

APPENDIX 4C COMMENTARY

Quarter ended 31 December 2019

Highlights

- Technical Service awarded for 3 multi-level car parks in Western Sydney
- Tendering on a number of car parking projects across Australia
- Ongoing research and development activities and receipt of research and development rebate of \$437,000
- Cash reserves of \$1.7m as at 31 December 2019

PERTH AUSTRALIA, 23 JANUARY 2020: PARKD LTD (“PARKD” or the “Company”) (ASX:PKD) lodges the attached Appendix 4C Quarterly Cashflow Report for the 6 months period ended 31 December 2019 and provides the following update on its activities.

The Company has tendered and quoted on a number of car park projects across Australia. This recommencement of infrastructure spending on car parks follows a number of years during which few, if any, car parks were built in Australia. In particular, the federally funded National Commuter Parking Project programme is gaining momentum and PARKD remains well placed to participate in this major infrastructure programme. As an example, PARKD has recently been contracted by a Western Sydney council to deliver technical services to access Commonwealth funding for the construction of 3 multi-level commuter car parks. These 3 car parks are part of a commitment by the Commonwealth to deliver 47 multi-level commuter car parks at key locations nationally before 2022. More of these fee generating projects are expected in the coming months.

The Company continued its research and development activities to refine and improve its modular car park components to make them lighter, stronger and cheaper. The ongoing research and development activities have enabled the Company to claim a rebate for the 2019 financial year of \$437,000 which was received in October 2019.

Net operating cash outflows for the December quarter totalled \$352,000 and the Company's cash reserves were \$1.7m as at 31 December 2019.

With respect to item 6.1 of the Appendix 4C totalling \$110,000 for the December quarter, the Company provides the following information:

- Salary and superannuation paid to an Executive Director: \$55,000;
- Directors fees and superannuation paid to Non-Executive Directors: \$45,000; and
- Corporate advisory retainer fees paid to Mac Equity Partners (International) Pty Ltd, a company controlled by a Non-Executive Director: \$10,000.

[ENDS]

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ABOUT PARKD LTD

PARKD has intellectual property rights to aspects of an innovative lightweight concrete “modular” car parking system. The modular aspect of the system and the minimising of 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 of up to 6 levels including ground level. The PARKD Car Park System is prefabricated offsite with the potential to reduce construction time, cost and site disruption when compared to traditional construction methods.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

PARKD LTD

ABN

94 615 443 037

Quarter ended ("current quarter")

31 DECEMBER 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	76	214
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(90)	(101)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(225)	(465)
(f) administration and corporate costs	(529)	(778)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(6)	(6)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	437	437
1.8 Other (Net GST received/(paid))	(16)	(31)
1.9 Net cash from / (used in) operating activities	(352)	(728)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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)	-	-
2.6	Net cash from / (used in) investing activities	0	0

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	0	0

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,057	2,433
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(352)	(728)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,705	1,705

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,705	2057
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,705	2,057

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
110
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities <i>Note: the term 'facility' includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(352)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,705
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	1,705
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	4.8

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:
Yes

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:
No

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:
Yes, based on expected future cash flow generating opportunities.

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.

30 January 2020

Date:

By the Board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.