

PARKD LIMITED | IPO Note

CHANGING THE FUTURE OF CAR PARK CONSTRUCTION

Parkd Limited is a Western Australian company that has developed a patented car park construction system that allows for the modular building of multi-storey car parks at a fraction of the time and cost it takes to build traditional car parks. The Parkd System utilises three concrete components that are pre-fabricated offsite and are light enough to be transported to site, craned into position and simply bolted together, potentially revolutionising the engineering of car parks.

The Parkd System is up to 75% faster to construct and up to 35% cheaper than traditional car parks, significantly reducing upfront capital costs, break even periods and lost revenue.

Being modular in nature, the system allows for the deconstruction, relocation and reuse of the car park components and provides the flexibility to add and remove levels in response to parking demand over time.

Parkd has already successfully secured its first contract to build a single level car park for a major Australian car dealership City Subaru.

INVESTMENT HIGHLIGHTS

CITY SUBARU CONTRACT SECURED | Major Australian Car Dealership

- Local council Development Approval for a 49 bay single storey car park granted.

CHEAPER, FASTER, LIGHTER | An innovation in car park construction

- Pre-cast solution can be built as much as 35% cheaper and 75% faster.

MODULAR | Precast, demountable and relocatable

- Add or remove whole levels overtime or totally relocated and reuse the parking structure at a new location.

PATENTED STRUCTURAL SYSTEM | Significant barrier to entry

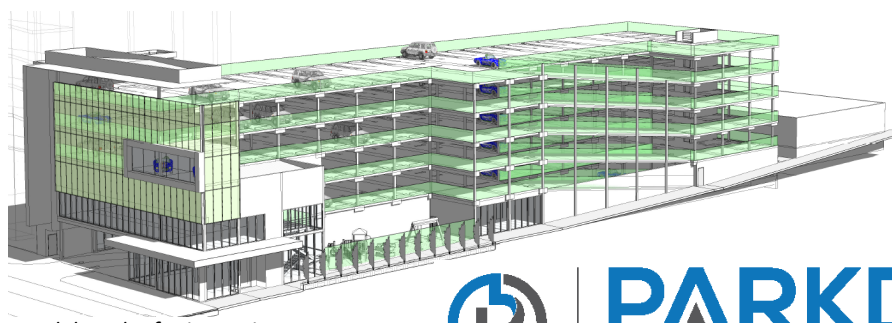
- Certified innovation patent and provisional patent lodged.

STRONG DEAL FLOW POTENTIAL | Multiple revenue streams

- Mature discussions underway with a number of public and private entities who recognise the inherent value of the Parkd modular system.

EXPERIENCED BOARD | Construction/engineering, automotive, finance

- Management have extensive experience and networks in the engineering and automotive industry.



Parkd render for inner city car park structure



OFFER DETAILS

Shares issued at IPO	30.0m
Listing Price	\$0.20
Amount to be raised	\$6.0m
No. shares at listing	75.15m
Market capitalisation (undiluted)	\$15.03m
Cash post IPO	\$6.0m
Enterprise Value	\$9.03m

CAPITAL STRUCTURE

Seed Shares	9.0m
Total Shares at IPO	75.15m
Founders, management + lead manager	48.1%
Free Float	39.9%
Options, 30c Dec 2020	17m

MANAGEMENT

Bronte Howson	Non-Exec Chairman
Peter McUtchen	Managing Director
McGregor Thom	Executive Director
Bryant Mclarty	Non-Exec Director

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SUPERIOR PARKD SYSTEM PROPERTIES

Australian First

- The first precast, prefabricated, concrete modular car park construction system that is compliant with **Australian Standards**.
- Independent engineering report produced by Peritas Group independently verifying the design and engineering concept.

Benefits of Standardised Modular Construction System

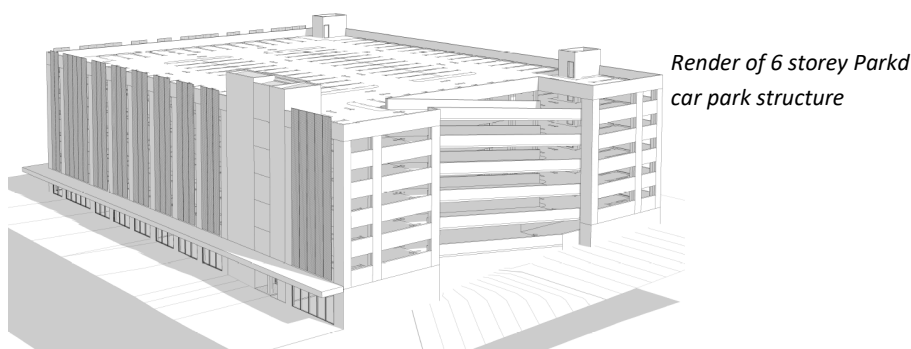
- Provides **time** and **cost savings** for businesses and Government.
- **Ability to relocate the car park** or adapt it to parking demand by **adding or removing levels** of the car park over time provides **flexibility**.
- Can be **built on leased land** - opens parking opportunities for many commercial leaseholders.

Patented

- Certified Australian Innovation Patent for Parkd continuously voided beam.
- Standard provisional patent for structural design of Parkd System lodged.

Simple Construction and Installation

- Pre-cast concrete construction using widely recognised technology.
- Components trucked to site and lifted directly into place by crane and the pre-cast concrete components bolted together.



CONSTRUCTION COMPARISON

	PARKD*	TRADITIONAL
Total Bays	678	678
Onsite Construction Time	35 days	115 days
Days Per Level	6 days	19 days
Approx. Weight per m ² **	357kg	661kg
Cost of Structure	\$13.5m	\$20.8m
Deconstructable	Yes	No
Add /subtract Levels	Yes	No

* Economies of scale provide larger time and cost savings for larger projects

** Structural self weight of slab structure only. Excludes columns and footing structures

*** These figures are based on WA subcontractor market estimates and quotations

KEY MANAGEMENT

Peter McUtchen

Managing Director



- Founder of Parkd with 14 years' experience in structural design and construction.
- WA Practice Manager for a national engineering firm and former WA President of the Concrete Institute of Australia.
- Specialises in the design of post-tensioned concrete structures.

Bronte Howson

Chairman

- Previously the CEO and subsequently Managing Director of \$1.2bn market cap Automotive Holdings Group (ASX:AHG).
- More than 30 years' experience in automotive retailing industry.
- High level corporate and management experience.
- Extensive network throughout Australia.

Bryant McLarty

Non-executive Director

- Executive Chairman of Mac Equity Partners.
- Over 20 years' experience in public capital markets. Previously held numerous board positions of ASX listed companies.
- Capitalised and re-structured Structural Monitoring Systems, taking its market cap from \$4m to a high of \$300m.

COMMERCIALISATION STRATEGY AND REVENUE MODELS

The first car park being built for City Subaru has application across many of City Subaru and Automotive Holding Group's (ASX:AHG) Australia wide dealerships. The demand for a unique adaptable parking solution by car dealerships around Australia will be the primary commercialisation target upon listing.

There are many additional parking markets that Parkd will look to expand into upon listing including temporary and permanent car park solutions for large construction projects, CBD landholders, public transport modal interchanges, airports, retail shopping centres, hospitals, and universities.

Parkd intends to commercialise and generate revenue through:

- **Partnering with builders** to construct and sell car parks to private and public entities.
- **Licensing** the Parkd System to licensees - Large construction contractors, BGC, Multiplex etc.
- **Owning and operating** its own car park projects - Public hospital, public transport etc.
- **Leasing** the Parkd System to clients - government, CBD landholders and developers, retail centre owners etc.



Parkd car park render cross section

PARKD COMPETITIVE ADVANTAGES

Currently, traditional "in situ" construction is the primary method for building multi-storey car parks in Australia, involving onsite construction using raw materials such as wet concrete and form work. The Parkd System is the first of its kind in Australia allowing for offsite pre-fabricated and modular concrete construction. Although pre-cast modular parking structures are being built by specialist construction companies in America, Canada and Europe, the structures are not demountable and reusable in the manner in which the Parkd System provides. Even so, international markets are showing exceptional growth as car park owners, builders and operators realise the many construction and financial benefits that precast, modular construction provides. Parkd's competition in Australia is traditional static in situ car parking structures, as pre-cast modular concrete systems simply do not exist.

CONSTRUCTION ADVANTAGES

Prefabricated - The Parkd System can be pre-fabricated by local suppliers using existing pre-casting technology, making the system easily scalable across Australia.

Light Weight - Pre-fabricated elements are light enough to be trucked to site, moved into place by crane and simply bolted together.

Modular - The system comprises three pre-cast concrete elements that are adaptable and flexible to both site specific parking requirements and allows levels to be added or removed from the structure in response to parking demand over time.

Demountable - Parkd's modular construction system allows the structure to be unbolted and deconstructed. The system can then be trucked to a new site and assembled for reuse or the elements stored for future use.

Standardised Construction - Comprising of three primary elements the Parkd System is easy to install by contracted builders and designed to be assembled in a variety of configurations.

FINANCIAL ADVANTAGES

When compared to traditional multi-storey car park construction the Parkd System saves on total costs through both lower direct and indirect costs.

Direct cost savings - The lower cost of the Parkd System arises principally from lower costs of actually constructing the structure using pre-fabricated construction techniques. Lower concrete supply costs, no need build form work onsite, less onsite labour and no need for traffic management all contribute to cost savings.

Indirect cost savings - The Parkd System can be built in a shorter period of time which limits downtime and therefore lost revenue for businesses. Insurance costs associated with construction may also be reduced due to a shorter insurance period and lower onsite risk (less labour, no hot works). If financed by debt, the Parkd System can provide lower interest repayments due to lower borrowing amount (lower direct cost of construction) and an ability to pay back the debt faster by earning revenue from the car park earlier than when compared to traditional construction time frames.

PRIMARY TARGET MARKETS

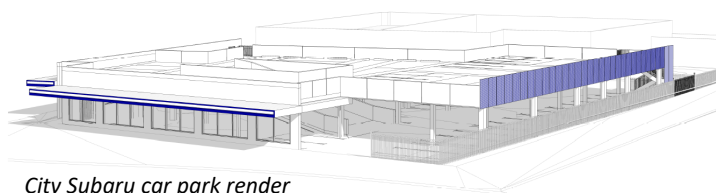
1. Car Dealership Parking

Parking space is an issue facing inner city car dealerships across Australia. Many are forgoing revenue from new and used car sales and vehicle servicing purely due to not having enough onsite parking capacity. An enormous amount of time, money and resources are being wasted on ad-hoc parking solutions that do not satisfactorily address the issue facing car dealerships.

The need for parking services at car dealerships arises in three main areas:

1. New and used vehicle parking;
2. Pre and post vehicle servicing parking; and
3. Customer parking.

New vehicle sales have reached record levels in Australia with 1.178m new vehicles sold in 2016.¹ The majority of new cars are now imported, costing dealerships in transport logistics and both onsite and offsite storage. In 2016-17, motor vehicle dealership revenue was estimated to be \$63.7bn whilst motor vehicle servicing totalled \$16.1bn.²



City Subaru car park render

City Subaru Car Park Contract

The Town of Victoria Park has granted development approval for Parkd to supply and construct a single level car park providing 49 car bays to a Perth City Subaru Dealership. The Parkd System provides a unique, cost effective parking solution with minimal disruption to the car dealership's business. Onsite parking will be increased to allow more new and used vehicles to be displayed and the servicing department to operate closer to full capacity leading to higher throughput and revenue. Additionally the dealer saves on insurance costs each year as a portion of the car bays provided are undercover.

Key terms of the contract:

- Construction at zero initial cost to dealer;
- Parkd will own car park and provide structure to the dealer for its exclusive free use for 6 months;
- The dealer has an option to purchase the structure for \$690,000 plus GST within the first 6 months.

Upon listing Parkd intends to focus on this primary market by contracting to build multiple car park structures for car dealerships in inner city locations around Australia.

2. Temporary Construction Project Parking

The market for *non-residential* building construction accounted for 17.2% of the \$204.5bn construction industry in 2014.³ Large construction projects put significant pressure on surrounding parking due to the short term spike in demand from the hundreds of sub-contractors who work on site each day, limiting the available parking bays for surrounding businesses and frustrating nearby residents whose street parking has been disrupted.

Perth Children's Hospital Parking Disaster

Over a three year construction period whilst the Perth Children's Hospital was being built the existing hospital lost over 800 staff and nurses car bays.



Aerial view of Perth Children's Hospital under construction

Up to 1000 workers were onsite on any given day resulting in \$700,000 per month payable for lost car bays to the existing operator. The parking "solution" was to spend \$150m over three years to provide offsite parking for 3500 staff and nurses and transport staff to the hospital using buses.

The Parkd Solution

The Parkd System can provide a practical solution to an issue which faces numerous construction projects around Australia. The system can be quickly and cost effectively built to temporarily cater for the short spike in parking demand. Once the project is completed the demountable Parkd System is then relocated to the next major project for reuse or stored. The demountable, reusable structural system can be sold, leased or licensed to construction giants such as Multiplex, BCI Australia, John Holland etc. The Parkd System provides a flexible solution to a problem commonly faced in the construction industry and has the potential to significantly reduce the cost of managing parking during construction.

ADDITIONAL TARGET MARKETS

CBD Parking

There is a significant amount of unused land in inner city locations waiting to be developed. The Parkd System can be built on unused land to generate temporary revenue whilst the land is waiting to be developed and relocated prior to development. Ride sharing and driverless cars will change the future dynamics of CBD parking making the decision to invest in a static parking asset complex and risky. The Parkd System provides flexibility in both construction and operation of the car park into the future and is responsive to future parking demand.

University Parking

Parkd System can be built in stages over multiple university breaks, yet be fully functional during semester so as not to disturb the campus. There is a total of 43 accredited universities in Australia with over 1.4m students.⁴

Retail Shopping Centre Parking

The Parkd System is ideal when shopping centre parking is being refurbished and when land utilisation is a priority in densely populated areas.

Public Transport Modal Interchange Parking

Patronage rates have reached record levels in many cities with many commuters using 'park and ride' car parks to park their car and continue their journey using public transport.⁵ Government benefits from lower up front capital costs with added advantage of flexibility in management and less disruption to commuters due to reduced construction times.

Airport Parking

Airports are the most profitable industry segment, accounting for a third of industry revenue.⁶ Parkd provides airport operators flexibility in how they manage long term parking demand. Undercover airport storage parking also presents a unique opportunity for the Parkd System.

Hospital Parking

Constrained by surrounding development and a need to increase land utilisation to cater for ever increasing staff, patient and visitor numbers, parking will continue to be an issue for public and private hospitals around Australia.

KEY RISKS AND REFERENCES

IP and Competing Technologies Risk - There is a risk that the Company's attempts to secure IP protection through either patents or trade secrets may not be successful. Failure to adequately maintain suitable IP protection may enable other companies to more effectively compete with the Company and may impact the Company's future operations including revenue and profitability.

Funding Risk - The Company may not earn significant revenue through sale or licensing. The Company's ability to attract additional capital is subject to a number of factors that are not within the control of the Company.

Commercialisation Risk - The main commercialisation goal of the Company is to lease, license and partner with builders to construct the Parkd System. Failure to earn revenue through these avenues will significantly affect the Company's capital position.

Management Risk - The Company is dependent on the ability of management to commercialise the technology and carry out the Company's business model. A loss of personnel could impede its ability to do so.

1. Federal Chamber of Automotive Industry (<https://www.fcmai.com.au/sales>).
2. IBISWorld Pty Ltd, Industry Report G3911 - Motor Vehicle Dealers in Australia, February 2017; IBISWorld Pty Ltd, Industry Report S9419 - Motor Vehicle Engine and Parts Repair and Maintenance in Australia, March 2017.
3. AI Group Economics Research 'Australia's Construction Industry: Profile and Outlook' July 2015.
4. www.australianuniversities.com.au/list/;
<http://www.universitiesaustralia.edu.au/australias-universities/key-facts-and-data#.WKUvJMfyqSg>.
5. IBISWorld Pty Ltd, Industry Report I4720 - Rail Passenger Transport in Australia, November 2016.
6. IBISWorld Pty Ltd, Industry Report S9533 - Parking Services in Australia, December 2016.

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