

QUARTERLY ACTIVITIES REPORT - APPENDIX 4C

Quarter ended 30 June 2023

PERTH AUSTRALIA, 31 July 2023: PARKD Ltd (“PARKD” or the “Company”) (ASX: PKD) lodges the attached Appendix 4C Quarterly Cashflow Report for the 3 months period ended 30 June 2023 and provides the following update on its activities for the quarter.

This quarter saw continued strengthening of the Companies fee paying works, construction contracts and IP commercialisation and places the Company in a positive position to forecast meaningful cash flow and IP activation over the next 12-18 months.

In respect to fee paying activity, during the quarter the company completed technical advisory works for NSW Port Authority, Western Australia Private Hospital Operator Bethesda Health Care, Fremantle City Council and Tasmania Car Park developer and operator Sultan Group. PARKD also secured and submitted additional works for John Hughes at another auto retail centre in Perth following the positive commercial and operation outcomes resulting from the PARKD works completed in 2022.

Together these works present a bank of potential opportunities for the company to secure further technical and construction projects into the future whilst positioning PARKD as a leading specialist in the development of multi-level car park structures.

In the quarter the company also entered into an exclusivity agreement with Multinational Tier 1 contractor Besix Watpac for works relating to tendering opportunities in NSW. Where applicable PARKD will present design solutions utilising its patented IP to minimise construction programs and improve productivity on projects.

The Company also commenced commercial negotiation for technical advisory works for new clients Woolworths (Fabcot Pty Ltd) and Perth Airport (Perth Airport Pty Ltd) during the quarter and is on track to reach 5000 suspended car bays under current technical advisory works.

Regarding current construction contract projects, works for Stage 1 design documentation on the Audi Centre Myaree project, completed in the quarter, were valued at circa \$149k and the company has commenced Stage 2 negotiation for the start-on-site construction works in Q3 2023.

Following the completion of feasibility advisory and design works with the John Hughes Group, the Company was awarded a \$4.46m 3-level car park design and construction contract. This contract will be delivered in 2 stages; Stage 1 involves construction documentation valued at \$280k forecast to be complete in Q3 2023 and the Stage 2 turnkey construction works on the project valued at \$4.18M with expected commencement date Q4 2023.

These projects present the Company with the opportunity to utilise its patent pending Metal Deck Support Bracket developed in partnership with Bluescope/Fielders to both improve the outcomes for our clients and refine construction methodologies and manufacturing efficiencies for the scaled delivery of the solution to the wider construction market.



PARKD completed independent R&D testing of its new permanent and temporary structural slab system in collaboration with Bluescope/Fielders and Curtin University. This new structural slab “Kit-of-Parts” system consists of PARKDs Metal Deck Support Bracket system (MDSB), PARKDs patented Continuously Voids Beam (CVB™) technology and Fielders Slimdek Structural Decking Slab system (an existing Fielders product). As a result of the successful independent R&D testing, the new structural slab “Kit-of-Parts” system will be immediately adopted and specified for use on existing projects. This new innovative technology streamlines construction activity creating further time and cost benefits to the PARKD Systems both from a cost and embodied carbon aspect.

During the quarter PARKD was awarded the Western Australia Technology and Innovation Award in the Concrete Institute of Australia Awards for Excellence in Concrete for the design and construction of the John Hughes Rushton Street Project that was completed in 2022 using the rapid permanent PARKD prefabricated structural system. The awards recognise the significant contribution to excellence in concrete research, design, construction and materials in Australia and in particular this category includes significant contributions to the understanding of use of concrete as evidenced by research, technical publications, patent applications, new products or pieces of equipment, new techniques, design innovations, or educational activity. This award is testament to the work delivered by the PARKD team and implementation of the system delivering solutions to our client on that project.

Net operating cash outflows for the quarter totalled \$279,000 and the Company’s cash reserves at 30 June 2023 was \$402,000.

Revenue for the quarter comprised fee income for technical services provided to various clients and progress claims in the quarter on the Audi Myaree and John Hughes projects and continues to fluctuate subject to claim approvals and milestones. Expenditure for the quarter consisted of general project, administrative and compliance costs that were consistent with the Company’s stated business objectives.

With regards to item 6.1 of the Appendix 4C totalling \$78,000, the Company advises that it consisted of salary and superannuation payments to directors with the exception of the Chairman. The Chairman’s remuneration for the quarter was accrued but not paid; the Chairman may elect to receive his remuneration to June 2023 by issue of shares in lieu of cash payment subject to the required shareholder approval as was previously done for fees up to 31 December 2022.

This announcement has been approved for release by the board of directors.

[ENDS]

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ABOUT PARKD LTD (ASX: PKD)

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")

30 JUNE 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers (net of GST)	155	1,400
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(149)	(998)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(176)	(767)
(f) administration and corporate costs	(107)	(400)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	4
1.5 Interest and other costs of finance paid	(3)	(3)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	240
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(279)	(524)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(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 (12 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 – Bank Guarantee released	-	37
2.6	Net cash from / (used in) investing activities	-	37

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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	681	889
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(279)	(524)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	37

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	402	402

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	402	681
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)	402	681

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	78
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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)	(279)
8.2 Cash and cash equivalents at quarter end (item 4.6)	402
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	402
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.44
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 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?	
<p>Answer:</p> <p><i>No, With a recent new contract awarded at the end of the quarter, ongoing projects and new works under negotiation, the Company expects an increase in inflows from revenue thereby reducing the overall operating outflows over the next two quarters. Timing of generated revenue invoiced in the quarter and actual receipts from customers have also crossed over the reporting period, resulting in a fluctuation of cash inflows for the quarter.</i></p>	

8.6.2 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: The Company's business development plan to procure new projects is demonstrated with the newly awarded contract at the end of this quarter. It has existing contracts and completed negotiations on additional technical advisory work, as described in the quarterly activities report that are expected to continue to support its cash revenues over the short to medium term

The Company monitors its cash flow forecast to ensure they will have sufficient cash to continue its operations to meet its objectives on an ongoing basis and will be able to curtail discretionary administrative and overhead costs, should need be required.

The Company has ability to conduct capital raising as and when required, and the Directors are confident that would be successful in securing sufficient additional funding if needed as has been demonstrated in previous capital raisings.

8.6.3 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 ongoing existing contracts, newly awarded contracts and business development to procure additional new projects, the Company expects its existing cash reserves and generation of revenue from ongoing and anticipated contracts will be sufficient to meet its short and medium-term business objectives.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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.

Date: 31 July 2023

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.