggregate amount of cash flow from loans to these parties included in item 2.3                       | 0                          |
| 6.3                                                                                                                                                                                                                                                                                                                                                                             | Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 |                            |
| <div><div>-</div><div>Salary and superannuation paid to Executive Director (\$47k)</div><div>-</div><div>Directors fees and superannuation paid to Non-Executive Directors (\$25k)</div><div>-</div><div>Mac Equity Partners (International) Pty Ltd a company controlled by Non-Executive Director Bryant McLarty was paid corporate advisory retainer fees (\$4k)</div></div> |                                                                                                      |                            |

| 7. Payments to related entities of the entity and their associates                                       | Current quarter<br>\$A'000 |
|----------------------------------------------------------------------------------------------------------|----------------------------|
| 7.1 Aggregate amount of payments to these parties included in item 1.2                                   | 0                          |
| 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3                       | 0                          |
| 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 |                            |
|                                                                                                          |                            |

| 8. Financing facilities available<br><i>Add notes as necessary for an understanding of the position</i>                                                                                                                                                                                    | Total facility amount<br>at quarter end<br>\$A'000 | Amount drawn at<br>quarter end<br>\$A'000 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------|
| 8.1 Loan facilities                                                                                                                                                                                                                                                                        | 0                                                  | 0                                         |
| 8.2 Credit standby arrangements                                                                                                                                                                                                                                                            | 0                                                  | 0                                         |
| 8.3 Other (please specify)                                                                                                                                                                                                                                                                 | 0                                                  | 0                                         |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. |                                                    |                                           |
|                                                                                                                                                                                                                                                                                            |                                                    |                                           |

| 9. Estimated cash outflows for next quarter                                  | \$A'000      |
|------------------------------------------------------------------------------|--------------|
| 9.1 Research and development                                                 | -            |
| 9.2 Product research, manufacturing and operating costs                      | (63)         |
| 9.3 Advertising and marketing                                                | -            |
| 9.4 Leased assets                                                            | -            |
| 9.5 Staff costs                                                              | (229)        |
| 9.6 Administration and corporate costs                                       | (268)        |
| 9.7 Other (provide details if material)                                      |              |
| - Receipts from customer (excluding City Subaru project option exercise fee) | 188          |
| - Net GST received / (paid)                                                  | 42           |
| <b>9.8 Total estimated cash outflows</b>                                     | <b>(329)</b> |



| 10.  | Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above) | Acquisitions | Disposals |
|------|---------------------------------------------------------------------------------|--------------|-----------|
| 10.1 | Name of entity                                                                  |              |           |
| 10.2 | Place of incorporation or registration                                          |              |           |
| 10.3 | Consideration for acquisition or disposal                                       |              |           |
| 10.4 | Total net assets                                                                |              |           |
| 10.5 | Nature of business                                                              |              |           |

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Company secretary)

Date: ...31 January 2019.....

Print name: .....Emma Waldon.....

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.