



**SMART
TRANS**

SmartTrans Holdings Limited (ASX:SMA)

Re-boot for Revenue and Profit Growth

\$3M to \$5M Capital Raise – February 2018



SmartTrans Limited - Corporate Snapshot

Corporate overview

ASX code	SMA
Shares on issue	2,778M
Market Cap (at \$0.005 per share)	\$14M
Unlisted Options (@ \$0.01-\$0.067)	323M
52 week high (\$/share)	\$0.027
52 week low (\$/share)	\$0.004
Debt	\$0

Major shareholders

	No. Shares	%
Dymocks Securities Pty Ltd	408M	14.7
Citicorp Nominees Pty Ltd	337M	12.1
Loyal Strategic Investment Ltd	246M	8.9
Ocean Magic Investments Ltd	91M	3.3
Top 20 largest shareholders:	1,634M	58.8

SMA Directors



Mark Vaile AO
Non-Executive Chairman.
NED Virgin Air, Whitehaven & Servcorp
Ex Deputy Prime Minister



Brendan Mason
Managing Director.
Ex Caterpillar, Cochlear, Boral, Lucent/Bell Labs
Past Chair AustCham (Beijing)
10 years in China



Tracy Colgan
Non-Executive.
Chair, rem committee.
30 years in China
Ex-President Strategic Advisors Kamsky.
Immediate past chair AustCham (Beijing)



Mark Zijsen
Non-Executive.
Chair audit committee.
Public company CFO ex Cochlear, Aristocrat, Coca-Cola Amatil & Goodman Fielder



Bryan Carr
Non-Executive.
Past CEO SmartTrans.
Hands on management of Logistics and Supply Chain businesses
Seven years in China



Yui (Ian) Tang
Non-Executive.
Vice Chair AustCham (Beijing)
Director 123 Kindergartens
China Relationship Specialist



Foundation Now Reset for Growth

Strengthened Board & Management



- Brendan Mason appointed Managing Director 1 August 2017
- Recent Board appointments (Tracy Colgan and Mark Ziirszen) giving local experience, financial rigour and operational capability
- Restructured management team, new sales and account management disciplines

Restructure and Cost Reduction Program Advanced



- Rationalisation of non-economic activities
- Streamlined office locations, 2 offices closed
- Headcount down from 45 to 19
- Overhead cost base halved

Organic Growth is Underway



- Launched intellectual property protection and regulatory compliance services, already revenue generating
- In Transport Logistics software: refocused sales team now generating a greatly expanding pipeline of new customers
- Exciting new dimension with Resource Connect acquisition
- In China eCommerce : New brands constantly being added to drive sales and margins
- New market segments such as tourism now being sold



Now rationalised to two well-defined businesses

Logistics solutions



- Transport management and fleet optimisation solution
- Integrates delivery requirements coming from warehousing/invoicing system into truck loading and dispatching tasks
- Drivers constantly connected, tracked and routed via mobile smartphone app
- Optimises vehicle allocation, dynamically adjusting around customer requirements, real-time traffic data
- Sold as SaaS platform with revenue streams from customer subscriptions, consulting services, customisation
- “Sticky” customers with high renewal rates, many blue chip
- For customers, delivers big savings in reduced delivery times, more efficient routing, reduced fleet sizes, and mobile platform dispatching and tracking

China eCommerce Platform



- Selling authentic Australian/NZ branded items direct to Chinese consumers
- All permissions/permits, and VIE structure, obtained to conduct compliant trade. The only VIE structure owned by an Australian exporter
- Comprehensive value-add bundle : regulatory, IP protection, marketing, fulfilment (physical delivery), international payment gateway
- Sought-after sourcing skills for Chinese eCommerce & offline platforms
- Marketing partnerships with Dodoca and Wjike
- Now partnering with O2O channel, so customers in China can view merchandise and order for direct fulfilment



Resource Connect: solving the complex personnel mobilisation challenge of the resources industry

Resource Connect Background



- Manages the mobilisation of fly-in-fly-out workers across the complex chain of air and ground transport, accommodation, and provisioning
- Plans and coordinates the personnel supply chain, based on proprietary iCuro cloud software platform (featuring patent protection)
- Provides a total-project management and tracking solution across all (sub) contractors
- Also manages the complex challenge of OH&S onboarding, training, tracking and compliance
- Delivers vast improvements in productivity, delivery performance, reduction in waste, improved safety and compliance
- 5 year history serving resources and construction industries

Highly Complementary With Transport Logistics



- “Every Resource Connect opportunity can use the SmartTrans transport solution”
- Australian headquartered, administrative cost savings
- Comprehensive personnel + transport solution already being marketed
- Opens exciting new segments in health care: NDIS and Aged Care specialist transport

Resource Connect: A typical customer

Our Customer

- Oil & Gas customer, undertaking **\$1.7 billion** project in Surat Basin
- **500 workers** on project across project owner, prime contractors and subcontractors
- Majority of workers **FIFO** (fly in fly out) 2 weeks on/ 1 week off roster
- **3,500 worker movements per week** from 4 camps to 12 different work packages



Before Resource Connect

- Team of **12 resource coordinators** in **multiple** locations using **multiple** platforms
- **Adhoc** planning, supply chain **broken** using spreadsheets
- **Inconsistent safety** governance & compliance
- **No tracking** of personnel
- **Workforce unhappy/** irritated by **disorganised** logistics
- **Contractors unhappy** with **poor asset utilisation** and work interruptions

With Resource Connect

- Team of **2 coordinators** on **single** platform
- RC managed **personnel onboarding** (medicals, induction & training), mobilisation (RPT flights, air charter, bus charter, accommodation & light vehicle) and **worksite OH&S** compliance
- RC **contracted** and **managed** providers for RPT, air & bus charter & accommodation
- 60 day, 30 day & 48 hour **planning** regime
- All personnel **connected**, fully **informed** and **tracked** via personal **smartphone**

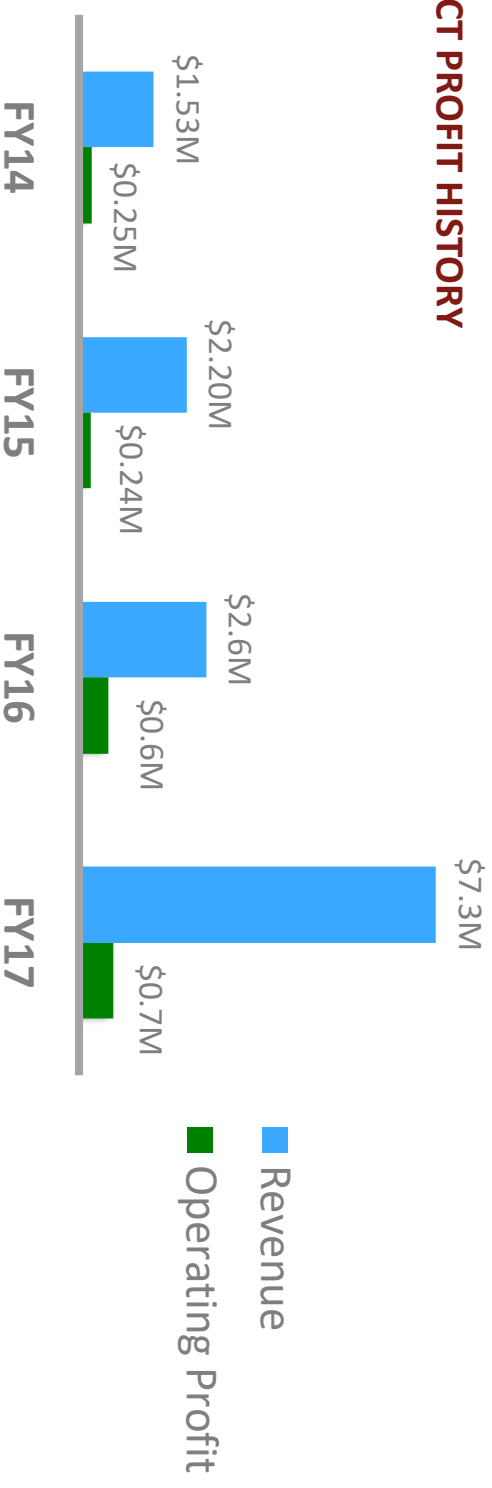
Benefits to Client

- Saving of **10 FTEs** plus defined cash savings of **\$22 per worker per day** (in reduced spend and wastage)
- **Single live platform** giving instantaneous **transparency** and **trackability** of all workers across all subcontractors, everywhere - no spreadsheets
- Dramatically improved **coordination** and **utilisation** of workers across transport to work packages
- OH&S and workforce qualification requirements **enforced, tracked** and **logged**
- Greatly improved **service provider** management (FIFO, catering, accommodation, medical, etc)
- **Economic benefits (productivity etc.) of approx \$100 per worker per day**



Resource Connect: Earnings accretive, already delivering

RESOURCE CONNECT PROFIT HISTORY



Earnings Accretive Transaction



- A mix of managed service charges, per-head charges and procurement margin over contract duration
- Cash flow positive
- Large sales pipeline over coming quarters

Attractive Transaction Terms



- All scrip acquisition ~2,778 m SMA shares for 100% of business, debt free
- Three highly qualified Resource Connect Directors to join SMA board



Deal Pipeline - Personnel & Transport Logistics

The market reach of the combined businesses should quickly double the existing recurring revenue base

Market Segment	Platform Software	Current Revenue Run-Rate	New Business in Active Negotiation	New Business Potential Targeted	Potential Customers Identified (Australia)*
Revenue Basis	Annual	Deal Value**	Deal Value**	Deal Value**	Deal Value**
<i>No. of Corporate Customers</i>					
	15	26	50	100+	
Resources & Mining Sector	Resource Connect	\$7M ⁺	\$32M ⁺	\$100M ⁺	\$200M ⁺ - \$300M ⁺
Health Services Fleet & Personnel Logistics	Resource Connect + SmartTrans	\$0.2M	\$5M	\$11M	\$35M–\$55M
Transport Fleets & 3 rd Party Logistics	SmartTrans	\$0.8M	\$9.5M	\$19M	\$40M - \$55M
Total Revenues	\$8.0M	\$46.5M	\$130M		

* Management estimates, excludes international opportunities

** Total SMA revenues over typical initial contract of 2-3+ years

⁺ Includes Procurement revenues



Business Economics

These platforms generate a combination of replicable SaaS, management charges and procurement commissions that easily scale

Personnel Logistics (Resource Connect)		Transport Logistics (SmartTrans)
Customer Size Range	200 – 4,000 workers	15-500 vehicles
Platform Usage (SaaS) Revenues	\$1 per person/day	\$95 per vehicle/month
Initial Integration Revenues	One month mobilisation fee	\$30k upfront
Service Management Revenues	Monthly management fee billed for in-house managers	Customisation and modelling ~\$15k - \$40k one time
Procured Services Revenues	10% margin on purchases (Typical purchases \$100/worker/day)	Not applicable
Average Time and Cost to Acquire Customer	6 months and \$45k	6 months and \$45k
Typical Customer Annual Revenue	~\$4M (includes procurement)	~\$115k
Typical Contract Duration	2-3 years	3 years + 3 auto renewal
Typical Lifetime Customer Tenure	2 years (construction phase) Moving to life of mine 20 years	7-8 years



Management tasks for calendar year 2018

Personnel & Transport Logistics Solutions

Expand customers and revenues

- Increase sales resource to cover interstate and selected international transport and resource sector markets
- Expand transport optimisation and tracking into Pathology, NDIS and Home Care personnel and other large health markets
- Conclude rationalisation of administrative costs
- Complete registration of PCT international patents (already approved by international examiner)

China eCommerce

Monetise the strength of our unique regulatory and compliance position in China

- Continue recruiting of Australia/NZ brands
- Leverage sourcing of authentic Australian /NZ products into more distribution partners
- Improve sourcing margins e.g. house branding
- Pursue China Mobile debt \$4M
- Evaluate medium-term corporate options

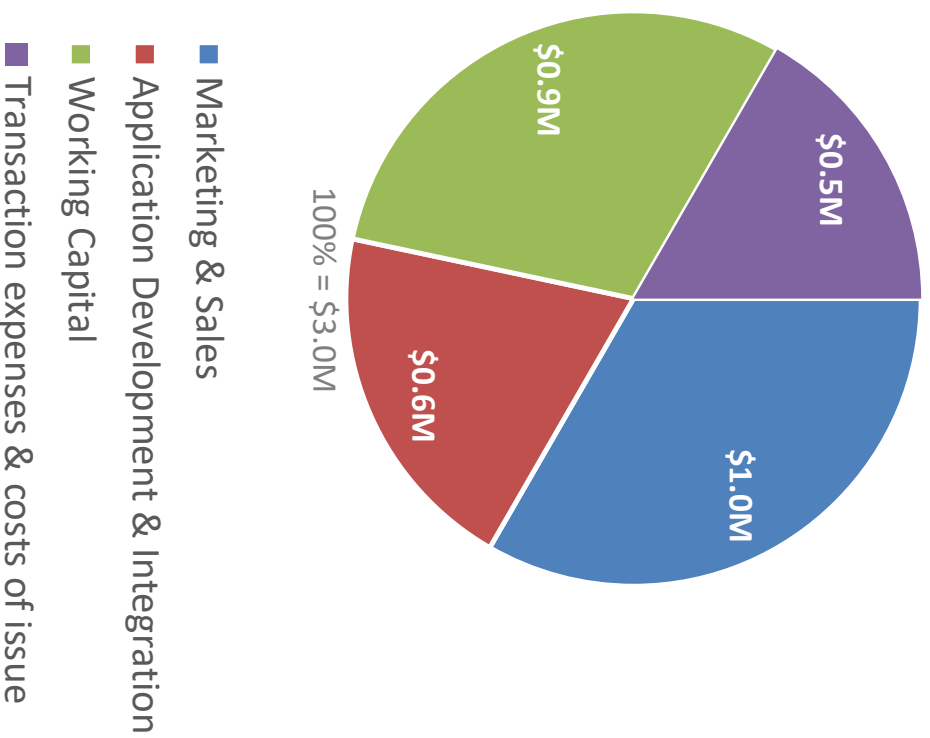
Corporate

- Board renewal: three new directors to join SMA Board, new board will be seven
- Continue strengthening Management team
- Institute employee performance rights plan
- Share consolidation, resolve unmarketable parcels
- Target profitability by 1H FY19



Use of Funds

This raising is principally for funding growth in the personnel and transport logistics business, along with associated transaction costs



Use of \$3M Capital Raising

- Sales and marketing: expanded team, marketing training, upgraded marketing collateral, pilots in new industries
- Application development platform & integration. Customisation and modelling for key customers. iOS development (transport), integration of co-payment gateway for Medicare and NDIS customers
- Working capital
- Transaction expenses & costs of this issue
- Intended to get the integrated business to profitability by 1H FY19



Key Financials by Business Unit (Merged proforma)

Business	Status	Actuals		Targets		
		FY17 Full-Year	FY18* 1H	FY18 2H	FY18 Full-Year	FY2019 1H
Revenues, half-year basis						
China e-Commerce	Launched Feb 2017	\$0.3M	\$0.3M	\$0.8M	\$1.1M	\$1.0M
Transport Logistics	Ongoing	\$0.8M	\$0.4M	\$0.7M	\$1.1M	\$1.2M
<i>Subtotal SmartTrans[†]</i>	<i>As reported[†]</i>	<i>\$1.1M</i>	<i>\$0.7M</i>	<i>\$1.5M</i>	<i>\$2.2M</i>	<i>\$2.2M</i>
Resource Connect	Acquisition	\$7.5M	\$3.5M	\$5.0M	\$8.5M	\$8.0M
Total Revenues[†], Proforma	Excluding discontinued	\$8.6M	\$4.2M	\$6.5M	\$10.7M	\$10.2M
Gross Profit	Combined, proforma	\$2.9M	\$1.0M	\$1.5M	\$2.5M	\$2.6M
General & Admin Costs	Combined, proforma	\$(5.9)M	\$(2.4M)	\$(2.0M)	\$(4.4)M	\$(1.9M)
Operating EBITDA[†]	Combined, proforma	\$(3.0)M	\$(1.4M)	\$(0.5M)	\$(1.9)M	\$0.7M

* Forecast

[†] Excludes Mobile Payments business revenues (discontinued during FY17 with bad debt impairments of \$2.4M), non-cash impacts associated with Lanstead financing



Proposed Issue, at \$0.004 per share

	\$3M Capital Raise			\$5M Capital Raise		
	No. Shares	% of Shares Post Issue	Capitalisation at \$0.004 per share	No. Shares	% of Shares Post Issue	Capitalisation at \$0.004 per share
Shares on Issue 14 Feb 2018	2,778,270,170	44.1%		2,778,270,170	40.8%	
Issue for RC acquisition *	2,778,270,170	44.1%		2,778,270,170	40.8%	
Return/Cancellation **	(85,000,000)	-1.3%		(85,000,000)	-1.2%	
Shares Issued as fee consideration [†]	83,348,105	1.3%		83,348,105	1.2%	
This New Issue *	750,000,000	11.9%		1,250,000,000	18.4%	
Total Post Issue	6,304,888,445	99%	\$25,219,554	6,804,888,445	99%	\$27,219,554
New MD Performance Rights**	53,333,333	0.8%		53,333,333	0.8%	
Unlisted Options ^{††}	322,500,000	5.1%		322,500,000	4.7%	
Total, Fully diluted	6,680,721,778		\$26,722,887	7,180,721,778		\$28,722,887

* As approved at 2017 AGM on 19 Dec 2017

** Approved at shareholder EGM 15 February 2018

[†] Issued to 2 parties (unrelated to SMA or Resource Connect) in respect of Resource Connect acquisition

^{††} Exercise price ranging from \$0.01 to \$0.067, expiring May 2018- August 2019

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