IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached Offering Memorandum (the "**document**") and you are therefore advised to read this carefully before accessing, reading or making any other use of the attached document. In accessing the document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from Parkin Company P.J.S.C. (the "**Company**") as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended only for you and **you agree you will not forward, reproduce, copy,** download or publish this electronic transmission or the attached document (electronically or otherwise) to any other **person.**

ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THE DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, SUBJECT TO CERTAIN EXCEPTIONS, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES.

The document and the offer are only addressed to, and directed at, persons in member states of the European Economic Area ("**EEA**") (each, a "**Relevant State**") who are "qualified investors" within the meaning of Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (including any relevant delegated regulations) ("**Qualified Investors**"). In the United Kingdom ("**UK**"), the document and the offer is only addressed to and directed at persons who are "qualified investors" ("**UK Qualified Investors**") (as defined under assimilated Regulation (EU) 2017/1129 as it forms part of the law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018) (the "**UK Prospectus Regulation**"). In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, persons who: (i) have professional experience in matters relating to investments falling within Article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); (ii) are high net worth entities falling within in Article 49(2) (a) to (2d) of the Order; and/or (iii) other persons to whom it may lawfully be communicated (all such persons being referred to in (i), (ii), and (iii) are defined as "**Relevant Persons**"). Any investment or investment activity to which this document relates is only available to, and will only be engaged with: (i) in any Relevant State, Qualified Investors; and (ii) in the United Kingdom, UK Qualified Investors who are also Relevant Persons.

Confirmation of your representation: By accepting electronic delivery of this document, you are deemed to have represented to Emirates NBD Capital PSC, Goldman Sachs International and HSBC Bank Middle East Limited (the "**Joint Global Coordinators**"), Abu Dhabi Commercial Bank PJSC, EFG-Hermes UAE Limited (acting in conjunction with EFG Hermes UAE LLC) and First Abu Dhabi Bank PJSC (the "**Joint Bookrunners**" and together with the Joint Global Coordinators, the "**Underwriters**"), the Company and the Selling Shareholder (as each such term is defined in the attached document) that (i) you are acting on behalf of, or you are an institutional investor outside the United States (as defined in Regulation S under the U.S. Securities Act); (ii) if you are in the UK, you are a Relevant Person or in the case of any shares acquired by you as a financial intermediary, as that term is used in Article 5(1) of the UK Prospectus Regulation: (I) the shares acquired by you in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in the UK other than qualified investors, as that term is defined in the UK Prospectus Regulation, or in circumstances in which the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (II) where shares have been acquired by you on behalf of persons in the UK other than qualified investors, as that term is used in Article 5(7) of the UK Prospectus Regulation, the offer of those shares to you is not treated under the UK Prospectus Regulation or FSMA (as defined below) as having been made to such persons; (iii) if you are in any member state of the EEA (a) you are a Qualified Investor; (b) in the case of any shares acquired by you as a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation: (I) the shares acquired by you in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant State other than Qualified Investors, or in circumstances in which the prior consent of the Joint Global Coordinators has been given to the offer or resale; or (II) where shares have been acquired by you on behalf of persons in any Relevant State other than Qualified Investors, the offer of those shares to you is not treated under the Prospectus Regulation as having been made to such persons; and (iv) if you are outside the U.S., UK and EEA (and the electronic mail addresses that you gave the Company and to which this document has been delivered are not located in such jurisdictions), you are a person into whose possession this document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, the Selling Shareholder, the Underwriters, or any of their respective affiliates, directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and any hard copy version. By accessing the linked document, you consent to receiving it in electronic form.

A hard copy of the document will be made available to you only upon request. You are reminded that this document has been made available to you solely on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this document, electronically or otherwise, to any other person.

Restriction: Nothing in this electronic transmission constitutes, nor may be used in connection with, an offer of securities for sale to persons other than the specified categories of persons described above and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS DOCUMENT ALONE, BUT ONLY ON THE BASIS OF THIS DOCUMENT AS FINALISED AND COMPLETED BY THE RELEVANT PRICING NOTIFICATION.

None of the Underwriters, or any of their respective affiliates, or any of their respective directors, officers, employees or agents, accepts any responsibility whatsoever for the accuracy, completeness or verification of the contents of this document or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the offer. Each of the Underwriters, and any of their respective affiliates accordingly disclaims, to the fullest extent permitted by applicable law, all and any responsibility or liability, whether arising in tort, contract or otherwise, which it might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by any of the Underwriters, or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this document.

The Underwriters are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their clients, nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

You are responsible for protecting against viruses and other destructive items. Your receipt of this document via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Parkin Company P.J.S.C.

(Incorporated as a public joint stock company in the Emirate of Dubai, UAE, pursuant to Dubai Law No. 30 of 2023 concerning the establishment of Parkin Company P.J.S.C. (the "Parkin Incorporation Law"))

Global Offering of 749,700,000 Shares

Offer Price Range: AED 2.00 to AED 2.10 per Share

749,700,000 ordinary shares with a nominal value of AED 0.02 each (the "**Shares**") of Parkin Company P.J.S.C. are being offered in this global offering (the "**Global Offering**") by the Dubai Investment Fund (the "**Selling Shareholder**" or "**DIF**"). The Offer Price Range is indicative only and may change during the course of the Global Offering. The Selling Shareholder reserves the right to amend the size of the Global Offering at any time prior to the end of the subscription period at its sole discretion subject to applicable laws and the approval of the UAE Securities and Commodities Authority (the "**SCA**"). Parkin Company P.J.S.C. will not receive any of the proceeds of the sale of the Shares, all of which will be paid to the Selling Shareholder (net of any expenses relating to the Global Offering).

Unless the context requires otherwise, references to the "Company" or "Parkin" in this Offering Memorandum refer to the parking business of the Roads and Transports Authority (the "**Parking Business**") prior to 4 January 2024 and to Parkin Company P.J.S.C. from 4 January 2024 onwards, being the date of incorporation of Parkin Company P.J.S.C.

The Global Offering comprises an offering of Shares (i) outside the United States in reliance on Regulation S ("**Regulation S**") under the United States Securities Act of 1933 (the "**US Securities Act**") (the "**Institutional Offering**"); (ii) in the Dubai International Financial Centre ("**DIFC**") only as an Exempt Offer (the "**DIFC Exempt Offer**") pursuant to the Markets Rules of the Dubai Financial Services Authority ("**DFSA**"); (iii) in the Abu Dhabi Global Market ("**ADGM**") only as an Exempt Offer (the "**ADGM Exempt Offer**" and, together with the Institutional Offering and the DIFC Exempt Offer, the "**Qualified Investor Offering**") pursuant to the Market Rules of the Abu Dhabi Financial Services Regulatory Authority ("**FSRA**") and (iv) in the United Arab Emirates (the "**UAE**") pursuant to a prospectus (the "**UAE Prospectus**"), the publication of which was approved by the SCA to (a) certain natural persons, companies, establishments and other entities (the "**UAE Retail Offer**"), (b) in accordance with the requirements of Federal Law No. 32 of 2021 concerning commercial companies, as amended, up to 5% of the Shares reserved for the Emirates Investment Authority (the "**EIA Offer**"), and (c) in accordance with the requirements of Dubai Law No. 2 of 2022 concerning the subscription in shares of companies owned by the Government of Dubai, up to 5% of the Shares reserved for the Pensions and Social Security Fund (the "**Pensions and Social Security Fund Offer**").

In connection with the Global Offering, the Company and the Selling Shareholder will appoint xCube LLC, a duly authorised price stabilisation manager by the Dubai Financial Market (the "**DFM**"), to act as a price stabilising manager (the "**Stabilising Manager**"), who may, to the extent permitted by applicable law, including the DFM Module Three: Membership, Trading, and Derivatives Rules Booklet (the "**DFM Trading Rules**"), and for stabilisation purposes, effect stabilising transactions with a view to supporting the market price of the Shares, in each case at a higher level than that which might otherwise prevail in the open market.

The Stabilising Manager will be appointed for a time period commencing on the date of trading of the Shares on the DFM and ending no later than 30 calendar days thereafter (the "**Stabilisation Period**"). All stabilising transactions will be undertaken in compliance with the DFM Trading Rules. In accordance with Rule 14.7 of the DFM Trading Rules, the Stabilising Manager will disclose to the market the extent of any stabilising transactions conducted in relation to the Global Offering. None of the Underwriters (defined below) or their respective directors, officers, employees or agents will have any direct or indirect involvement in, or responsibility or liability for, nor derive any direct or indirect benefit from, the stabilising transactions envisaged hereby and stabilisation will be carried out exclusively by the Stabilising Manager. For further details on price stabilisation, see *"Subscription and Sale"* in Part 18 of this Offering Memorandum.

Prior to the Global Offering, there has been no public market for the Shares. The Company has applied for the Shares to be listed on the DFM under the symbol "PARKIN" (the "**Admission**"). There will be no conditional dealings in the Shares prior to Admission. It is expected that Admission will become effective and that dealings in the Shares will commence on the DFM on or around 21 March 2024 (the "**Closing Date**").

Investing in the Shares involves significant risks. Prospective investors should read this Offering Memorandum in its entirety and, in particular, prospective investors are advised to examine all the risks that are relevant in connection with an investment in the Shares. See "*Risk Factors*" for a discussion of certain risks and other factors that should be considered prior to any investment in the Shares.

The Shares have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States. The Shares are being offered and sold outside the United States in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of the Shares and the distribution of this Offering Memorandum, see "*Subscription and Sale*" and "*Selling and Transfer Restrictions*". The Shares are offered by the Underwriters named herein when, as and if delivered to, and accepted by, the Underwriters and subject to their right to reject orders in whole or in part. Purchasers and subscribers will be required to make full payment for the Shares to the Underwriters for receipt by the Underwriters two business days prior to the Closing Date, and delivery of the Shares is expected to be made on the Closing Date through the book-entry facilities operated by the DFM. In connection with the Global Offering, each of the Underwriters and any of their respective affiliates, may take up a portion of the Shares in the Global Offering as a principal position and in that capacity may retain, purchase or sell for its own account such Shares and may offer or sell such Shares otherwise than in connection with the Global Offering. Accordingly, references in this Offering Memorandum to Shares being offered or placed should be read as including any offering or placement of Shares to any of the Underwriters or any of their respective affiliates acting in such capacity. In addition, certain of the Underwriters or their affiliates may enter into financing or hedging arrangements with investors. None of the Underwriters intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Underwriters and any of their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory, risk management, hedging and other services for, the Company and the Selling Shareholder, for which they would have received customary fees. The Underwriters and any of their respective affiliates may provide such services to, the Company and the Selling Shareholder and any of their respective affiliates in the future. In addition, the Underwriters and any of their respective affiliates may also provide risk management products to the Company and/or the Selling Shareholder or any parties related to any of them in connection with the Global Offering for which they could receive payment(s), earn a profit and/or suffer or avoid a loss contingent on the closing of the Global Offering (and the quantum of such amounts may potentially be significantly in excess of the fees earned by the relevant Underwriter for its services acting as Joint Global Coordinator or Joint Bookrunner in connection with the Global Offering).

The SCA and the DFM have not approved this Offering Memorandum, take no responsibility for the contents of this Offering Memorandum, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Offering Memorandum.

Exempt Offer Statement (DIFC): This Offering Memorandum relates to an Exempt Offer in the DIFC in accordance with the Market Rules of the DFSA. It is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with the DIFC Exempt Offer. The DFSA has not approved this Offering Memorandum nor taken steps to verify the information set out in it and has no responsibility for it. The securities to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their transferability and resale. Prospective purchasers and subscribers of the securities offered may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Offering Memorandum, you should consult an authorised financial adviser.

Exempt Offer Statement (ADGM): This Offering Memorandum is an Exempt Offer in accordance with the Market Rules of the ADGM Financial Services Regulatory Authority. This Exempt Offer document is intended for distribution only to persons of a type specified in the Market Rules. It must not be delivered to, or relied on by, any other person. The ADGM Financial Services Regulatory Authority has no responsibility for reviewing or verifying any documents in connection with the ADGM Exempt Offer. The ADGM Financial Services Regulatory Authority has not approved this Exempt Offer document nor taken steps to verify the information set out in it, and has no responsibility for it. The securities to which this Exempt Offer relates may be illiquid and/or subject to restrictions on their transferability and resale. Prospective purchasers of the securities offered may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Exempt Offer document you should consult an authorised financial advisor.

Financial Adviser

Rothschild & Co

Joint Global Coordinators and Joint Bookrunners

Emirates NBD Capital **Goldman Sachs International** **HSBC**

Joint Bookrunners

Abu Dhabi Commercial Bank **EFG-Hermes** **First Abu Dhabi Bank**

This Offering Memorandum is dated 5 March 2024.

IMPORTANT INFORMATION

This Offering Memorandum does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

THIS OFFERING MEMORANDUM CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS OFFERING MEMORANDUM ALONE, BUT ONLY ON THE BASIS OF THIS OFFERING MEMORANDUM AS FINALISED AND COMPLETED BY THE RELEVANT PRICING NOTIFICATION.

Recipients of this Offering Memorandum are authorised solely to use this Offering Memorandum for the purpose of considering the acquisition of the Shares, and may not reproduce or distribute this Offering Memorandum, in whole or in part, and may not disclose any of the contents of this Offering Memorandum or use any information herein for any purpose other than considering an investment in the Shares. Such recipients of this Offering Memorandum agree to the foregoing by accepting delivery of this Offering Memorandum.

Prior to making any decision as to whether to invest in the Shares, prospective investors should read this Offering Memorandum in its entirety and, in particular, the section titled "Risk Factors" when considering an investment in the Company. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Global Offering, including the merits and risks involved. The investors also acknowledge that: (i) they have not relied on Emirates NBD Capital PSC ("**ENBD**"), Goldman Sachs International ("**Goldman Sachs**"), HSBC Bank Middle East Limited ("**HSBC**") (together, the "**Joint Global Coordinators**"), Abu Dhabi Commercial Bank P.J.S.C ("**ADCB**"), EFG-Hermes UAE Limited ("**EFG Ltd**") acting in conjunction with EFG Hermes UAE LLC ("**EFG LLC**" and together with EFG Ltd, "**EFG-Hermes**") and First Abu Dhabi Bank P.J.S.C ("**FAB**" and together with ADCB and EFG-Hermes, the "**Joint Bookrunners**" and, together with the Joint Global Coordinators, the "**Underwriters**"), Rothschild & Co (the "**Financial Adviser**"), or any person affiliated with the Underwriters or the Financial Adviser in connection with any investigation of the accuracy of any information contained in this Offering Memorandum or their investment decision; and (ii) they have relied only on the information contained in this Offering Memorandum and (iii) that no person has been authorised to give any information or make any representations concerning the Company or the Shares (other than those contained in this Offering Memorandum) and, if given or made, such information or representations must not be relied on as having been so authorised by the Company, the Selling Shareholder, the Underwriters or the Financial Adviser. Neither the delivery of this Offering Memorandum nor any subscription or sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

None of the Company, the Selling Shareholder, the Underwriters, the Financial Adviser or any of their respective representatives is making any representation to any prospective investor of the Shares regarding the legality of an investment in the Shares by such prospective investor under the laws applicable to such prospective investor. The contents of this Offering Memorandum should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, business, financial or tax adviser for legal, business, financial or tax advice applicable to an investment in the Shares.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. Neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as of any time subsequent to the date hereof.

The Company accepts responsibility for the completeness and accuracy of the information contained in this Offering Memorandum, and having taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum is, to the best of the Company's knowledge, in accordance with the facts and contains no omissions likely to affect its import.

None of the Company, the Selling Shareholder, the Underwriters or the Financial Adviser accepts any responsibility for the accuracy, completeness or verification of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media, regarding the Global Offering or the Company. None of the Company, the Selling Shareholder, the Underwriters or the Financial Adviser makes any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

The Underwriters and the Financial Adviser are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Global Offering. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Global Offering and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their respective clients, nor for giving advice in relation to the Global Offering or any transaction or arrangement referred to in this document. The Underwriters and the Financial Adviser and any of their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company and the Selling Shareholder for which they would have received customary fees.

In connection with the Global Offering, the Underwriters and any of their respective affiliates may take up a portion of the Shares in the Global Offering as a principal position and in that capacity, may subscribe for and/or acquire Shares, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Company or related investments in connection with the Global Offering or otherwise. Accordingly, references in this document to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by, the Underwriters and any of their respective affiliates in such capacity. In addition, certain of the Underwriters or their affiliates may enter into financing or hedging arrangements with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Shares. Moreover, in the course of their business with the Company and with parties affiliated with the Company (including the Selling Shareholder), the Underwriters (and/or their respective affiliates) have from time to time been engaged, and may in the future engage, in commercial banking, financing, trading, hedging, investment banking and financial advisory and ancillary activities, for which they have received, and may in the future receive, customary compensation. In respect of the aforementioned, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of any such transactions, any Underwriter may have interests that may not be aligned, or could potentially conflict, with the interests of holders of Shares or with the interests of the Company or the Selling Shareholder. None of the Underwriters intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligations to do so. None of the Underwriters intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

None of the Underwriters, the Financial Adviser, the Selling Shareholder or any of their respective affiliates directors, officers, employees or agents, accepts any responsibility or liability whatsoever for the contents of this Offering Memorandum, including its accuracy, completeness or verification and makes no representation or warranty, express or implied, as to the contents of this Offering Memorandum or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the Global Offering. The Underwriters, the Financial Adviser, the Selling Shareholder and any of their respective affiliates accordingly disclaim, to the fullest extent permitted by applicable law, all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of this Offering Memorandum or any such statement. No representation or warranty, express or implied, is made by any of the Underwriters, the Financial Adviser, the Selling Shareholder or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this Offering Memorandum, and nothing contained in this Offering Memorandum, is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future.

The Global Offering relates to securities of a UAE public joint stock company to be listed on the DFM and potential investors should be aware that this document and any other documents or announcements relating to the Global Offering have been or will be prepared solely in accordance with the disclosure requirements applicable to a public joint stock company established in the UAE and listed on the DFM, all of which may differ from those applicable in any other jurisdiction.

This Offering Memorandum is for distribution only to persons who (a) are outside the DIFC, (b) are persons who meet the Professional Client criteria set out in Rule 2.3.4 of the DFSA Conduct of Business Module or

(c) are persons to whom an invitation or inducement in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons" for the purposes of this paragraph). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

This Offering Memorandum is for distribution only to persons who (a) are outside the ADGM, or (b) are Authorised Persons or Recognised Bodies (as such terms are defined in the Financial Services and Markets Regulations 2015 ("**FSMR**")), or (c) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons" for the purposes of this paragraph). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons.

The Offering Memorandum has been drafted in a specific manner to be addressed only to qualified investors and in compliance with the laws and regulations of the relevant competent jurisdictions and acceptable to such jurisdictions. It has not been approved by the SCA and the Offering Memorandum does not form part of the UAE Prospectus and the information contained herein does not form part of the UAE Prospectus. The review of this Offering Memorandum or any related advertisements does not fall under SCA's remit/jurisdiction.

NOTICE TO INVESTORS

The Shares are subject to transfer restrictions in certain jurisdictions. Prospective purchasers and subscribers should read the restrictions described in the section "*Selling and Transfer Restrictions*". Each purchaser and subscriber of the Shares will be deemed to have made the relevant representations described therein.

The distribution of this document and the offer of the Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company, the Selling Shareholder, the Underwriters or the Financial Adviser to permit a public offering of the Shares or to permit the possession or distribution of this document (or any other offering or publicity materials relating to the Shares) in any jurisdiction where action for that purpose may be required, other than the UAE. Accordingly, neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. For further information on the manner of distribution of the Shares, and the transfer restrictions to which they are subject, see "*Selling and Transfer Restrictions*".

In particular, save for the UAE, no actions have been taken to allow for a public offering of the Shares under the applicable securities laws of any other jurisdiction, including Australia, Canada, or Japan. Subject to certain exceptions, the Shares may not be offered or sold in, or to or for the account or benefit of any national, resident or citizen of, Australia, Canada or Japan.

This Offering Memorandum does not constitute an offer of, or the solicitation of an offer to subscribe for or buy any of, the Shares in any jurisdiction where it is unlawful to make such offer or solicitation.

UNITED STATES RESTRICTIONS

The Shares have not been, and will not be, registered under the US Securities Act, or with any securities regulatory authority of any state of the United States. The Shares offered by this Offering Memorandum may not be offered, sold, pledged or otherwise transferred in the United States, except in a transaction exempt from or not subject to the registration requirements of the US Securities Act. The Global Offering is being made only outside the United States in offshore transactions as defined in and in reliance on Regulation S under the US Securities Act. This Offering Memorandum does not constitute an offer of, or the solicitation of an offer to subscribe for or purchase any of the Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction. For a description of these and certain further restrictions on offers, sales and transfers of the Shares and the distribution of this Offering Memorandum, see "*Subscription and Sale*" and "*Selling and Transfer Restrictions*".

The Shares offered by this Offering Memorandum have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC"), any State securities commission in the United States or any other United States regulatory authority, nor have any such authorities passed upon, or endorsed the merits of, the Global Offering or the accuracy of this Offering Memorandum. Any representation to the contrary is a criminal offence in the United States.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each member state of the European Economic Area (the "**EEA**") (each, a "**Relevant State**"), no Shares which are the subject of the Global Offering contemplated herein have been offered of will be offered to the public in that Relevant State, except that an offer of Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(i) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation) per Relevant State, subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Shares shall result in a requirement for the publication by the Company or any Underwriter of a Prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation or any measure implementing the Prospectus Regulation in a Relevant State, and each person who initially acquires any Shares or to whom any offer is made under the Global Offering will be deemed to have represented, acknowledged and agreed to and with the Company and the Joint Global Coordinators that it is a "qualified investor" as defined in the Prospectus Regulation.

For the purposes of this provision, the expression of an offer of any Shares to the public in relation to any Shares in any Relevant State means the communication in any form and by any means of sufficient information of the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied in that Relevant State by any measure implementing the Prospectus Regulation in that Relevant State; the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 and includes any relevant implementing measure in each Relevant State.

In the case of any Shares being offered to a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Shares acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Shares to the public other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholder, the Underwriters and their respective affiliates, and others will rely (and the Company and the Selling Shareholder each acknowledge that the Underwriters and their respective affiliates and others will rely) upon the truth and accuracy of the foregoing representations, acknowledgements and agreements and will not be responsible for any loss occasioned by such reliance. Notwithstanding the above, a person who is not a qualified investor and who has notified the Underwriters of such fact in writing may, with the consent of the Underwriters, be permitted to subscribe for or purchase Shares.

INFORMATION FOR DISTRIBUTORS IN THE EUROPEAN ECONOMIC AREA

Solely for the purposes of the product governance requirements contained within: (i) Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (ii) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (iii) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares to be offered in the Global Offering have been subject to a product approval process, which has determined that the Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or substantially all of their investment; the Shares to be offered in the Global Offering offer no guaranteed income and no capital protection; and an investment in the Shares to be offered in the Global Offering is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Global Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Underwriters will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of MiFID II; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

The Shares have not been offered or will not be offered pursuant to the Global Offering in the United Kingdom, except that an offer to the public in the United Kingdom of any Shares may be made at any time under the following exemptions under the UK Prospectus Regulation (as defined herein):

(i) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) in any other circumstances falling under the scope of Section 86 of the FSMA,

provided that no such offer of Shares shall require the Company or any Underwriter to publish a prospectus pursuant to Section 85 of the FSMA or Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

Each person in the United Kingdom who initially acquires any Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the Joint Global Coordinators that it is a qualified investor within the meaning of the UK Prospectus Regulation.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the Global Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in the United Kingdom to qualified investors, in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholder, the Underwriters and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression of an offer of any Shares to the public in relation to any Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Shares, and the expression "**UK Prospectus Regulation**" means assimilated

Regulation (EU) 2017/1129 as it forms part of the law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

In connection with the Global Offering, the Underwriters are not acting for anyone other than the Company and the Selling Shareholder and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their clients nor for providing advice in relation to the Global Offering.

This Offering Memorandum is only being distributed to, and is only directed at, and any investment or investment activity to which this Offering Memorandum relates is available only to, and will be engaged in only with: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); (ii) high net worth entities falling within Article 49(2)(a) to (2d) of the Order; and/or (iii) other persons to whom it may be lawfully communicated (all being "**Relevant Persons**"). The Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged only with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Offering Memorandum or any of its contents.

The Shares are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.

INFORMATION FOR DISTRIBUTORS IN THE UNITED KINGDOM

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Requirements"**) and/or any equivalent requirements elsewhere to the extent determined to be applicable, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK MiFIR Product Governance Requirements and/or any equivalent requirements elsewhere to the extent determined to be applicable) may otherwise have with respect thereto, the Shares to be offered in the Global Offering have been subject to a product approval process, which has determined that such Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, as respectively defined in paragraphs 3.5 and 3.6 of the FCA Handbook Conduct of Business Sourcebook and (ii) eligible for distribution through all permitted distribution channels (the "**UK Target Market Assessment**"). Notwithstanding the UK Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares to be offered in the Global Offering offer no guaranteed income and no capital protection; and an investment in the Shares to be offered in the Global Offering is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The UK Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Global Offering. Furthermore, it is noted that, notwithstanding the UK Target Market Assessment, the Underwriters will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the UK Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

NOTICE TO PROSPECTIVE INVESTORS IN THE UAE (EXCLUDING THE DUBAI INTERNATIONAL FINANCIAL CENTRE AND THE ABU DHABI GLOBAL MARKET)

This Offering Memorandum is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this document, you should consult an authorised financial adviser.

By receiving this Offering Memorandum, the person or entity to whom it has been issued understands, acknowledges and agrees that this Offering Memorandum has not been approved by or filed with the UAE Central Bank, the UAE Securities and Commodities Authority (the "**SCA**") or any other authorities in the UAE, nor have the Underwriters received authorisation or licensing from the UAE Central Bank, SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE. It should not be assumed that any of the Underwriters is a licensed broker, dealer or investment adviser under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products. The Shares offered pursuant to this Offering Memorandum may not be offered or sold directly or indirectly to the public in the UAE. This does not constitute a public offer of securities in the UAE in accordance with the Law No. 32 of 2021 concerning Commercial Companies (as amended) or otherwise.

Nothing contained in this Offering Memorandum is intended to constitute investment, legal, tax, accounting or other professional advice. This Offering Memorandum is for your information only and nothing in this Offering Memorandum is intended to endorse or recommend a particular course of action. Any person considering acquiring securities should consult with an appropriate professional for specific advice rendered based on their respective situation.

NOTICE TO PROSPECTIVE INVESTORS IN THE ABU DHABI GLOBAL MARKET

The Shares have not been offered and will not be offered to any persons in the Abu Dhabi Global Market (the "**ADGM**") except on the basis that an offer is:

(i) an "Exempt Offer" in accordance with the Market Rules of the ADGM Financial Services Regulatory Authority (the "**FSRA**"); and

(ii) made only to persons who are Authorised Persons or Recognised Bodies (as such terms are defined in the Financial Services and Markets Regulations ("**FSMR**")) or persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.

The FSRA has not approved this Offering Memorandum and does not have any responsibility for reviewing or verifying any document or other documents in connection with the Company. Accordingly, the FSRA has not approved this Offering Memorandum or any other associated documents nor taken any steps to verify the information set out in this Offering Memorandum, and has no responsibility for it.

NOTICE TO PROSPECTIVE INVESTORS IN THE DUBAI INTERNATIONAL FINANCIAL CENTRE

This Offering Memorandum relates to a company which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("**DFSA**").

The DFSA has not approved this Offering Memorandum and does not have any responsibility for reviewing or verifying any document or other documents in connection with the Company. Accordingly, the DFSA has not approved this Offering Memorandum or any other associated documents nor taken any steps to verify the information set out in this Offering Memorandum, and has no responsibility for it.

The Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on the basis that an offer is:

(i) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the DFSA; and

(ii) made only to persons who meet the Deemed Professional Client criteria set out in Rule 2.3.4 of the DFSA Conduct of Business Module and who are not a natural person.

This Offering Memorandum must not, therefore, be delivered to, or relied on by, any other type of person.

The Shares to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale.

NOTICE TO PROSPECTIVE INVESTORS IN THE KINGDOM OF SAUDI ARABIA

This Offering Memorandum may not be distributed in the Kingdom of Saudi Arabia ("**Saudi Arabia**" or the "**KSA**"), except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority (the "**CMA**") pursuant to resolution number 3-123-2017, dated 27 December 2017G, as amended pursuant to Resolution of the Board of the CMA number 8-5-2023 dated 18 January 2023G (the "**Saudi Regulations**").

The CMA does not make any representation as to the accuracy or completeness of this Offering Memorandum, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Offering Memorandum. Prospective investors in the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If a prospective investor does not understand the contents of this Offering Memorandum, they should consult an authorised financial adviser.

The Shares must not be advertised, offered or sold and no memorandum, information circular, brochure or any similar document has or will be distributed, directly or indirectly, to any person in Saudi Arabia other than to institutional or qualified clients under Article 8(a)(1) of the Saudi Regulations as such terms are defined in the Glossary of Defined Terms used in the Regulations and Rules of the CMA (issued by the Board of the CMA pursuant to resolution number 4-11-2004 dated 4 October 2004G, as amended pursuant to Resolution of the Board of the CMA number 8-5-2023 dated 18 January 2023G) or by way of a limited offer under Article 9 of the Saudi Regulations.

The Global Offering of the Shares shall not, therefore, constitute a "public offer" pursuant to the Saudi Regulations. Prospective investors are informed that Article 14 of the Saudi Regulations places restrictions on secondary market activity with respect to the Shares. Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the Saudi Regulations shall not be recognised by the Company.

NOTICE TO PROSPECTIVE INVESTORS AND DISTRIBUTORS IN AUSTRALIA

The Shares have not been offered and will not be offered pursuant to the Global Offering in Australia, except to select investors who are able to demonstrate that they fall within one or more of the following categories of investors:

(i) a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act;

(ii) a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to the Company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

(iii) a person associated with the Company under section 708(12) of the Corporations Act; or

(iv) a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act.

This document does not constitute a prospectus or other disclosure document under Chapter 6D.2 of the Corporations Act, has not been, and will not be, lodged or registered with the Australian Securities and Investments Commission ("**ASIC**") or the Australian Securities Exchange ("**ASX**") or any other regulatory body or agency in Australia and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

NOTICE TO PROSPECTIVE INVESTORS IN THE REPUBLIC OF SOUTH AFRICA

This Offering Memorandum does not constitute a registered prospectus, written statement or advertisement relating to a public offer in terms of Chapter 4, sections 98, 99 and 101 of the South African Companies Act, No. 71 of 2008 (the "**SA Companies Act**"). No offer of Shares to the public in South Africa, whether by way of subscription, sale or otherwise, can be made unless the offeror complies with Chapter 4 of the SA Companies Act and files the requisite disclosure documents with the South African Companies and Intellectual Property Commission in respect thereof. The "public" includes any section of the public. This Offering Memorandum does not constitute an offer of securities to the public in South Africa.

Certain offers of the Shares are deemed, in terms of the safe harbour provisions of section 96 of the SA Companies Act, to not be offers to the public. These include offers to (i) persons whose ordinary business is dealing in securities, whether as principals or agents; (ii) the Public Investment Corporation; (iii) registered banks; (iv) authorised and licensed financial services providers; and (v) financial institutions as defined in the Financial Services Board Act, No. 97 of 1990, or a combination of any of the foregoing. Also included in the safe harbours are offers where the minimum offer consideration per offeree, acting as principal, is R1,000,000 (one million Rand). Accordingly, offers may be made to such institutions, or under such circumstances, in the Republic of South Africa without having to comply with Chapter 4 of the SA Companies Act.

Nothing in this Offering Memorandum shall be construed as being a recommendation, guidance or advice to an addressee or prospective investor in respect of a financial product as contemplated in the South African Financial Advisory and Intermediary Services Act, No. 37 of 2002.

CONTENTS

General

No representation or warranty, express or implied, is made and no responsibility or liability is accepted by any person other than the Company, as to the accuracy, completeness, verification or sufficiency of the information contained herein, and nothing in this Offering Memorandum may be relied upon as a promise or representation in this respect, as to the past or future. No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. The delivery of this Offering Memorandum shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Offering Memorandum or that the information contained herein is correct as of any time subsequent to its date.

The contents of this Offering Memorandum are not to be construed as legal, business or tax advice.

Presentation of Financial and Other Information

Presentation of financial information

The historical carve-out financial statements included in this Offering Memorandum (beginning on page F-1) are:

- the audited carve-out financial statements of the Parking Business as at and for the years ended 31 December 2022 and 31 December 2021, including the related notes thereto (the "**2022/2021 Carve-out Financial Statements**") and;

- the audited carve-out financial statements of the Parking Business as at and for the year ended 31 December 2023, including the related notes thereto (the "**2023 Carve-out Financial Statements**" and, together with the 2022/2021 Carve-out Financial Statements, the "**Carve-out Financial Statements**").

The 2022/2021 Carve-out Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and interpretations issued by the IFRS Interpretations Committee ("**IFRS IC**") applicable to companies reporting under IFRS. The 2022/2021 Carve-out Financial Statements have been prepared on a carve-out basis as the business did not constitute a stand-alone legal entity in any of the periods presented therein.

The 2023 Carve-out Financial Statements have been prepared in accordance with IFRS Accounting Standards, comprising the following authoritative literature:

- IFRS Accounting Standards;

- IAS Accounting Standards; and

- Interpretations developed by the IFRS Interpretations Committee (the "**IFRIC Interpretations**") or its predecessor body, the Standing Interpretations Committee (the "**SIC Interpretations**").

As the Parking Business did not operate as a stand-alone entity in the past, the Carve-out Financial Statements may not be indicative of its future performance and do not necessarily reflect what its results of operations, financial position and cash flows would have been had it operated as a separate entity apart from RTA during the periods presented in the Carve-out Financial Statements. Further information on the basis of preparation of the Carve-out Financial Statements is presented in Note 2 ("*Basis of Preparation*") to the 2022/2021 Carve-out Financial Statements and Note 2 ("*Basis of Preparation*") to the 2023 Carve-out Financial Statements.

Except as described below, the financial information presented in this Offering Memorandum has been derived as follows:

- in respect of the financial information as at and for the year ended 31 December 2023, from the 2023 Carve-out Financial Statements; and

- in respect of the financial information as at and for the years ended 31 December 2022 and 31 December 2021, from the 2022/2021 Carve-out Financial Statements.

Potential investors should consult their own professional advisers to gain an understanding of the Carve-out Financial Statements included in the section "*Financial Statements*" in Part 22 of this Offering Memorandum.

Unless the context requires otherwise, references to the "Company" or "Parkin" in this Offering Memorandum refer to the parking business of the Roads and Transports Authority (the "Parking Business") prior to 4 January 2024 and to Parkin Company P.J.S.C. from 4 January 2024 onwards, being the date of incorporation of Parkin Company P.J.S.C.

Non-IFRS financial information

This Offering Memorandum contains certain financial measures that are not defined or recognised under, and thus, not calculated in accordance with IFRS, or any other generally acceptable accounting principles, including EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Cash Conversion, and Capital Expenditure (the "**Non-IFRS measures**"). The Company believes that these Non-IFRS measures provide valuable information. These measures are used by the Company's management to evaluate the efficiency of its operations and ability to employ its earnings toward payment of debt, capital expenditures and working capital requirements. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company. As these measures are not standardised, these measures, by themselves, do not provide a sufficient basis to compare the Company's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity. The Company has presented these Non-IFRS measures because it believes these are helpful to investors and financial analysts in highlighting trends in the overall business of the Company.

None of the Non-IFRS measures are a measurement of performance or liquidity under IFRS or any other generally accepted accounting principles and you should not consider EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Cash Conversion and Capital Expenditure as an alternative to net income, operating profit, cash flow from operating activities or other financial measures determined in accordance with IFRS or other generally accepted accounting principles. Non-IFRS measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of the Company's operating performance reported in accordance with IFRS.

The Non-IFRS measures are management's responsibility and are based on management's review of its financial results and estimates; accordingly, the above information has not been audited or reviewed by PricewaterhouseCoopers Limited Partnership Dubai Branch ("**PwC**") or any audit firm and are to be read in conjunction with the historical information presented, but is not intended to form part of the Company's statement of financial position or profit and other comprehensive income up to the date hereof. Accordingly, prospective investors should not place undue reliance on EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Cash Conversion and Capital Expenditure or the other non-IFRS financial measures contained in this Offering Memorandum.

EBITDA and EBITDA Margin

The Company defines "EBITDA" as profit for the year, excluding depreciation and amortisation, tax and finance expense. "EBITDA Margin" is EBITDA divided by revenue. EBITDA and EBITDA Margin are key performance metrics reviewed by the Directors. The Directors consider EBITDA to reflect the underlying trading performance of the Company to date and believe that this measure provides additional useful information for prospective investors on the Company's performance and enhances comparability from year to year.

Adjusted EBITDA and Adjusted EBITDA Margin

The Company defines "Adjusted EBITDA" as profit for the year, excluding depreciation and amortisation, tax finance expense and corporate allocation expense. "Adjusted EBITDA Margin" is Adjusted EBITDA divided by revenue. Adjusted EBITDA and Adjusted EBITDA Margin are key performance metrics reviewed by the Directors. The Directors consider Adjusted EBITDA as an accurate measure to reflect the performance of the Company as it excludes the additional corporate allocation expense relating to the shared RTA corporate expenses and shared agency expenses.

Cash Conversion

The Company defines "Cash Conversion" as EBITDA less Capital Expenditure, divided by EBITDA. The Directors believe that Cash Conversion provides additional useful information for prospective investors because it illustrates the Company's profitability available for the operation of the business after Capital Expenditure.

Capital Expenditure

The Company defines "Capital Expenditure" as the purchases of property, equipment and intangibles assets. Capital Expenditure illustrates how much the Company invests in existing and new fixed assets to maintain and grow the Company's business.

For a reconciliation of certain of the Non-IFRS financial measures to the most closely comparable financial measures calculated in accordance with IFRS, see "*Selected Financial Information—Certain Non-IFRS Measures*".

Unaudited pro forma financial information

This Offering Memorandum contains:

- the unaudited pro forma financial information of the Parking Business comprising the unaudited pro forma statement of profit or loss and other comprehensive income for the year ended 31 December 2023, the unaudited pro forma statement of financial position as at 31 December 2023 and related notes (the "**Unaudited Pro Forma Financial Information**") which has been compiled by the management to illustrate the impact of the transactions described below and set out in Note 1 to the Unaudited Pro forma Financial Information (collectively referred to as the "**Pre-Offering Transactions and Contractual Arrangements**"), on the Company's financial position as at 31 December 2023 and its financial performance for the year ended 31 December 2023, as if the Pre-Offering Transactions and Contractual Arrangements had taken place on 31 December 2023 and 1 January 2023, respectively. As part of this process, information about the Parking Business's financial position and financial performance has been extracted by the management from the 2023 Carve-out Financial Statements.

Pre-Offering Transactions and Contractual Arrangements:

- *Term Financing and Revolving Credit Facilities*: On 26 January 2024, the Company entered into an unsecured five-year Murabaha financing arrangement with Emirates NBD Bank P.J.S.C. comprising a term financing facility of AED 1.1 billion and a revolving facility of AED 100 million (the "**Term Financing and Revolving Credit Facilities Agreement**") for the purposes of, among others, making the upfront concession payment to the RTA under the Concession Agreement (as defined below) and for general corporate purposes.

- *Concession Agreement*: On 5 February 2024, the RTA entered into a concession agreement effective 1 January 2024 (the "**Concession Agreement**") with Parkin Company P.J.S.C, pursuant to which the RTA grants some of its mandates and powers under Dubai Law 2016 Parking Regulations (No. 5 of 2016) *(*the "**2016 Parking Law"***)*, regarding the operation, maintenance and management of parking facilities in Dubai. The Concession Agreement also grants Parkin the right to charge fees for parking a vehicle in the parking facilities (the "**Parking Fees**") and any other fee to use the parking facilities and services, other than the Parking Fee (the "**Parking User Charges**") generated by the parking facilities. In exchange, Parkin made an upfront concession payment of AED 1.1 billion on 14 February 2024 to the RTA and will pay a variable concession fee based on a percentage of the parking revenues collected in respect of public on- and off-street paid parking lots and public multi-storey car parks, as well as revenue from rental income generated from charging businesses for the right to rent spaces in such parking facilities. The agreement also includes a deferred payment component of AED 300 million which will only become payable to the RTA upon insolvency of the Company.

- *Transitional Services Agreement* (the "***TSA***"): The RTA entered into the TSA with the Company effective 1 January 2024 wherein the RTA shall provide services to the Company for an interim period of up to 24 months, as defined under the TSA, for the performance of certain operations and back-office functions such as information technology, administration, and marketing and communications by the RTA in accordance with the TSA.

- *Lease Agreement*: The Company entered into a lease agreement with the RTA effective 1 January 2024 for a period of 1 year. As per the terms of the lease agreement, the Company pays AED 500,000 as rent inclusive of maintenance, utilities consumption, and soft services on an annual basis. All amounts presented are excluding VAT. The Company may terminate the lease agreement, without any penalty, at any time during the term of the agreement by giving not less than two months' notice to the lessor.

- *Capital injection by the Dubai Investment Fund received on 31 January 2024:* Upon formation of Parkin Company P.J.S.C., the Dubai Investment Fund injected bank balances totalling AED 60 million into the Company.

- *Appointment of the Board of Directors (the "**Board**") and employees for Parkin:* Parkin Company P.J.S.C. was established on 4 January 2024 and has appointed its Board members, key management personnel and certain employees. The Board consists of seven members. The Parkin employee structure is comprised of management personnel, including the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and Director of Technology.

- *Transfer of employees effective 1 February 2024:* As at the date of this Offering Memorandum, the Company has a total of 328 employees who transferred from the RTA and the Parking Business. Pursuant to the Concession Agreement, the RTA reimbursed to the Company an amount equivalent to the end-of-service related benefits for the employees that were transferred to the Company.

These transactions are referred to as the "**Pre-Offering Transactions and Contractual Arrangements**". For more information, see "*Selected Unaudited Selected Pro Forma Financial Information*" in Part 6, "*Related Party Transactions*" in Part 13, "*Material Contracts*" in Part 14 of this Offering Memorandum.

The Unaudited Pro Forma Financial Information is presented for illustrative purposes only and is not intended to represent or to be indicative of the financial position or the results of operations that would have been reported had the Pre-Offering Transactions and Contractual Arrangements occurred as of the dates indicated or what the financial position or results of operations would be for any future periods. The pro forma adjustments and related assumptions are described in the accompanying notes to the Unaudited Pro Forma Financial Information.

The Unaudited Pro Forma Financial Information should be read together with the information included in the *"Summary Financial and Other Information", "Selected Financial Information", "Material Contracts", "Use of Proceeds", "Management's Discussion and Analysis of Financial Condition and Results of Operations"* and *"Unaudited Pro Forma Financial Information"* sections.

Currency presentation

Unless otherwise indicated, all references in this document to:

- The "UAE dirham" or "AED" are to the lawful currency of the United Arab Emirates; and

- The "US dollar" or "US$" are to the lawful currency of the United States of America.

The value of UAE dirhams has been pegged to a US dollar rate of AED 3.6725 per US$1 since 1997. All AED/US$ conversions in this Offering Memorandum have been calculated at this rate.

Rounding

Certain data in this Offering Memorandum, including financial, statistical, and operating information has been rounded. As a result of the rounding, the totals of data presented in this Offering Memorandum may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100%.

Market, economic and industry data

The Company's "Industry Overview" section in this Offering Memorandum is based on the industry report which has been prepared by FTI Consulting Solutions Limited (Dubai Branch) (the "**Industry Consultant**"), exclusively for the benefit of the Company in relation to the markets in which the Company operates (the "**Industry Report**"). The Company confirms that the data and other information derived from the Industry Report and any other third party information included herein has been accurately reproduced and that, as far as the Company is aware and is able to ascertain from the Industry Report and from information published by these and other third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Company notes that none of the Industry Consultant or other third party sources, and none of the Underwriters or the Financial Adviser, gives any assurance as to the accuracy and completeness of, or accepts any liability for the accuracy of any such information, and prospective investors are advised to consider such information with caution. The Industry Consultant acted exclusively for the Company and no one else in connection with the Industry Report. Reliance by any other party on the contents of the Industry Report shall be at the parties' own risk. The Industry Consultant assumes no liabilities with respect to any other party's loss or damages, resulting from such use of any information, conclusions or recommendations disclosed in the Industry Report. The Industry Report was prepared on 27 January 2024 and as such addresses statements and matters stated therein at that time or at the times otherwise specified therein and does not take account of any changes or developments which may have occurred since.

In addition, in certain instances in this Offering Memorandum the Company has included its own estimates, assessments, adjustments and judgments in preparing market information, which have not been verified by an independent third party. Such information is to a certain degree subjective. While the Company believes that its own estimates, assessments, adjustments and judgments are reasonable and that the market information prepared by the Company approximately reflects the industry and the markets in which its operate, there is no assurance that the Company's own estimates, assessments, adjustments and judgments are the most appropriate for making determinations relating to market information or that market information prepared by other sources will not differ materially from the market information included herein. For more information, see "*Information Regarding Forward Looking Statements*" and "*Industry Overview*" in Part 9 of this Offering Memorandum.

No incorporation of website information

The contents of the Company's website (https://www.parkin.ae), the website of the Selling Shareholder (https://www.dof.gov.ae/en-us/Pages/Home/Home.aspx), the Parkin IPO website (https://www.parkin.ae/parkin-ipo) or any website mentioned in this Offering Memorandum or any website directly or indirectly linked to these websites have not been verified and do not form part of this Offering Memorandum and are not deemed to be incorporated by reference herein. To the extent information on any of the Company's websites differs from or is inconsistent with information presented herein, reference should be made only to the information contained in this Offering Memorandum.

Definitions and glossary

Certain terms used in this Offering Memorandum, including all capitalised terms and certain technical and other items, are defined and explained in "*Glossary*".

Information not contained in this Offering Memorandum

No person has been authorised to give any information or make any representation other than those contained in this Offering Memorandum and, if given or made, such information or representation must not be relied upon as having been so authorised. The delivery of this Offering Memorandum shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Offering Memorandum or that the information in this Offering Memorandum is correct as of any time subsequent to the date hereof.

Information regarding forward-looking statements

This Offering Memorandum includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned", "anticipates" or "targets" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Memorandum and include statements regarding the intentions, beliefs or current expectations of the Company concerning, among other things, the future results of operations, financial condition, prospects, growth, strategies, and dividend policy of the Company and the industry in which it operates. In particular, the statements under the headings "*Risk Factors*", "*Business Description*", "*Financial Guidance*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" regarding Company's strategy, targets and other future events or prospects are or may be forward-looking statements.

These forward-looking statements and other statements contained in this Offering Memorandum regarding matters that are not historical facts involve predictions and are based on the beliefs of the Company's management, as well as the assumptions made by, and information currently available to, the Company's management. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, the Company cannot give any assurance that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations are contained in cautionary statements in this Offering Memorandum, including, without limitation, in conjunction with the forward looking statements included in this Offering Memorandum and specifically under the section entitled "*Risk Factors*" or the underlying assumptions.

If any of these risks and uncertainties materialise, or if any of the Company's underlying assumptions prove to be incorrect, the Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. Under no circumstances should the inclusion of such forward looking statements in this Offering Memorandum be regarded as a representation or warranty by the Company, the Selling Shareholder, the Underwriters, the Financial Adviser or any other person with respect to the achievement of the results set out in such statements.

Such forward-looking statements contained in this Offering Memorandum speak only as of the date of this Offering Memorandum. Any obligation or undertaking to update any forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based is expressly disclaimed unless required by applicable law, rules and regulations. Accordingly, undue reliance should not be placed on any of the forward-looking statements in this Offering Memorandum. The Company, the Selling Shareholder, the Underwriters and the Financial Adviser expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the Offering Memorandum to reflect any change in expectations or any change in events, conditions or circumstances on which such statements are based.

SUMMARY

*This summary should be read as an introduction to this Offering Memorandum (the "**Offering Memorandum**") and is qualified in its entirety by, and is subject to, the detailed information contained elsewhere in this Offering Memorandum. Accordingly, any decision to invest in the Shares should be based on consideration of this Offering Memorandum as a whole by the investor. Potential investors should read this entire Offering Memorandum carefully, including "Risk Factors", before making any decision to invest in the Shares.*

Overview

Parkin is the largest provider of paid parking facilities and services in Dubai, accounting for more than 90% of Dubai's on- and off-street paid parking market and has the exclusive right to operate all public on-street parking, public off-street parking and public MSCPs in Dubai. Parkin also operates certain privately-owned parking facilities under contract with property developers. The Company operates across six operating verticals: (i) public on-street and off-street parking, (ii) public MSCPs, (iii) Developer-owned Parking Lots, (iv) permits and seasonal parking subscriptions, (v) parking reservations, and (vi) other services. As at 31 December 2023, Parkin operated approximately 175,000 public on- and off-street parking spaces across 85 locations, approximately 4,000 parking spaces across nine MSCPs[1] and approximately 18,000 parking spaces across seven Developer-owned Parking Lot locations. For the year ended 31 December 2023, Parkin issued approximately 139,000 seasonal parking subscriptions and permits for all parking facilities. For the year ended 31 December 2023, Parkin conducted approximately 118 million parking transactions.[2] As at the date of this Offering Memorandum, Parkin is also responsible for parking enforcement at its parking facilities (including approximately 300 parking inspectors and 19 smart scanning vehicles) and certain other parking lot-related operations in Dubai.

The Company's revenue for the years ended 31 December 2021, 2022 and 2023 was AED 590.6 million, AED 686.2 million and AED 779.4 million, respectively. The Company's EBITDA for the years ended 31 December 2021, 2022 and 2023 was AED 240.3 million, AED 336.5 million and AED 414.4 million, respectively.

In the years ended 31 December 2021, 2022 and 2023, the RTA invested an average of AED 6 million per year in improvements to its systems to create smart and autonomous parking facilities and services. Its development plans are in line with the Dubai Government's Smart City, Paperless Strategy and Digital Transformation goals and objectives, with all parking services being provided electronically via digital channels since 2020. In addition, Parkin has deployed state of the art intelligent parking management systems that utilise advanced technologies, artificial intelligence and big data analysis to provide high quality service to its customers. For instance, Parkin allows customers to pay via six payment channels: parking meters, phone applications (e.g. Dubai NOW App and Dubai Drive App), AppClip (via QR code), WhatsApp, seasonal parking subscriptions and SMS, with four different payment methods: ApplePay, cash, Nol public transport card and debit/credit cards. The RTA was among the first in the world to accept SMS parking payments in 2008 and accept payments via AppClip and WhatsApp. Further, it was the first in the Middle East to digitalise the parking experience by implementing smart inspection with artificial intelligence features. As a result of its investments and digitalisation efforts, the RTA won the Middle East Technology Excellence Awards in 2023 and achieved a customer satisfaction rate of more than 95% for the year ended 31 December 2023.

The resident population of Dubai is expected to grow by 63% between 2022 and 2040 and demand for paid public parking is expected to increase by 60% by 2033.[3] The Company's growth strategy entails using its technology and operational expertise to expand its business and meet the expected demand from the population growth. In addition to operating new parking facilities in other areas of Dubai to accommodate the population growth and new area developments, the primary growth initiatives the Company intends to pursue include: (i) with approval from the RTA, converting a portion of unpaid parking spaces (of which there are approximately 392,000 spaces)[4] into paid parking spaces, (ii) establishing new agreements with property developers, (iii) with approval from the TEC, adjusting zoning of highly demanded parking spaces in dense areas to increase revenue potential and (iv) investing in more digital initiatives to increase the efficiency of its parking facilities, such as a unified parking platform app to allow customers to make reservations for

[1] This includes the Khansaheb MSCP, which is managed and operated by a third-party private operator, and excludes the Al Souk Al Kabir MSCP, which is being developed through a 25-year concession agreement between the RTA and a private sector entity.
[2] Excluding fine transactions.
[3] Industry Report.
[4] As of January 2024.

any parking facility. Additional potential growth initiatives include: (i) offering new commercial activities such as new payment channels and renting space to food trucks and companies that build mechanical car parks, provide car washes and provide car tinting services, (ii) providing advertisement space in the parking facilities, (iii) developing electrical vehicles related activities and (iv) leveraging the Company's operational expertise to expand geographically.

The Company's principal asset is the Concession Agreement with the RTA, which will maintain the Company's exclusive rights to operate all current and future public paid parking facilities and services in the Emirate of Dubai. The Concession Agreement is long-dated and includes a tariff uplift mechanism that can be used to offset inflation. In case tariff increases are not approved by TEC, there is a further mechanism to offset inflation by way of a reduction in the concession fee payable to the RTA by the Company—however the concession fee cannot be reduced below the floor of 12.5% of the parking revenue for any given year. Conversely, in case tariff increases approved by TEC surpass the cumulative inflation rate, then the Company and the RTA will equally share the excess revenue, subject to the concession fee rate not going above 27.5%. The Concession Agreement's maturity year is 2072.

Competitive Strengths

The Company is a market leader with the exclusive right to operate on- and off-street paid public parking in Dubai

The Company is the largest provider of parking facilities and services in Dubai, with a 100% share of Dubai's on- and off-street paid public parking and a 91% share of Dubai's total on- and off-street paid parking market.[5] Pursuant to the 49-year Concession Agreement with the RTA, the Company has the exclusive right to operate all public on- and off-street paid parking and public MSCPs in Dubai and collect fines in public parking areas. Parkin also operates and manages certain Developer-owned Parking Lots under management contracts with property developers. Further, Parkin is the only company that has enforcement rights for paid public parking. For the years ended 31 December 2021, 2022 and 2023, the Company operated and managed approximately 175,000, 177,000 and 179,000 paid public parking spaces and for the years ended 31 December 2021, 2022 and 2023, the Company operated and managed approximately 26,000, 17,000 and 18,000 Developer-owned Parking Lot spaces. The following table sets out the number of parking spaces under management by the Parking Business since 2006.

Year	Approximate Total Paid Public Parking Spaces (excluding Developer-owned Parking Lot spaces)	Approximate Developer-owned Parking Lot spaces	Approximate Total Number of Paid Parking Spaces
2006	49,000	-	49,000
2007	60,000	-	60,000
2008	71,000	-	71,000
2009	83,000	-	83,000
2010	92,000	-	92,000
2011	99,000	-	99,000
2012	106,000	9,000	115,000
2013	116,000	9,000	125,000
2014	127,000	9,000	136,000
2015	132,000	9,000	141,000
2016	147,000	12,000	159,000
2017	152,000	16,000	168,000
2018	156,000	26,000	182,000
2019	164,000	26,000	190,000
2020	169,000	26,000	195,000
2021	175,000	26,000	201,000
2022	177,000	17,000[(1)]	194,000
2023	179,000	18,000	197,000

Note: Number of Developer-owned Parking Lot spaces decreased due to Al Khail contract not being renewed, which was mutually decided between the RTA and the developer due to low occupancy rates.

[5] Industry Report.

Private cars remain the most preferred mode of transportation in Dubai, with 61% of people in Dubai preferring to use private cars, compared with 14% that prefer to use public transportation, 13% that prefer to walk and cycle and 12% that prefer other modes.[6] A number of Dubai's structural features render it conducive to private cars, including: (i) neighbourhoods that are spread out with indirect connections to public transport routes (e.g. Dubai Metro), (ii) low fuel and energy prices, (iii) low cost of purchasing and maintaining a car, (iv) a hot climate that discourages commuters from walking, including walking from public transportation to their final destination, (v) a relatively mild rush hour compared to other jurisdictions and (vi) high-quality infrastructure.[7] As a result of these factors, vehicle penetration in Dubai is among the highest in the world, with 580 vehicles per 1,000 inhabitants.[8] The following table sets out vehicle penetration in Dubai as compared to certain other comparable jurisdictions.

City	Vehicle per 1,000 inhabitants
Dubai	580
Madrid	431
Paris	357
Riyadh	304
Berlin	288
London	283
Amsterdam	251
New York City	249
Singapore	116

Source: FTI. Note: Data as of 2020, except for Dubai (2022), London (2018), Amsterdam (2022), New York City (2021), and Singapore (2022).

The Company currently operates and manages parking facilities located in high density areas of Dubai, such as Deira, Business Bay and Jumeirah. With multiple parking facilities located in strategic locations, the Company serviced 3 million, 3 million, and 4 million customers for the years ended 31 December 2021, 2022 and 2023,[9] and has a customer satisfaction rate of more than 95% for the year ended 31 December 2023.

The Company benefits from well-invested core infrastructure assets with advanced digital capabilities allowing superior customer experience and seamless operations

Dubai's road network is the backbone of its economic development with an average of 2.2 million Dubai-registered vehicles and 1.1 million vehicles using Dubai's roads every day as of 2023.[10] The Government of Dubai is committed to continue maintaining high standards for its transportation infrastructure assets, having invested approximately AED 140 billion on Dubai's road infrastructure between 2006 and 2021.[11]

Between 2006-2021, the RTA invested AED 90 billion on road and transportation infrastructure, approximately 50% of which was on roads.[12] The RTA intends to continue developing the Emirate's infrastructure to ensure that it is able to sustain the economic and population growth expected in Dubai.[13] The RTA is also incentivised to support the growth of Parkin; the concession fee will contribute to the RTA's and the Government of Dubai's budget that is earmarked for the development of the overall infrastructure of Dubai. Hence, it is expected that the Government of Dubai will continue maintaining and growing Dubai's roads and other key infrastructure.

In parallel, the Company is focused on expanding its digital infrastructure to continue to offer customers a fully digitised parking experience. It provides advanced digital solutions to its customers and offers the most payment options to customers[14] and between 2019 and 2022, there has been a 14% increase in the use of the Company's smart payment channels. The Company offers six payment channels: parking meters, phone

[6] Industry Report.
[7] Industry Report.
[8] Industry Report.
[9] This data is calculated and received through payment channels and inspections. The margin of error is around 3-5%.
[10] Source: RTA.
[11] Industry Report.
[12] Industry Report.
[13] Industry Report.
[14] Source: RTA. Compared to parking facilities in other major cities: Amsterdam, Zurich, Madrid, London, New York, Singapore, and Riyadh.

applications (e.g. Dubai NOW App and Dubai Drive App), AppClip (via QR code), WhatsApp, seasonal parking subscriptions and SMS and four different payment methods: ApplePay, cash, NoI public transport card and debit/credit cards. Currently, only approximately 9% of transactions use cash.[15] Between 2019 and the first six months of 2023, cashbox collection costs reduced by 47%. Seasonal subscriptions and permit transactions are also completed via the RTA's website or the RTA App. The average monthly RTA app users for the years ended 31 December 2021, 2022, and 2023 were 69,362, 131,715 and 222,756, respectively.[16] Customers are issued e-permits and are no longer required to display permits on their cars; any relevant notifications can be received via telephone. The RTA also has a loyalty program, which the Company participates in, where customers are incentivised to pay their Parking Fees and Parking User Charges via the Company's digital platforms to receive loyalty points, instead of using traditional payments. The Company's digital infrastructure has created an optimal customer experience. Between 2019 and Q3 2022, parking meter touchpoints have decreased from five to three and the average customers' walking time from the area where they parked their vehicle to the parking meter has decreased from four to two minutes. Between 2019 and 2022, the turnaround in permits and seasonal subscriptions issuances has decreased from five days to one day, and between 2019 and 2023, there has been a 30% reduction in fine disputes.

Further, the Company has digital infrastructure in place to provide efficient parking enforcement. In addition to approximately 300 inspectors, the Company has 19 smart scanning vehicles which cover 70% of parking spaces. Due to the Company's investment in its digital parking enforcement infrastructure, fine collection increased at a CAGR of 3% between 2018 and 2023.

The Company benefits from a favourable regulatory framework with a well-defined concession agreement

Under the terms of the 49-year Concession Agreement, the Company will pay to the RTA a quarterly concession fee equal to 20% of the Company's revenue, subject to adjustments, generated from public on- and off-street paid parking and MSCPs, as adjusted to reflect cumulative inflation. Pursuant to the Concession Agreement, the Company will have the exclusive right to operate public on- and off-street paid parking. As a result, the Company is the largest provider of parking facilities and services in Dubai, with a 91% share of Dubai's total on- and off-street paid parking market. The Company will also have the exclusive right to operate and manage any new parking facilities built or acquired by the RTA. Further, the Company is the only parking provider in Dubai with the right to enforce public parking fines to customers for non-compliance.

All parking tariffs charged by the Company are determined by the TEC. However, the Company is required to request a tariff increase every two years for an amount that is at least reflective of the cumulative inflation rate, and if such increase is not approved to an extent sufficient to match the cumulative inflation rate, then there is a downward adjustment to the concession fee payable to the RTA. In the event that the tariff increase is approved for an amount that exceeds the cumulative inflation rate, the Company and the RTA will equally share the excess revenue, subject to the concession fee rate not going above 27.5%.

The RTA will be responsible for maintenance of the parking facilities, and all costs in relation to any new parking facilities will be borne by the RTA. The RTA will also aid the Company in enforcing fines from internationally- and UAE-registered vehicles. In the event that the RTA or any other relevant authority commits any adverse governmental action during the concession, the Company will be compensated through an extension of time and/or monetary relief.

The Company has superior operating margins and a capital expenditure-light business model resulting in high Cash Conversion

The Company's business model is capital expenditure-light as the majority of capital expenditure commitments remain with the RTA pursuant to the Concession Agreement. Specifically, the RTA will be responsible for the maintenance of the Company's parking facilities and the building of new parking facilities. As a result, for the years ended 31 December 2021, 2022 and 2023, the Company's Capital Expenditure was AED 11.9 million, AED 2.4 million, AED 4.4 million respectively.

As a result of the RTA being responsible for expansionary and maintenance capital expenditure, the Company has low capital expenditures commitments and therefore has high margins, with EBITDA margins of 41%, 49% and 53% for the years ended 31 December 2021, 2022 and 2023, respectively. Further, the Company

[15] In 2022, cash was used in 11% of transactions, SMS was used in 68% of transactions, Whatsapp, Mobile app, and App Clips were used in 13% of transactions.
[16] For the year ended 31 December 2020, the average monthly users was 45,581.

expects to save AED 42.0 million for future parking expansion by using its existing spare parking meters at its disposal, which have an annual maintenance cost of AED 3,000 per meter. The Company also had high Cash Conversion of 95%, 99% and 99% for the years ended 31 December 2021, 2022 and 2023, respectively.

The Company's capital structure has been optimised to be fit-for-purpose, providing the Company with the financial flexibility to optimise debt servicing costs and maintain a stable dividend stream. Further, due to its capital expenditure-light business model, the Company has limited working capital requirements, which also contributes to the Company's high free cash flow and the Company's attractive dividend policy.

The Company has strong growth momentum supported by Dubai's ambitious expansion plans and its own growth initiatives

In the mid-1990s, following a decline in oil production, Dubai sought to diversify its economy. Today, Dubai is recognised as a hub for real-estate, tourism, and trade.[17] It is the centre for Middle Eastern trade flows, one of the premier financial capitals in the Middle East and a significant tourist destination.[18] In the first six months of 2023, Dubai's real GDP grew 3.2%, year on year, to AED 223.8 billion.[19] Growth in the first two quarters of 2023 surpassed average global growth rates for the same period.[20] Dubai is implementing multiple economic initiatives, including a USD 8.7 trillion economic plan to boost trade, investment and achieve global hub status, with an aim to increase foreign direct investment to over USD 177 billion over the next decade.[21]

To attract expats to reside in the UAE, the Government of Dubai has undertaken various initiatives including (i) the creation of several new visa schemes to attract and retain expatriate talents, improve the competitiveness and flexibility of the job market, and increase investment opportunities within the UAE (such as the "Golden Visas," long-term stay visa, freelance visa and remote work visa) and (ii) introduction of a form of social security, which offers financial support to individuals during their unemployment, with the support continuing until they secure new employment.[22]

Dubai has achieved a unique fast-tracked development over a span of 50 years with approximately 3.5 million Dubai residents and 4.7 million active daytime population[23] as of 31 December 2022 and is expected to achieve 63% resident population growth from 2022 through 2040.[24] Even through the COVID-19 pandemic, tourists continued to choose Dubai as a destination, with Dubai International airport retaining its title as the busiest international airport in the world for international passengers for the ninth year in a row in 2022.[25]

Dubai is also undertaking various initiatives to increase its population, including the Dubai 2040 Urban Master Plan where it is focusing on developing and investing in five main urban centres to support economic growth and increase job opportunities.[26] The Dubai 2040 Urban Master Plan is also expected to increase land areas for hotels and tourism by 134%, a 400% increase in public beach spaces, a 168 square kilometers increase in commercial land, as well as an increase in residents and daytime population to 5.8 million and 7.8 million respectively by 2040.[27] In addition to infrastructure development, there is an extensive roster of events to further drive tourism with plans to host 400 global events per annum by 2025, backed by the evident success of the World Expo 2020, where over 24 million visitors were recorded throughout the six-month long event.[28] In 2022, Dubai won 232 bids for business events, which is twice as many as in 2021, and which are expected to bring in 135,000 visitors over the coming years.[29]

Dubai lifted its COVID-19 lockdown earlier than the other Emirates and other countries in the region, and it was successful in implementing tangible measures to drive economic recovery of tourism and other key

[17] Industry Report.
[18] Industry Report.
[19] Industry Report.
[20] Industry Report.
[21] Industry Report.
[22] Industry Report.
[23] Daytime population includes permanent residents of Dubai and workers residing outside the Emirate of Dubai.
[24] Industry Report.
[25] Industry Report.
[26] Industry Report.
[27] Industry Report.
[28] Industry Report.
[29] Industry Report.

sectors.[30] Dubai contained the impact of the COVID-19 pandemic on its economy with a range of measures, including a mass vaccination programme and economic support initiatives.[31] This boosted market sentiment and recovery, with nearly 70% of workers returning to in-person work post the COVID-19 pandemic by around June 2022.[32]

After a fall in 2020, Dubai's real GDP grew steadily, with year-on-year real GDP growth of 5.7% and 4.4% for 2021 and 2022 respectively. The strong and steady growth of Dubai's economy in the years prior to the impact of COVID-19, is expected to continue further with real GDP predicted to grow at a rate close to 3.5% for 2023. Tourism has also rebounded since the COVID-19 pandemic, increasing by 20%, year-on-year, in the first six months of 2023 and exceeded pre-COVID-19 levels.

Given multiple growth factors, such as Dubai's evident robust economic growth, the increase in population and number of visitors is expected to increase the number of registered vehicles to 2.5 million by 2025, an increase of 32% from 2020.[33] As a result, between 2023 and 2033, demand for public parking is expected to increase by 60% (which represents a CAGR of 4.8%).[34] This increased demand is also expected to result in occupancy of existing public parking increasing at a CAGR of 2.0%, whilst supply of public parking is expected to increase at a CAGR of 2.4% within the same period.[35]

Parkin is an attractive platform for further expansion with additional levers. Most notably, the Company has the exclusive right to operate and manage new parking facilities built and acquired by the RTA in other areas of Dubai. The primary growth initiatives the Company intends to pursue include: (i) with approval from the RTA, converting a portion of unpaid parking spaces (of which there are approximately 392,000 spaces[36]) into paid parking spaces, (ii) establishing new agreements with property developers, (iii) with approval from the TEC, adjusting zoning of highly demanded parking spaces in dense areas to increase revenue potential and (iv) investing in more digital initiatives to increase the efficiency of its parking facilities, such as a unified parking platform app to allow customers to make reservations for any parking facility. Additional potential growth initiatives include: (i) offering new commercial activities such as new payment channels and renting space to food trucks and companies that build mechanical car parks, provide car washes and provide car tinting services, (ii) providing advertisement space in the parking facilities, (iii) developing electrical vehicles related activities and (iv) leveraging the Company's operational expertise to expand geographically.

The Company is forward-thinking with a sustainable agenda aligned with the RTA's and Dubai's goals

The UAE has publicly committed its support to the Paris Agreement to combat climate change and submitted its first National Declared Contributions ("**NDC**") in 2015.[37] Pursuant to its most recent NDC declaration in 2023, the UAE (i) confirmed its absolute emission reduction targets and (ii) is aiming for 2030 net greenhouse gas emissions to be reduced from an expected 208 MtCO2e to 182 MtCO2e.[38]

The UAE has been an active champion in supporting the deployment of clean energy solutions globally with a particular focus on developing countries.[39] By December 2020, the UAE had invested USD 16.8 billion across 70 countries in renewable energy ventures and pledged USD 400 million in aid and concessional loans/financings for clean energy projects.[40] In 2021, the UAE also announced its intention to invest over USD 163 billion in clean and renewable energy over the coming few years and play its global role in combatting climate change as confirmed by Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister, and Ruler of Dubai.[41]

The Company is aligned with Dubai's green energy transition as an asset-light business with a minimal environmental footprint and is committed to minimising the Company's operational emissions where possible by implementing 100% solar powered parking meters, 100% paperless metering tickets and fines, hybrid fleet

[30] Industry Report.
[31] Industry Report.
[32] Industry Report.
[33] Industry Report.
[34] Industry Report.
[35] Industry Report.
[36] As of January 2024.
[37] Industry Report.
[38] Industry Report.
[39] Industry Report.
[40] Industry Report.
[41] Industry Report.

transition and smart parking inspection. Since 2022, the Company also offers 100% digital options and as of 31 December 2023, approximately only 10% of transactions are completed with cash. Between 2019 and the first six months of 2023, there has been a 49% reduction in parking meters, responsible for printing tickets, which has saved the Company AED 5.7 million in parking meter maintenance. The Company also promotes the transition to sustainable mobility by incentivising EV adoption with 100 toll-free parking spaces for eco-friendly vehicles and has the capacity to double this as demand increases. Further initiatives that the Company has put in place to support the Company's net zero operations by 2050 commitment include greening its energy consumption, minimising waste and reducing tailpipe emissions from company cars, as well as reducing the overall number of inspection cars required. The Company's senior management also consists of long-tenured, experienced, and skilled individuals, who are dedicated to support the Company's 2050 net zero target.

In line with its commitment to contribute to the broader community, by leveraging its position and asset base, the Company has exempted various key groups from paying Parking Fees. These groups include (i) individuals who work for government entities, (ii) individuals with mental, physical, visual or other disabilities and impairments ("**People of Determination**"), (iii) individuals with chronic diseases, (iv) individuals who attend centres for people with disabilities, (v) senior UAE nationals citizens, (vi) daily hospital patients and (vii) UAE nationals and citizens of the GCC countries.[42] As of 31 December 2023, the Company has issued approximately 7,500 permits to People of Determination, approximately 5,300 permits to senior UAE national citizens, and approximately 600 permits to other exempted groups.

Strategies

Leverage existing capacity: absorb the expected increase in Dubai population and implied increase in vehicle density and demand for parking

By 2040, Dubai's resident population is expected to grow by 63% to 5.8 million and Dubai's daytime population[43] is expected to grow by 66% to 7.8 million and registered vehicles in Dubai are expected to reach 3.3 million vehicles by 2033.[44] As a result, demand for public parking is expected to grow by 60% (which represents a CAGR of 4.8%) and occupancy of public parking is expected to grow from approximately 24% in the first six months of 2023 to approximately 29% by 2033 (which represents a CAGR of 2%).[45] The Company has an occupancy buffer that can be saturated, and average occupancy of the parking spaces is expected to grow at a CAGR of 2.0% between 2023 to 2033.[46] This is in line with the RTA's Dubai Master Plan, which is focused on adding new parking spaces to account for (i) the expansion of Dubai road infrastructure and (ii) the growth of new business areas across Dubai. In response, the Company and the RTA have implemented a five-year pavement plan, which sets out the strategy for the pavement of parking spaces across various locations in Dubai, such as Al Quoz, Umm Ramool and Ras Al Khor. A portion of these new parking spaces will be converted to paid parking on an annual basis.

Expand capacity: strategically add new parking facilities to address increasing demand for parking

As Dubai's population and economy expand, the supply of public parking between 2023 and 2033, is expected to grow at a CAGR of 2.4% and the number of registered vehicles is expected to grow at a CAGR of 4%.[47] The RTA plans to construct new parking facilities, which Parkin will have the exclusive right to operate and manage. Pursuant to the Concession Agreement, the RTA will be responsible for all costs to construct and maintain any new parking facility. Further, to accommodate the demand for parking, the Company has the right to submit requests to the RTA to accelerate the launch of new parking facilities within existing and developing areas with increased activity in Dubai. As of January 2024, there are approximately 392,000 unpaid parking spaces that could be converted to paid parking spaces. By 2028, the Company expects to convert approximately 4,000 unpaid parking spaces to paid parking spaces, and pave approximately 23,000 new parking spaces. As the largest provider of paid parking facilities and services in Dubai, the Company is a critical infrastructure asset that will benefit from the Emirate's continued growth and dependence on private car usage.

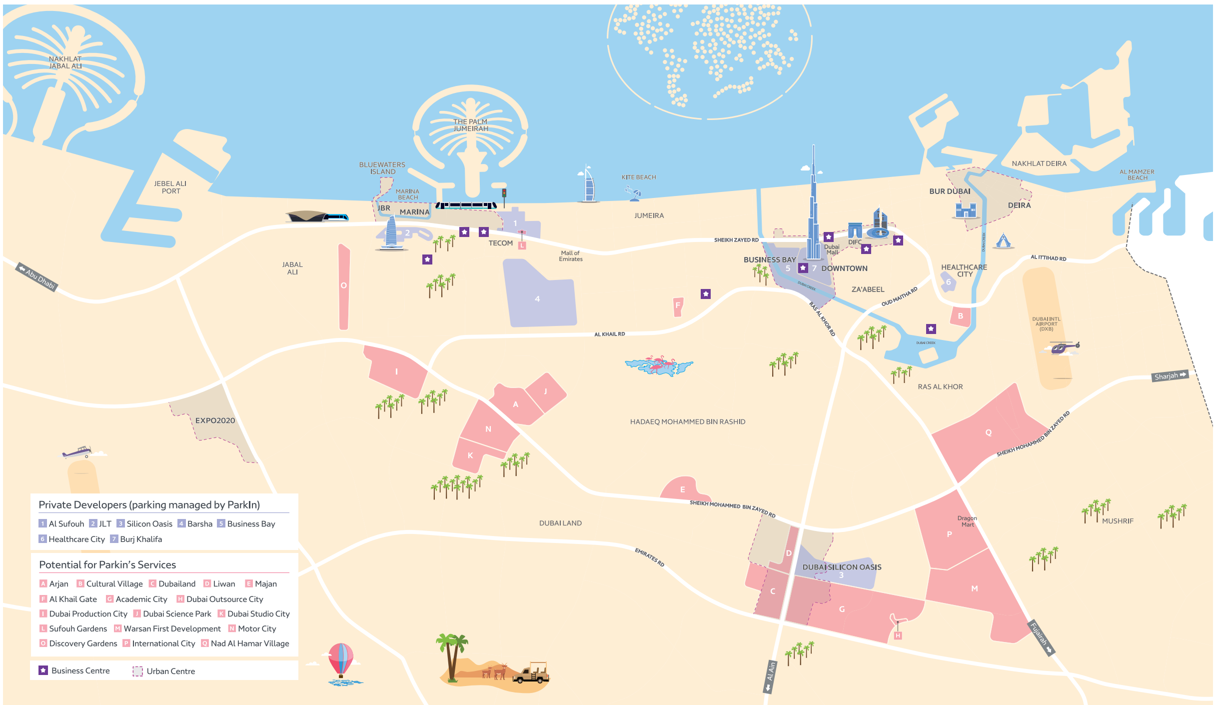
[42] UAE nationals and citizens of GCC countries are exempted from paying parking fees only at parking facilities that are located in front of their residences.
[43] Daytime population includes permanent residents of Dubai and workers residing outside the Emirate of Dubai.
[44] Industry Report.
[45] Industry Report.
[46] Industry Report.
[47] Industry Report.

Revenue diversification: Establish new agreements with third parties (including private developers) and diversify into new activities such as advertisements or parking spaces rental

The Company plans to leverage its technology and operational expertise to expand in areas that complement its existing service offering and pursue other revenue streams which are not in competition with the RTA. Subject to technical and commercial feasibility, the Company is considering the following complementary revenue streams:

New agreements with third parties

The Company is currently under contract with seven private developers to operate and manage their private facilities. Pursuant to the Concession Agreement, the Company may enter into additional similar agreements with other private developers and private businesses, such as shopping malls, apartment buildings, hospitals, office buildings and other high-traffic facilities. Currently, there are approximately 17 additional developer-owned communities that could benefit from the Company's services. Any revenue collected from such agreements will not be included in the concession fee payable by the Company to the RTA. The below map shows the locations of the communities that the Company could supply its services to.



Additional commercial activities

Pursuant to the Concession Agreement, the Company will have the right to sell advertising space in its parking facilities and retain all revenue generated from such arrangements. The parking facilities offer various high occupancy areas for advertisement use. Commercial activities that the Company may pursue include providing long term permits to companies to carry out their businesses, such as food trucks and companies that provide car washes, car tinting services, valet parking, and car auctions. Further, other activities include implementing premium and VIP parking in high demand areas and a smart parking reservation system, which will have a pre-booking system that charges customers higher tariffs.

Tariff optimisation

The Company is constantly reviewing its tariff framework, specifically in the zones where its various parking facilities sit. With the approval of TEC and the RTA, the Company plans to move parking facilities that have high occupancy into zoning categories that charge higher tariffs. Approximately 12,000 parking spaces are expected to be reclassified into zones that charge higher tariffs over the next five years, the majority of which are expected to come into effect in the next two years.

Geographical expansion

The Company aims to leverage its operational expertise and potentially expand its business in other parts of the UAE and broader GCC region. Expansion in other Emirates may include partnering with the government and private developers to provide parking services, and expansion in the GCC region may include leveraging existing relationships with private developers to offer parking services in other countries and extending technological support to improve parking services in those countries. Currently, there are multiple Emirates and GCC countries that could benefit from the Company's services such as implementing paid parking facilities in public and private areas, and implementing digital public parking applications, digital permits, and digital surveillance.

Technological innovation: Consolidate and further develop digital capabilities to ensure customer satisfaction and seamless operation

The Company believes that its current technology is cutting edge in the parking industry, and it will continue to prioritise investing in technology to ensure it is a pioneer of tech-enabled innovation in the sector. Investing in technology materially helps improve the reliability of the Company's operations, such as acquiring additional information on customer's behaviour. This could provide additional potential future revenue streams, such as selling such customer data to other businesses. The Company will also strive to continue offering a superior parking experience for its customers by, for example, creating an independent superapp, which will also include a unified parking platform application that allows customers to make reservations for any parking facility. Further, the Company intends to incentivise customers to pay via digital channels, other than SMS, to create a more efficient payment structure and also lower the amount of commission that the Company must pay to the third-party provider who facilitates such service.[48] The Company will also use its digital initiatives to improve its operations; it has currently placed an order for 200 cameras to implement a smart parking lot project, which will aid with parking inspection and facilitate automatic payments. The 200 cameras will cover approximately 50 out of 281 off-street parking lots by the end of 2024. With increased inspection coverage from the Company's technology, the Company expects more customer compliance, more revenue from fines and parking payments, and will rely less on inspectors.

ESG focus: Implement green practices, provide socially beneficial incentives and ensure strong corporate governance

The Company is committed to net zero operations by 2050. The Company's initiatives to reduce greenhouse gas emissions and waste include 100% solar powered parking meters, 100% paperless metering tickets and fines and transitioning to a hybrid fleet and smart parking inspections. A component of the Company's ESG strategy is supporting green mobility initiatives. The Company provides 100 toll free parking spaces for eco-friendly vehicles, which is in line with Dubai's green mobility strategy to increase the demand and supply of EVs in Dubai. Further, the Company is planning a Parking AI Occupancy Prediction initiative with the aim to help motorists plan their journey to avoid highly condensed parking zones, which the Company believes will reduce the carbon footprint from vehicles using its parking facilities. The RTA is also working on developing a feasible structure for EV charging infrastructure across multiple sites in Dubai and given that paid public parking spaces will be required to implement the overall EV infrastructure, the Company will be involved in this initiative.

Further, the Company's Board of Directors has included ESG as a board agenda item and will oversee the Executive-level ESG Management Committee responsible for executing the ESG strategy and annual reporting on ESG performance. The Company intends to disclose its ESG ambitions and performance on an annual basis in line with the Global Reporting Initiative standards.

Risk Factors

Risks relating to the Company's business and economic environment

- Changing transportation and customer preferences may lead to increased costs or a decline in parking demand.

[48] As at 31 December 2023, the Company pays 10% commission to telecom operators. Going forward, given the Company will no longer be a government entity, a cost of 0.9% on each credit card based transaction is expected to be incurred.

- The Company relies on the development of new OT and IT systems and enhancement of existing systems to improve operating efficiencies and maximise revenue.

- The Company's revenue, profits and cash flows are concentrated in Dubai.

- Events outside of the Company's control may decrease parking revenues or generate significant additional costs.

- Misconduct, fraud or work stoppages by the employees of the Company and/or the RTA could have a material adverse effect on the Company.

- The Company is dependent on third parties for its operations.

- The Company's Developer-owned Parking Lots operating vertical is dependent on private developers fulfilling their obligations under the agreements governing the Company's management and operation of developer-owned parking lots as well as such agreements being renewed.

- The Company's parking revenues are dependent on tariffs and/or fines being received from customers following the use of its parking locations.

- The Company's tariffs are determined by the Government of Dubai through the Executive Council.

- The Company may suffer losses in excess of insurance proceeds, if any, or from uninsurable events.

- The Company may not succeed in executing its growth strategy.

- The Company's management will have to adjust to running the Parking Business as an entity independent of the RTA and may also fail to attract and retain qualified and experienced employees.

- The Company faces competition from other parking locations and alternative forms of transportation that could result in a decrease in the overall parking volumes in its parking locations.

- Mishandling of personal data the Company possesses could damage its reputation.

- The Company is reliant on third-party intellectual property.

Risks relating to the Company's relationship with the RTA

- The Concession Agreement, on which the Company is reliant for the operation of its business, has a duration of 49 years and contains early termination provisions.

- The Company is a newly incorporated entity, and it faces potential risks associated with its separation from the RTA.

- The Company's reliance on the RTA exposes it to potential operational risks.

- The majority of the Company's senior management have limited experience in managing a publicly listed company.

- The Carve-out and the arrangements between the Company and the RTA were negotiated in the context of an affiliated relationship.

- The Carve-out Financial Statements and Unaudited Pro Forma Financial Information may not be entirely indicative of the Company's future performance as an independent publicly listed company.

- Certain agreements entered into by the RTA that relate to the Company's business may cease to be available by the RTA's counterparties as a result of the Carve-out.

- The Concession Agreement contains a non-competition provision with the RTA that limits the Company's ability to pursue certain business ventures.

General legal and regulatory risks relating to the Company

- The Company is subject to litigation risks.
- The Company is subject to various laws and regulations, and changes in such regulations could adversely affect its business, results of operations, financial condition or prospects.

Risks relating to Dubai, the UAE and to the MENA Region

- The Company's business could be adversely affected by the deterioration of economic conditions in Dubai, the UAE and globally.
- Continued instability and unrest in the MENA region or the escalation of armed conflict could materially adversely affect the Company's business, results of operations, financial condition or prospects.
- Dubai and the UAE may introduce new laws and regulations that adversely affect the way in which the Company is able to conduct its businesses.
- The UAE's Emiratisation initiative may increase the Company's cost structure.
- The Company's financial condition and results of operations may be materially adversely affected if the USD/AED exchange rate were to change.
- Introduction of corporate income tax or the application of value-added taxes on the Company may affect its financial results.

Risks relating to the Global Offer and the Shares

- The Dubai Investment Fund, as a major Shareholder, will maintain a controlling interest in the Company following completion of the Global Offering and may have conflicts of interest with other Shareholders.
- Holders of the Shares in certain jurisdictions outside of the UAE may not be able to exercise their pre-emptive rights (if offered by the Company) if the Company increases its share capital.
- There is no existing market for the Shares and an active trading market for the Shares may not develop or be sustained.
- The DFM is smaller in size than other established securities markets and there can be no assurance that a liquid market in the Shares will develop.
- Shares in the Company may be subject to market price volatility and the market price of the Shares in the Company may decline disproportionately in response to developments that are unrelated to the Company's operating performance.
- The Company's ability to pay dividends in the future depends, among other things, on the Company's financial performance and capital requirements.
- The issuance of additional Shares in the Company in connection with future acquisitions, any share incentive or share option plan or otherwise may dilute all other shareholdings and impair the Company's ability to raise future capital.
- Substantial sales of Shares by the Dubai Investment Fund could depress the price of the Shares.
- Overseas shareholders may be subject to exchange rate risk.

The Company

The Company's principal executive offices are located at G+2 Building, Old Headquarters, Umm Al Ramool, Marrakech Street, Plot number 215-246, P.O. Box 118899, Dubai, UAE. The Company's registered office is the same as its principal executive offices. Its telephone numbers are +971 4 290 6101 and +971 4 290 6102. The Company's website address is https://www.parkin.ae. The information contained on the Company's website is not incorporated by reference into, or otherwise included in, this Offering Memorandum.

THE GLOBAL OFFERING

The Company	Parkin Company P.J.S.C., a public joint stock-company incorporated in the Emirate of Dubai, UAE, pursuant to Dubai Law No. 30 of 2023 concerning the establishment of Parkin Company P.J.S.C. and in accordance with the provisions of Federal Law No. 32 of 2021 concerning Commercial Companies. Upon completion of the Global Offering, the Company will be subject to the provisions of Federal Law No. 32 of 2021 and the Company's approved articles of association in addition to the applicable provisions of the Commercial Companies Law as stated in the Company's articles of association.
The Selling Shareholder	The Dubai Investment Fund. Immediately following completion of the Global Offering, the Selling Shareholder will continue to own at least 75.01% of the Company's issued and outstanding share capital assuming that the size of the Global Offering is not increased.
The RTA	The Roads and Transport Authority
The Joint Global Coordinators and Joint Bookrunners	Emirates NBD Capital PSC, Goldman Sachs International, and HSBC Bank Middle East Limited
The Joint Bookrunners	Abu Dhabi Commercial Bank P.J.S.C, EFG-Hermes UAE Limited acting in conjunction with EFG Hermes UAE LLC, and First Abu Dhabi Bank P.J.S.C
The Global Offering	749,700,000 ordinary shares are being offered in the Global Offering. All of the Shares are being sold by the Selling Shareholder. The Selling Shareholder reserves the right to increase the size of the Global Offering at any time prior to the end of the subscription period at its sole discretion. The Company will not receive any proceeds from the sale of Shares by the Selling Shareholder other than a compensation from the Selling Shareholder for any expenses relating to the Global Offering. The Global Offering comprises the Institutional Offering, the ADGM Exempt Offer, the DIFC Exempt Offer, the UAE Retail Offer, the EIA Offer, and the Pensions and Social Security Fund Offer. The Shares are being offered outside the United States in reliance on Regulation S. The Exempt Offer is being made in the DIFC pursuant to an exemption from registration under the Markets Rules of the DFSA and in the ADGM pursuant to an exemption from registration under the Markets Rules of the FSRA. Subject to the approval of the SCA, the Company reserves the right to alter the percentage of the Global Offering which is to be made available to either the UAE Retail Offer, which shall not exceed 40% of the total Shares offered in the Global Offering, or the Qualified Investor Offering, which shall not be reduced to less than 60% of the total Shares offered in the Global Offering.
Qualified Investor Offering	90% of the Shares being offered in the Global Offering are being offered to certain investors in the Qualified Investor Offering (i) outside the United States in reliance on Regulation S and (ii) pursuant to the ADGM Exempt Offer and DIFC Exempt Offer.
ADGM Exempt Offer and DIFC Exempt Offer	A number of Shares to be determined by the Underwriters, the Selling Shareholder and the Company are being offered in the Exempt Offer in the DIFC pursuant to an exemption from registration under the Markets Rules of the DFSA, and only an Exempt Offer as in the ADGM pursuant to an exemption from registration under the Markets Rules of the FSRA.
UAE Retail Offer	10% of the Shares are being offered pursuant to the UAE Prospectus, the publication of which was approved by the SCA, to (A) natural persons who hold a national investor number ("**NIN**") with the DFM

	and have a bank account and (B) other investors (including natural persons, companies and establishments) who do not participate in the Qualified Investor Offering that hold a NIN with the DFM.
Shares	The Company's share capital consists of 3,000,000,000 ordinary shares, each with a nominal value of AED 0.02, which are fully paid, issued and outstanding. The Shares have the rights described under "*Description of Share Capital*".
Offer Price Range	The Offer Price Range is AED 2.00 to AED 2.10 per Share.
Commencement of the Global Offering	On or around 5 March 2024.
Expected Pricing Date	On or around 14 March 2024.
Expected Closing Date	On or around 21 March 2024.
Payment and settlement	Payment for the Shares purchased in connection with the Global Offering shall be made in AED unless specifically agreed between the bank and the investor during the bookbuilding process. Purchasers and subscribers will be required to make full payment for the Shares to the Underwriters for receipt by the Underwriters two business days prior to the Closing Date. In the event of a failure to make timely payment, purchasers and subscribers of Shares may incur significant charges. Delivery of the Shares is expected to be made on the Closing Date to the accounts of purchasers and subscribers through the book-entry facilities operated by the DFM. Trading of the Shares will take place through the trading system of the DFM. Shares will be held under NINs assigned by the DFM either to the holders directly or through custodian omnibus accounts and the ownership of the Shares will be evidenced by the holdings under each such NIN. Clearing and settlement of trades on the DFM by brokers or custodians may be performed only through members of the DFM that are authorised clearing members (the "**Clearing Members**"). Settlement of securities trading on the DFM is governed by the DFM's rules and regulations, which are available from its website, www.dfm.ae.
Price Stabilisation	In connection with the Global Offering, the Company and the Selling Shareholder will appoint xCube LLC, a duly authorised price stabilisation manager by the DFM, to act as a price stabilising manager (the "**Stabilising Manager**"), who may, to the extent permitted by applicable law, including the DFM Trading Rules, and for stabilisation purposes, effect stabilising transactions. As part of the Global Offering, the Selling Shareholder will sell 74,970,000 Shares (the "**Stabilisation Shares**") and such shares will be allocated to investors as part of the normal allocation process for the Global Offering. If at any time during the Stabilisation Period, the share price of the Shares on the DFM falls below the Offer Price, the Stabilising Manager shall use the proceeds of the sale of the Stabilisation Shares to purchase from the market up to a number of Shares equivalent to the number of Stabilisation Shares at or below the Offer Price for the purpose of supporting the market price of the Shares. None of the Underwriters or their respective directors, officers, employees or agents will have any direct or indirect involvement in, or responsibility or liability for, nor derive any direct or indirect benefit from, the stabilising transactions envisaged hereby and stabilisation will be carried out exclusively by the Stabilising Manager. For more information, see "*Subscription and Sale*" in Part 18 of this Offering Memorandum.

Restrictions on purchases and transfers of Shares . . . . The Shares are subject to certain restrictions on their purchase, resale and transfer, and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. For more information, see "*Subscription and Sale*" in Part 18 of this Offering Memorandum.

Dividends . . . . The Company's ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves, its capital expenditure plans and other cash requirements in future periods, and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. Any level or payment of dividends will depend on, among other things, future profits and the business plan of the Company, at the discretion of the Board of Directors and General Assembly.

Subject to the foregoing, the Company expects to distribute a minimum dividend payout of the higher of: (i) 100% of profit for the year; and (ii) Free Cash Flow to Equity, subject to distributable reserves requirements. This dividend policy is designed to reflect the Company's expectation of strong cash flow generation and expected long-term earnings potential.

Free Cash Flow to Equity is Net cash flows generated from/used in operating activities plus net cash generated from/used in investing activities plus net cashflows from financing activities (before any dividend payments).

The Company intends to pay dividends semi-annually in April and October of each year. A first dividend is expected to be paid in October 2024 in respect of the full first half of 2024.

This dividend policy is subject to consideration by the Board of Directors on an annual basis of the cash management requirements of the Company's business for operating expenses, finance costs and anticipated capital expenditures and investments. In addition, the Company expects that the Board of Directors will also consider market conditions, the current operating environment in the Company's markets and the Board of Directors' outlook for the Company's business and growth opportunities. See "*Dividend Policy*" in Part 2 of this Offering Memorandum.

Use of Proceeds . . . . The Company will not receive any proceeds from the Global Offering other than a compensation from the Selling Shareholder for any expenses relating to the Global Offering. All expenses of the Global Offering (including selling commissions and any discretionary fees) will ultimately be borne by the Selling Shareholder as a deduction of the proceeds from the Global Offering. The Global Offering is being conducted, among other reasons, to raise the Company's profile with the investment community and supporting the Government's broader ambitions to further develop local capital markets and deploy capital into other segments of the local economy.

Listing and trading . . . . The Company has applied for the Shares to be listed on the DFM. Prior to the Global Offering, there has not been any public market for the Shares. There will be no conditional dealings in the Shares prior to Admission. It is expected that Admission will become effective and that dealings in the Shares will commence on the DFM on or about the Closing Date.

Lock-up . . . . The Selling Shareholder has contractually agreed, for a period of 180 days after Admission (the "**Lock-up Period**"), not to (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares (excluding for the avoidance of doubt any securities issued by the Selling Shareholder), (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise, or (iii) publicly announce such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed. The foregoing restriction will not apply to, among others: (i) the offer and sale of the Shares in the Global Offering; (ii) any inter-company transfers of Shares by the Selling Shareholder in favour of its affiliates (provided that the transferee agrees to comply with the foregoing restrictions); (iii) accepting a general offer (including from the Company) made to all holders of Shares then in issue (other than Shares held by the person making the offer or its affiliates) on terms which treat all holders of Shares alike, or executing and delivering an irrevocable commitment or undertaking to accept such a general offer (without any further agreement to transfer or dispose of any Shares or any interest therein); (iv) taking up any rights granted in respect of a pre-emptive share offering by the Company; or (v) sales or transfers permitted under Article 215 of the UAE Commercial Companies Law. See "*Subscription and Sale*" in Part 18 of this Offering Memorandum.

The Company has contractually agreed, for the duration of the Lock-up Period, that neither it nor any of its affiliates nor any person acting on its or their behalf will, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed): (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any ordinary shares or warrants or other rights to purchase ordinary shares or any security or financial product whose value is determined, directly or indirectly, by reference to the price of the ordinary shares; (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the ordinary shares, in each case, whether any such transaction is to be settled by delivery of ordinary shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction.

The Fatwa issued in relation to the Global Offering does not approve the transactions listed above unless such transactions are structured in a Shari'ah compliant manner.

Taxation . . . . For a discussion of certain tax considerations relevant to an investment in the Shares, see "*Taxation*".

General Information . . . . ISIN: AEE01370P249; DFM Trading Symbol: PARKIN.

Risk Factors . . . . Prospective investors should read "*Risk Factors*" for a discussion of factors to consider carefully before deciding to invest in the Global Offering.

SUMMARY FINANCIAL AND OTHER INFORMATION

The financial information set forth in this section should be read in conjunction with the Carve-out Financial Statements included in this Offering Memorandum. Investors should also read certain risks associated with the purchase of Shares in the section entitled "Risk Factors".

*The selected financial information set forth below has been derived from the Carve-out Financial Statements audited by PricewaterhouseCoopers Limited Partnership Dubai Branch (the "**Independent Auditor**") as at and for the years ended 31 December 2021, 2022 and 2023. For more information, see "Independent Auditor" in Part 21 of this Offering Memorandum.*

The financial information set forth below under the captions "Carve-out statement of profit or loss and other comprehensive income", "Carve-out statement of financial position", "Carve-out statement of cash flows" and "Carve-out statement of changes in equity" has been derived from, and should be read in conjunction with, the Carve-out Financial Statements included elsewhere in this Offering Memorandum.

This section contains non-IFRS financial measures including EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Cash Conversion, and Capital Expenditure, which are not measurements of performance or liquidity under IFRS or any other generally accepted accounting principles. The Non-IFRS measures were calculated by the Company based on data derived from the Carve-out Financial Statements and management information.

The selected financial information presented below should be read in conjunction with "Presentation of Financial and Other Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Carve-out statement of profit or loss and other comprehensive income

	For the year ended 31 December		
		(AED'000)	
	2021	**2022**	**2023**
Revenue	590,566	686,242	779,379
Other income	293	717	570
Commission expenses	(22,426)	(25,005)	(28,116)
Maintenance expense	(33,593)	(33,777)	(27,593)
Variable lease payments	(10,785)	(11,390)	(13,597)
Other expenses	(34,026)	(36,088)	(26,058)
Employee benefits expense	(134,679)	(135,852)	(139,250)
Depreciation and amortisation	(20,396)	(20,615)	(19,375)
Corporate allocation expense	(105,741)	(110,799)	(121,157)
(Impairment loss)/reversal of Impairment loss on trade receivables	(9,318)	2,486	(9,813)
Finance expense	(392)	(320)	(900)
Profit for the year	**219,503**	**315, 599**	**394,090**
Other comprehensive income	-	-	-
Total comprehensive income for the year	**219, 503**	**315,599**	**394,090**

Carve -out statement of financial position

	As at 31 December		
		(AED'000)	
	2021	**2022**	**2023**
ASSETS			
Non-current assets			
Property and equipment	53,391	34,148	26,902
Intangible assets	11,075	11,386	9,329
Right-of-use asset	21,608	16,446	25,073
	86,074	**61,980**	**61,304**
Current assets			
Trade and other receivables	277,982	227,680	190,927
	277,982	**227,680**	**190,927**
Total assets	**364,056**	**289,660**	**252,231**
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits	57,451	61,229	54,356
Lease liabilities	17,320	13,575	21,644
	74,771	**74,804**	**76,000**
Current liabilities			
Trade and other payables	64,499	90,040	96,627
Contract liabilities	52,973	55,202	61,459
Provisions	1,850	2,850	-
Lease liabilities	5,030	3,745	5,537
	124,352	**151,837**	**163,623**
TOTAL LIABILITIES	**199,123**	**226,641**	**239,623**
Net parent investment			
Accumulated Net Parent Investment	164,933	63,019	12,608
TOTAL LIABILITIES AND NET PARENT INVESTMENT	**364,056**	**289,660**	**252,231**

Carve-out statement of cash flows

	For the year ended 31 December		
		(AED'000)	
	2021	2022	2023
Profit for the year	**219,503**	**315,599**	**394,090**
Adjustments for:			
Depreciation of property, and equipment, and right-of-use assets	18,765	18,890	16,913
Amortisation of intangible assets	1,631	1,725	2,462
Finance expense (interest on lease liabilities)	392	320	900
Provision for employees' end-of-service benefits	6,187	6,316	4,971
Impairment loss/(reversal) on financial assets/reversal of impairment on trade receivables	9,318	(2,486)	9,813
Operating cash flows before movements in working capital and employees' end-of-service benefits paid:	255,796	340,364	429,149
(Increase)/decrease in trade and other receivables	(132,350)	52,788	26,940
Increase in trade and other payables	22,756	25,541	3,737
Increase in provision	750	1,000	-
Increase in contract liabilities	3,282	2,229	6,257
	150,234	**421,922**	**466,083**
Employees' end-of-service benefits paid	(1,967)	(2,538)	(11,844)
Net cash flows generated from operating activities	**148,267**	**419,384**	**454,239**
Cash flows from investing activities			
Purchases of property, equipment, and intangibles assets	(11,928)	(2,418)	(4,422)
Proceeds from the sale of property and equipment	-	5,897	34
Net cash (used in)/generated from investing activities	**(11,928)**	**3,479**	**(4,388)**
Cash flows from financing activities			
Principal element of lease payments	(4,958)	(5,030)	(4,450)
Interest element of lease payment	(392)	(320)	(900)
Distribution to Parent	(130,989)	(417,513)	(444,501)
Net cash used in financing activities	**(136,339)**	**(422,863)**	**(449,851)**
Net cash movement during the year	-	-	-
Cash at the beginning of year	-	-	-
Cash at the end of year	-	-	-

Carve-out statement of changes in equity

	Total Net Parent Investment
	(AED'000)
Balance as at 1 January 2021	76,419
Total comprehensive income for the year	219,503
Distribution to Parent	(130,989)
Balance at 31 December 2021	164,933
Total comprehensive income for the year	315,599
Distribution to Parent	(417,513)
Balance at 31 December 2022	63,019
Total comprehensive income for the year	394,090
Distribution to Parent	(444,501)
Balance at 31 December 2023	12,608

Certain Non-IFRS Measures

Set out below are certain measures that are not defined or recognised under IFRS, or any other generally acceptable accounting principles, including EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Cash Conversion and Capital Expenditure ("**Non-IFRS measures**"). The Company believes that these Non-IFRS measures provide valuable information as these measures are used by the Company's management to evaluate the efficiency of the Company's operations and its ability to employ its earnings toward payment of debt, capital expenditures and working capital requirements. Definitions of these Non-IFRS measures, along with an explanation of their relevance and a discussion of their limitations appear in "*Selected Financial Information*".

	For Year ended 31 December		
	2021	**2022**	**2023**
EBITDA (AED'000)(1)	240,291	336,534	414,365
EBITDA Margin(2)	41%	49%	53%
Adjusted EBITDA (AED'000)(3)	346,032	447,333	535,522
Adjusted EBITDA Margin(4)	59%	65%	69%
Cash Conversion(5)	95%	99%	99%
Capital Expenditure (AED'000)(6)	11,928	2,418	4,422

Notes:

(1) EBITDA is defined as profit for the year excluding depreciation and amortisation, tax and finance expense. During the periods presented, there were no corporate taxes incurred.

(2) EBITDA Margin is EBITDA divided by revenue.

(3) Adjusted EBITDA is defined as profit for the year excluding depreciation and amortisation, tax, finance expense and corporate allocation expense. During the periods presented, there were no corporate taxes incurred.

(4) Adjusted EBITDA Margin is Adjusted EBITDA divided by revenue.

(5) Cash Conversion is defined as EBITDA less Capital Expenditure, divided by EBITDA.

(6) Capital Expenditure is defined as the purchases of property, equipment and intangibles assets.

SUMMARY UNAUDITED PRO FORMA FINANCIAL INFORMATION

The summary unaudited pro forma financial information set forth below as at and for the year ended 31 December 2023, has been derived from the Unaudited Pro Forma Financial Information, which are included in Part 23 "Unaudited Pro Forma Financial Information" of this Offering Memorandum, and give effect to the Pre-Offering Transactions and Contractual Arrangements, as described under "Material Contracts", as if they had occurred as at 1 January 2023 (in the case of the Unaudited Pro Forma Statement of Profit or Loss and other Comprehensive Income for the year ended 31 December 2023) and as at 31 December 2023 (in the case of the Unaudited Pro Forma Statement of Financial Position as at 31 December 2023). The summary unaudited pro forma financial information is not intended to show what the actual results of operations would have been had such transactions actually occurred on such dates, nor is it intended to forecast the Company's results of operations for any future period. The summary unaudited pro forma financial information should be read in conjunction with "Selected Financial Information", "Selected Unaudited Pro Forma Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Financial Statements" and "Unaudited Pro forma Financial Information", including the related notes, included elsewhere in this Offering Memorandum.

The summary unaudited pro forma financial information is presented for illustrative purposes only and is not intended to represent or to be indicative of the financial position or the results of operations that would have been reported had the Pre-Offering Transactions and Contractual Arrangements occurred as of the dates indicated or what the financial position or results of operations would be for any future periods. The pro forma adjustments and related assumptions are described in the accompanying notes to the Unaudited Pro Forma Financial Information.

Unaudited pro forma statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

	Carve-out Financial Statements	**Pro forma adjustments**	**Unaudited Pro forma**
	AED'000	*AED'000*	*AED'000*
Revenue	779,379	-	779,379
Other income	570	-	570
Concession fee expense	-	(105,968)	(105,968)
Commission expense	(28,116)	-	(28,116)
Maintenance expense	(27,593)	11,203	(16,390)
Variable lease expense	(13,597)	-	(13,597)
Other expenses	(26,058)	14,708	(11,350)
Employee benefits expense	(139,250)	-	(139,250)
Depreciation and amortisation	(19,375)	(28,571)	(47,946)
Corporate allocations	(121,157)	121,157	-
Impairment loss on trade receivables	(9,813)	-	(9,813)
Finance expense	(900)	(65,955)	(66,855)
Rent expense	-	(500)	(500)
Transitional Service Agreement expense	-	(12,394)	(12,394)
Profit for the year	**394,090**	**(66,320)**	**327,770**
Other comprehensive income	-	-	-
Total comprehensive income for the year	**394,090**	**(66,320)**	**327,770**

Unaudited pro forma statement of financial position

As at 31 December 2023

	Carve-out Financial Statements	Pro forma adjustments	Unaudited Pro forma
	AED'000	*AED'000*	*AED'000*
Non-current assets			
Property and equipment	26,902	-	26,902
Intangible assets	9,329	1,400,000	1,409,329
Right-of-use asset	25,073	-	25,073
	61,304	**1,400,000**	**1,461,304**
Current assets			
Trade and other receivables	190,927	-	190,927
Receivable from related party	-	37,413	37,413
VAT receivable	-	55,000	55,000
Cash and cash equivalents	-	118,459	118,459
	190,927	210,872	401,799
Total assets	**252,231**	**1,610,872**	**1,863,103**
Liabilities			
Non-current liability			
Long term financing	-	1,097,250	1,097,250
Provision for employees' end of service benefits	54,356	(19,027)	35,329
Lease liabilities	21,644	-	21,644
	76,000	**1,078,223**	**1,154,223**
Current liabilities			
Payable to related party	-	355,000	355,000
Lease liabilities	5,537	-	5,537
Trade and other payables	96,627	(70,708)	25,919
Contract liabilities	61,459	-	61,459
	163,623	**284,292**	**447,915**
Total liabilities	**239,623**	**1,362,515**	**1,602,138**
Equity			
Accumulated net parent investment	12,608	188,357	200,965
Paid-in capital	-	60,000	60,000
	12,608	**248,357**	**260,965**
Total liabilities and equity	**252,231**	**1,610,872**	**1,863,103**

Pro Forma Key Performance Indicators

Set out below are certain pro forma key performance indicators, including Pro Forma EBITDA, Pro forma EBITDA Margin, Pro Forma Adjusted EBITDA, Pro Forma Adjusted EBITDA Margin and Pro Forma Cash Conversion (the "**Pro Forma Key Performance Indicators**").

	For the year ended 31 December 2023
Pro forma EBITDA (AED'000)[(1)]	442,571
Pro forma EBITDA Margin[(2)]	57%
Pro forma Adjusted EBITDA (AED'000)[(3)]	560,933
Pro forma Adjusted EBITDA Margin[(4)]	72%
Pro forma Cash Conversion[(5)]	99%

Notes:

(1) Pro forma EBITDA is defined as pro forma profit for the year, excluding pro forma depreciation and amortisation, and pro forma finance expense, each as set out in the Unaudited Pro Forma Financial Information.

(2) Pro forma EBITDA Margin is defined as Pro forma EBITDA divided by pro forma revenue as set out in the Unaudited Pro Forma Financial Information.

(3) Pro forma Adjusted EBITDA is defined as pro forma profit for the year, excluding pro forma depreciation and amortisation, tax, pro forma finance expense, pro forma TSA expense, and pro forma concession fee expense, each as set out in the Unaudited Pro Forma Financial Information.

(4) Pro forma Adjusted EBITDA Margin is defined as Pro forma Adjusted EBITDA divided by pro forma revenue as set out in the Unaudited Pro Forma Financial Information.

(5) Pro forma Cash Conversion is Pro forma EBITDA less Capital Expenditure divided by Pro forma EBITDA.

PART 1

RISK FACTORS

Any investment in the Shares is subject to a number of risks. Prior to investing in the Shares, prospective investors should carefully consider the risk factors associated with any investment in the Shares, the Company's business and the industry in which it operates, together with all other information contained in this Offering Memorandum including, in particular, the risk factors described below.

Prospective investors should note that the risks relating to the Company, its industry and the Shares summarised in the section of this Offering Memorandum headed "Summary" are the risks that the Company believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Offering Memorandum headed "Summary" but also, among other things, the risks and uncertainties described below.

The risk factors described below are not an exhaustive list or explanation of all risks which investors may face when making an investment in the Shares and should be used as guidance only. Additional risks and uncertainties relating to the Company that are not currently known to the Company, or that the Company currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Company's business, results of operations and/or financial condition and, if any such risk should occur, the price of the Shares may decline and investors could lose all or part of their investment. An investment in the Shares involves complex financial risks and is suitable only for investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Investors should consider carefully whether an investment in the Shares is suitable for them in the light of the information in this Offering Memorandum and their personal circumstances.

1.1 Risks relating to the Company's business and economic environment

1.1.1 Changing transportation and customer preferences may lead to increased costs or a decline in parking demand.

Vehicle penetration in Dubai is among the highest in the world, with 580 vehicles per 1,000 inhabitants, and cars remain the most popular method of transportation in Dubai, accounting for 61% of journeys as of 2022.[49] A number of Dubai's structural features render it conducive to private cars, including: (i) neighbourhoods that are spread out with indirect connections to public transport routes (e.g. Dubai Metro), (ii) low fuel and energy prices, (iii) low cost of purchasing and maintaining a car, (iv) a hot climate that discourages commuters from walking, including walking from public transportation to their final destination, (v) a relatively mild rush hour compared to other jurisdictions and (vi) high-quality infrastructure.[50] The Company's revenue is dependent on the continuation of this trend and on the residents of and visitors to Dubai choosing to drive and park within the emirate. The Company is therefore subject to the risk that transportation preferences may change. For example, ride sharing services such as Careem or Uber may negatively impact demand for the Company's parking facilities and services.

Due to an increased focus on climate change, residents of and visitors to Dubai may choose to use methods of transportation other than driving, which may negatively impact demand for the Company's parking facilities and services. For example, the Government of Dubai has outlined its Dubai 2040 Urban Master Plan to invest in eco-friendly and sustainable forms of transportation, with the aim of encouraging public transportation, walking, cycling and the use of flexible means of transportation.[51] Either of these outcomes could negatively impact the Company's revenue. See also, "*The Company faces competition from other parking locations and alternative forms of transportation that could result in a decrease in the overall parking volumes in its parking locations*".

Changing transportation preferences may require the Company to invest further or in different ways into digital initiatives to enhance the parking experience for customers. For example, the Company's customers are

[49] Industry Report.
[50] Industry Report.
[51] Industry Report.

increasingly demanding technological solutions such as mobile phone applications and on-line parking reservation capabilities.

Whilst the Company has previously responded to these trends, customer preferences and technologies can shift rapidly, and there can be no assurance that the Company will be able to satisfy customer preferences or benefit from its capital expenditures and other investments.

If the Company is unable to anticipate or respond to customer preferences and new technologies, its business, financial condition, results of operations or prospects could be materially adversely affected.

1.1.2 The Company relies on the development of new OT and IT systems and enhancement of existing systems to improve operating efficiencies and maximise revenue.

The OT and IT developed by the RTA and utilised by the Company allow the Company to improve operating efficiency and maximise the revenue derived from operations. The ability to continue to improve revenue generation from the Company's parking facilities and services, and provide key services to customers depends on the operational capacity to develop and manage new technology systems and platforms, including the development of in-house data analytics infrastructure and expertise. Furthermore, the Company outsources some of its OT and IT services to third parties and as a result, the ability to provide enhanced services to customers depends on the third parties' capabilities to successfully meet the Company's evolving requirements and standards. See also, "*The Company is dependent on third parties for its operations*". Currently, the Company's key OT and IT systems include:

- Parking Account System;
- Parking NoI System;
- Parking Control Management System;
- Parking Fines System;
- Parking Services System;
- Multi-storey Car Parks System;
- mParking System;
- AI Occupancy Model; and
- Smart Parking Inspection.

For more information on the Company's current systems see, "*Business Description—Information Technology*" in Part 10 of this Offering Memorandum.

Although the Company and the RTA have not experienced any major interruptions in developing new systems or upgrading existing systems for the Parking Business, there is a risk that any new or upgraded system may not function effectively or deliver the anticipated benefits. If the Company and/or RTA is unable to successfully implement or deliver these projects or systems in a timely manner, this could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

1.1.3 The Company relies on its and the RTA's OT and IT infrastructure, which may fail or be affected by cybercrimes.

The Company is heavily reliant on an uninterrupted operation of its and the RTA's OT as well as its IT infrastructure that includes, amongst others, telecommunications, data processing, data acquisition, data centres and monitoring systems. If the Company's or the RTA's OT or IT infrastructure, including its data centres, back-up facilities and emergency recovery procedures, or any other IT used throughout its Parking Business, were to fail or become subject to disruptions for any reason (including, without limitation, computer viruses, malicious and destructive code, phishing attacks, and denial of service attacks), such failure could lead to significant increased costs (including to repair any equipment used for the parking services), reductions in the availability of critical data, which could result in loss of personal data, financial losses and reputational damage to the Company. IT security breaches could lead to shutdowns or disruptions of the Company's systems and potential unauthorised disclosure of confidential information or data, including personal data. The Company may be required to expend significant capital or other resources to protect against the threat of security breaches or to alleviate problems caused by such breaches.

Although the Company's IT infrastructure encompasses multiple layers of security controls, there can be no assurance that the Company's redundancies and security procedures will be sufficient to prevent malfunctioning OT and IT, security breaches or other issues. If any of these risks materialise and, in particular, are not adequately covered by the Company's insurance policies, this could negatively impact the Company's revenues and could have a material adverse effect on its business, financial condition, results of operations or prospects.

1.1.4 The Company's revenue, profits and cash flows are concentrated in Dubai.

The Company operates only in Dubai and, therefore, 100% of its total revenue in the years ended 31 December 2021, 2022 and 2023 was generated in Dubai. Reflecting this concentration, the Company's results of operations will be negatively affected by adverse economic or political developments in or affecting Dubai or the UAE. These factors could negatively impact the Company's revenue including by materially adversely impacting the Company's customers or the local Dubai or broader UAE economy. Such a decrease in revenue could have a material adverse impact on the Company's results of operations and its ability to pay dividends to Shareholders. For more information, see "*Risks Relating to Dubai, the UAE and to the MENA Region*" in this part of the Offering Memorandum.

In addition, the Company's continued growth depends in part on the population growth in Dubai. A significant economic slowdown in Dubai or the wider UAE could reduce such population growth, the number of new projects and other growth opportunities available to the Company.

1.1.5 Events outside of the Company's control may decrease parking revenues or generate significant additional costs.

Exceptional events including natural disasters (such as earthquakes or tsunamis, among others) and climate conditions (such as sand storms and rising sea levels), man-made accidents (such as car accidents and fires), criminal acts or other external factors (such as requisitions by the government, power loss or employees strikes, demonstrations at parking facilities, pandemics or computer viruses), could result in temporary or permanent disruption to the use of the Company's facilities and services, prolonged loss of power to the Company's data centres (despite the presence of generators), loss of a critical item of equipment, part of the Company's OT or IT network ceasing to be operational or liability claims being made against the Company. For example, the Company has experienced outages with its SMS payment channel, and although these outages have not had any material impacts on the Company's business, a similar disruption, or any other disruption in the future may lead to a decrease in the Company's revenues or significant additional costs required to maintain, repair or restore the Company's facilities and services. Further, if any of the aforementioned events cause loss or damage to any customers' vehicles while parked in the Company's parking facilities, customers may seek compensation from the Company. Exceptional events which have affected the Company in recent years, and which have given rise to one or more of such aforementioned consequences, include the spread of COVID-19.

Any of the above factors may have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

1.1.6 Misconduct, fraud or work stoppages by the employees of the Company could have a material adverse effect on the Company.

While the Company has internal policies in place to mitigate the risks of fraud, bribery or corruption by its employees, business partners and agents, there can be no assurance that it can detect or prevent every instance of fraud, bribery and corruption. The Company may be subject to civil and criminal penalties and to reputational damage as a result of such occurrences, and the RTA has the right to terminate the Concession Agreement in the event that the Company commits bribery offences, commits an anti-corruption offence or defrauds the RTA.

Additionally, misconduct and poor performance by parking attendants and inspectors could harm the Company's reputation, lower its revenue and increase its expenses. There have, and could continue to be, instances of petty theft and illegitimate fines being issued to customers by inspectors. Whilst none of these instances have been significant in the past, an increase of such activity could result in reputational damage, litigation against the Company and other negative consequences.

Additionally, as at the date of this Offering Memorandum, the Company relies on approximately 300 inspectors to monitor its parking facilities and issue fines. If a large number of inspectors were to resign, whether as a result of workplace grievances or otherwise, the Company may lose revenue from parking tariffs and fines and may incur higher personnel expenses going forward.

Any of the foregoing may have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

1.1.7 The Company is dependent on third parties for its operations.

The Company has outsourced a number of operational and technology services to third parties, including in relation to: (i) maintenance of parking meters, (ii) facilitation of mobile payment system (SMS and web accounts), (iii) development, maintenance and hosting of core parking IT applications, (iv) cash collection from parking meters, (v) maintenance of parking lots and multi-storey car parks ("**MSCPs**"), (vi) maintenance of the parking infrastructure for on-street parking and off-street parking, (vii) management of customer complaints or queries via RTA's customer happiness department during the transition period, (viii) administrative support for back office functions such as HR and administrative services during the transition period, (ix) marketing and communication during the transition period.

Any inability by these third-party service providers to meet the Company's requirements or standards could damage the Company's reputation or make it difficult or more costly for the Company to operate certain aspects of its business. In addition, if such third-party service providers were to cease operations, temporarily or permanently, or face financial distress or other business disruption, the Company could suffer increased costs and delays in its ability to provide a similar service until an equivalent service provider is found or the Company develops replacement technology or operations. For example, the Company has experienced outages with its mobile SMS payment channel and, due to its agreement with the third-party provider, was unable to receive any compensation for any increased costs or loss of revenue it incurred as a result of the outages. If the Company fails to replace any such defaulting service provider, this could result in its inability to provide the services in the manner and of the quality expected by its customers, which could result in decreased revenue or increased costs and could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

1.1.8 The Company's Developer-owned Parking Lots operating vertical is dependent on private developers fulfilling their obligations under the agreements governing the Company's management and operation of developer-owned parking lots as well as such agreements being renewed.

The RTA is expected to novate to the Company formal agreements with private developers pursuant to which the Company manages and operates parking facilities owned by such developers ("**Developer-owned Parking Lots**").[52] Developer-owned Parking Lots revenue accounted for 7%, 7% and 8% of the Company's revenue in 2021, 2022 and 2023, respectively. Generally under the agreements, the Company will receive a percentage share of the revenue or pay a fixed annual fee to the developer in consideration for operating the parking facility, whilst the owner of the facility will be responsible for maintenance and repairs (other than maintenance and repairs related to signs and meters installed by the Company to help facilitate the operations of the parking facilities).

Accordingly, the Company is exposed to the risk that it will be unable to effectively operate and maintain the parking facilities if the owner fails to adhere to the conditions in the agreement. For example, failure of an owner to maintain the facilities to a high quality could impact customers' willingness to use the parking facilities, and major maintenance issues could cause the facilities to be unusable for a period of time. In this situation, the Company could choose to undertake the required maintenance or repairs itself, however there is no guarantee it could successfully recover such costs from the owner.

In addition, if the owner were to cease operations, temporarily or permanently, or face financial distress or other business disruption causing them to terminate the agreement, renew the agreement on different terms

[52] 'Developer-owned Parking Lots' revenue corresponds to the 'Developer parking fee' revenue stream in Note 6 to the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.

(including but not limited to designating a lower number of spaces to be operated and managed by the Company), or not renew the agreement for any other reason, the Company could lose its revenue stream from the affected facility. For example, the Al Khail contract was not renewed in 2022 due to low occupancy rates, and although it did not have a major impact on the Company's revenue, it led to a decrease in paid parking spaces managed and operated by the Company. Further, where an owner decides not to renew the agreement and instead manages and operates its own parking facilities, this could increase competition. For more information, see "*The Company faces competition from other parking locations and alternative forms of transportation that could result in a decrease in the overall parking volumes in its parking locations*" in this part of the Offering Memorandum. In all these cases, the Company could also suffer reputation damage in addition to a direct loss of revenue.

If any of the private developers fail to maintain their parking facilities, or if any of the agreements with the developers are terminated or not renewed for any of the aforementioned reasons, the Company's business, financial condition, results of operations or prospects could be materially adversely affected.

1.1.9 The Company's parking revenues are dependent on tariffs and/or fines being received from customers following the use of its parking locations.

The Company's revenue is dependent on customers paying the applicable fees for the use of the parking facilities and services. As at the date of this Offering Memorandum, there are approximately 300 inspectors and 19 smart scanning vehicles engaged to enforce parking tariffs. The Company has also ordered 200 cameras, which are expected to be operational by the end of 2024, to aid with parking inspection in its off-street parking lots, and will continue to invest in technology to decrease non-compliant customer behaviour. However, due to the current lack of daily surveillance from inspectors and smart scanning vehicles at many of the Company's parking facilities, the Company may face revenue leakage if an increased number of customers fail to pay the required fees and are not caught doing so.

The Company's revenue is also dependent on the collection of fines from customers who are ticketed for failure to pay the applicable fees. However, the Company may not be successful in collecting fines from customers with vehicles registered outside of the UAE. The Company will be responsible for collecting fines and enforcing unpaid fines for all vehicles, however the RTA will also provide support to the Company in the enforcement and collection of unpaid fines for all vehicles. The Company and/or the RTA is generally able to successfully collect fines from UAE-registered vehicles given that customers, on a yearly basis, must pay any unsettled fines to renew their vehicle registration. However, for internationally-registered vehicles, the Company is exposed to the risk that it or the RTA is unable to enforce fines issued as a result of violations in a timely manner or at all. For example, the Company and the RTA have limited capacity to enforce fines resulting from violations by vehicles that drive into Dubai from the GCC countries that are not licensed through the RTA. Although the RTA has agreements with some of the GCC countries to collect fines on behalf of the RTA, the RTA and the Company have little direct ability to enforce such violations. As a result, the Company and the RTA may be unable to collect fines from certain vehicles, which may have a materially adverse impact on the Company's revenue from fines. For the years ended 31 December 2021, 2022 and 2023, the Company issued 41,000, 83,000 and 81,000 fines to non-UAE registered vehicles, respectively, and 982,000, 1.3 million and 1.3 million fines to UAE registered vehicles, respectively.[53] For the years ended 31 December 2021, 2022, and 2023, the Company's rate of successful collection from fines issued to UAE-registered vehicles was 104%,[54] 95% and 99%, respectively. Given that the Company is generally unable to collect fines from non-UAE registered vehicles, fine collection from non-UAE registered vehicles is low. The Company, therefore, does not include revenue related to such fines in its financial statements.

If customers fail to pay their issued fines, then this will have a negative impact on the Company's revenue. Further, even if customers pay their issued fines, the Company may experience a short-term impact on their cash flow as a result of revenue from fines being received on a delayed basis.

If, for whatever reason, customers fail to pay their tariffs, or the Company experiences a higher rate of unpaid fines or its ability to collect fines is hampered, the Company's business, financial condition, results of operations or prospects could be materially adversely affected.

[53] This excludes cancelled fines.
[54] Percentage is higher than 100% due to the Company collecting fines from other historical periods in addition to 2021.

1.1.10 The Company's tariffs are determined by the Government of Dubai through the Executive Council

All tariffs (save for the privately-owned parking facilities) charged by the Company are ultimately determined by the Executive Council (the "**TEC**") of the Government of Dubai. Although from January 2026 and every two years thereafter, the Company has the obligation to submit a request to the TEC (via the RTA) for an increase in tariffs by an amount that is at least reflective of the cumulative inflation rate, ultimately the TEC has discretion as to whether or not to alter tariffs. It is possible that the TEC mandates the Company to keep the tariffs at the present or a lower level despite the Company taking a view that raising tariffs is in the Company's best interests. Although, there is a mandatory downward adjustment to the concession fee payable to the RTA when the tariff increase proposal is not accepted by the TEC, the concession fee may only be reduced up to a floor of 12.5% of the parking and related services revenue. Therefore the concession fee reduction may not fully compensate the Company similarly as if the tariff increase proposal was accepted, which could have a negative impact on the Company's profits. For more information, see "*Concession, Litigation and Regulatory Matters—The Concession Arrangement*" in Part 11 of this Offering Memorandum.

In the event that the Company must keep the tariffs at the present or a lower level, this could adversely impact the Company's profits, in particular if there is no, or a limited, reduction in the concession fee payable by the Company or no other forms of compensation by way of extension of time and/or monetary relief.

Conversely, should the RTA and the TEC decide to raise tariffs, the higher tariffs may result in motorists refusing to use the Company's parking facilities and services, which could negatively impact the Company's competitiveness and market position and therefore negatively impact revenue.

If the tariffs of the parking facilities and services operated by the Company fail to reflect the Company's costs or fail to reflect market appetite and the Company is not adequately compensated under the Concession Agreement, the Company's business, financial condition, results of operations or prospects could be materially adversely affected.

1.1.11 The Company's financial flexibility may be restricted by difficulties in accessing additional financing, its level of indebtedness and/or its ability to generate sufficient cash flows to service its indebtedness or meet its financial covenants

The Company's ability to finance its operations will depend on a number of factors, such as, its cash flows from operations and access to additional debt and equity financing, and there can be no assurance that financing will be available at a commercially reasonable cost, or at all. Many factors such as financial market conditions, the general availability of credit and the Company's credit rating may affect the availability of financing. Financial market conditions may be affected by various factors, including adverse macroeconomic development, sovereign debt crises and unstable political environments. Any increased volatility and uncertainty as well as disruptions and adverse developments in the financial markets could constrain the Company's access to capital and result, for example, in a reduction of liquidity that could make it more difficult to obtain funding at reasonable price levels. Should the Company not be able to obtain such financing, this could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company has entered into the Term Financing and Revolving Credit Facilities Agreement, an unsecured Shari'ah compliant term and revolving financing arrangement with Emirates NBD Bank P.J.S.C. for the purposes of, among others, making the upfront concession payment to the RTA under the Concession Agreement. The financing has a tenor of five years. The financing agreement contains a number of financial and restrictive covenants and other terms that may impact the Company's ability to operate its business, such as a requirement for its total leverage not to exceed 4.5x (which is tested on a semi-annual basis) and certain limitations on making significant asset disposals in each of its financial years. The Company's ability to meet its financing obligations and make required profit payments largely depend on its operating performance. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond the Company's control.

If the Company were to breach any of the covenants or fail to make a required profit payment, it would seek to obtain an amendment or waiver from Emirates NBD Bank P.J.S.C., which it may not be able to obtain in a timely manner, on acceptable terms or at all. If it were unable to obtain such an amendment or waiver, the Company would be in default under the facility, and Emirates NBD Bank P.J.S.C. could elect to declare the facilities, together with accrued and unpaid profit and other outstanding amounts, if any, immediately due and payable. If the facilities were to be accelerated, the Company's business and liquidity could be materially adversely affected. In addition, any amendment or waiver, even if granted, may lead to increased costs, additional restrictive covenants and other protections available to Emirates NBD Bank P.J.S.C. under the facility, as well as the requirement for collateral, which could adversely affect the Company's business, results of operations, financial condition and its ability to acquire additional capital resources.

In addition, due to changing macroeconomic factors and a shifting interest/profit rate environment, the Company may not be able to refinance any of its indebtedness when it becomes due, either on acceptable terms or at all. This could lead to increased costs, onerous restrictive covenants and/or significant liabilities becoming immediately due and payable, any of which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

1.1.12 The Company may suffer losses in excess of insurance proceeds, if any, or from uninsurable events.

The Company's facilities and services may be affected by catastrophic events, for which full insurance cover is either not available or is not available on commercially reasonable terms. In addition, severe or frequently occurring events, such as accidents and other mishaps, business interruptions or potential damage to facilities, property and equipment caused by inclement weather, human error, pollution, labour disputes, fires and natural catastrophes, may result in losses or expose the Company to liabilities in excess of its insurance coverage or significantly impair its reputation. There can be no assurance that the Company's insurance coverage will be sufficient to cover losses arising from any, or all such events, or that it will be able to renew existing insurance policies on commercially reasonable terms, if at all.

Should an incident occur in relation to which the Company has no insurance coverage or inadequate insurance coverage, the Company could lose the capital invested in, and anticipated future revenue relating to, any property that is damaged or destroyed and, in certain cases, the Company may remain liable for financial obligations related to the impacted property. Similarly, in the event that any assessments are made against the Company in excess of any related insurance coverage that it may maintain, its assets could be subject to attachment, confiscation or restraint under various judicial procedures. Any of these occurrences could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

1.1.13 The Company may not succeed in executing its growth strategy.

The Company's growth strategy is largely dependent on the growth of the population of Dubai, which is currently forecasted to grow by 63% between 2022 and 2040.[55] If the population of Dubai fails to grow as anticipated, whether due to a slowdown in economic growth in the region or otherwise, the Company may not be able to deliver on its growth strategy.

In order to meet the expected population growth in Dubai and the expected increase in demand for parking facilities, the Company will use its technology and operational expertise to expand its business. In addition to operating new parking facilities in other areas of Dubai to accommodate the population growth and new area developments, the primary growth initiatives the Company intends to pursue include: (i) with approval from the RTA, converting a portion of unpaid parking spaces (of which there are approximately 392,000 spaces[56]) into paid parking spaces, (ii) establishing new agreements with property developers, (iii) with approval from the TEC, adjusting zoning of highly demanded parking spaces in dense areas to increase revenue potential and (iv) investing in more digital initiatives to increase the efficiency of its parking facilities, such as a unified parking platform app to allow customers to make reservations for any parking facility. Additional potential growth initiatives include: (i) offering new commercial activities such as new payment channels and renting space to food trucks and companies that build mechanical car parks, provide car washes, and provide car tinting services, (ii) providing advertisement space in the parking facilities, (iii) developing electrical vehicles related activities, and (iv) leveraging the Company's operational expertise to expand geographically. However, there can be no assurances that any such growth initiatives would be successful or that the potential upside from these growth initiatives would be realised. For example, the Company may fail to keep up with new technology and consumer trends, or the expected trend in population growth may not occur. For more information, see "*Changing transportation and customer preferences may lead to increased costs or a decline in parking demand*" in this part of the Offering Memorandum. Even in the event that the expected population growth trend does occur, the Company may not be able to meet the demand driven by such growth. The

[55] Industry Report.
[56] As of January 2024.

failure of any such investments or growth strategies may have an adverse effect on the Company's business, financial condition, results of operations or prospects.

1.1.14 The Company's management will have to adjust to running the Parking Business as an entity independent of the RTA and may also fail to attract and retain qualified and experienced employees.

Prior to the Carve-out, the Parking Business was an integrated part of the RTA. Although several RTA employees that had historically run the Parking Business transferred to the Company as part of the Carve-out, such employees will have to adjust to running the Parking Business as an entity independent of the RTA, and some employees joining the Company as part of the Carve-out are new. Furthermore, the Company was required to devote significant management attention and resources to migrating numerous services away from the RTA in preparation for the Global Offering and will also be required to do so while the Company continues to transition to an independent company as part of the Carve-out. For the duration of the transition period, this activity may divert the limited management resources from the operational objectives of the Company.

Additionally, the RTA is a materially larger entity with greater resources than the Company, and the Company may require skills and expertise that the existing management team does not currently have, leading to unforeseen delays and an inability to achieve the required objectives. Consequently, the Company's business may not perform in line with management or shareholder expectations, particularly if the Company is unable to attract and retain experienced, capable and reliable personnel, including: senior and middle management, engineers and IT professionals with appropriate professional qualifications, and technical staff. Experienced and capable personnel in the technical fields remain in high demand in Dubai, and there is significant competition for talent. Consequently, when seeking new talent or when talent leaves, the Company may have difficulty recruiting appropriately experienced personnel and may incur additional costs and expenses in securing such new personnel.

Further, the loss of any member of the Company's existing senior management team or other key employees may result in a loss of organisational focus, poor execution of operations, difficulties in implementing the final stages of the Carve-out or an inability to identify and execute potential strategic initiatives. The occurrence of any of these events may have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

1.1.15 The Company faces competition from other parking locations and alternative forms of transportation that could result in a decrease in the overall parking volumes in its parking locations.

The Company faces competition from other providers of parking, in particular in respect of its MSCPs and off-street parking lots that are located in similar locations to its competitors. The Company's competitors may offer better locations or higher quality facilities and services, and the Company's customers may choose to use such competitors' parking facilities, which could have an adverse impact on the Company's revenue.

The Company also faces competition from providers of parking solutions, which may impact the Company's growth opportunities in the Developer-owned Parking Lots operating vertical. In particular, competitors may offer superior technological parking solutions or may offer cheaper services to developers seeking to outsource their parking operations.

In addition, the Company faces competition for customers from alternative means of intercity transportation in Dubai, including public buses and trams, the Dubai Metro and taxi, ride-sharing services, self-driving cars and carpooling, which could cause fewer people to drive in Dubai and therefore fewer people requiring the Company's parking facilities and services. This risk would increase in particular if a congestion charge were to be introduced in Dubai. See also, "*Changing consumer preferences may lead to increased costs or a decline in parking demand*".

Actions taken by the Company's competitors to attract customers, as well as actions taken by the Company to maintain its competitiveness, may place pressure on the Company's pricing strategy, margins and profitability. There can be no assurance that the Company will be able to respond adequately to these multiple sources and forms of competition, whether from existing competitors or new market entrants.

As a result of the above, or as a result of increasing competitive pressure due to factors beyond the Company's control, its business, financial condition, results of operations or prospects could be materially adversely affected.

1.1.16 Mishandling of personal data the Company possesses could damage its reputation.

The Company strives to handle its customers personal data responsibly and carefully through certain measures, including comprehensive education and training of data administrators and implementation of advanced security systems. If the Company is victim to cyber crime that results in the leak of personal data, or such personal data is otherwise exposed to unauthorised third-parties, the Company may suffer reputational damage or be subject to litigation and regulatory penalties.

Improper use or disclosure of, or a failure to protect or properly control personal information could result in violations of applicable data protection laws, resulting in the imposition of significant sanctions including administrative orders as well as criminal and civil sanctions. The Company takes precautionary measures, including internal compliance procedures, to prevent and detect misuse or unauthorised disclosure of customers' personal information, but these measures may not be effective in all cases. Any such violation may have a significantly detrimental impact on the Company's, business, financial condition, results of operations or prospects.

1.1.17 The Company is reliant on third-party intellectual property.

The Company currently licenses critical intellectual property from a variety of third parties and registered software owners. For more information, see "*Business Description—Information Technology*" in Part 10 of this Offering Memorandum. The Company's services and software could infringe on the intellectual property rights of third parties when the Company integrates services, software and solutions of third parties to the services that the Company utilises. Although the Company is not aware of any potential infringement issues, third parties may, in the future, assert claims against the Company alleging infringement, misappropriation or violation of patent, copyright, trademark or other intellectual property rights. Infringement claims could harm the Company's reputation, result in liability for the Company or impact the proper functioning of the Company's business. Any claims that the Company's software infringes the intellectual property rights of third parties, regardless of the merit or resolution of such claims, may result in significant costs in defending and resolving such claims, and may divert the efforts and attention of the Company's management and technical personnel from the Company's business. In addition, as a result of such intellectual property infringement claims, the Company could be required or otherwise decide that it is appropriate to: (i) discontinue using, licensing or offering particular services, software, solutions, technology or processes subject to infringement claims; (ii) develop other technology not subject to infringement claims, which could be costly or may not be possible; (iii) obtain rights to use such intellectual property; or (iv) enter into settlement discussions with the third party that is pursuing an infringement claim, any of which could have a material adverse effect on the Company's business, financial condition results of operations or prospects.

1.2 Risks relating to the Company's relationship with the RTA

1.2.1 The Concession Agreement, on which the Company is reliant for the operation of its business, has a duration of 49 years and contains early termination provisions.

The Company's operations are dependent on the Concession Agreement with the RTA, under which the Company obtains its right to operate, maintain develop and/or upgrade the RTA's parking facilities and services, as well as the rights to use the RTA's assets as required to operate and maintain the parking facilities and services. The Concession Agreement has a duration of 49 years and contains early termination provisions, including early termination by the RTA in the event of, for example, (a) an insolvency proceeding of the Company, (b) a material breach of the Concession Agreement by the Company, and (c) the Company committing a prohibited act, such as bribery or fraud. The Concession Agreement also provides for voluntary early termination, which allows the RTA to terminate the Concession Agreement by notice at any time (following a notice period of six months). Although under the Concession Agreement the Company would be entitled to a termination compensation sum (the details of which are set out under "*Material Contracts—The Concession Agreement*"), the termination compensation sum may be lower than the value attributed by the market to the concession. For more information, see "*Concession, Litigation and Regulatory Matters—The Concession Arrangement*" in Part 11 of this Offering Memorandum.

If the RTA terminates the Concession Agreement, the Company would lose the rights of access to and use of the parking assets and associated revenue collection rights, amongst other things, which would have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

1.2.2 The Company is a newly incorporated entity, and it faces potential risks associated with its separation from the RTA.

Prior to the Carve-out, the business of the Company formed an integral part of the RTA. Following the Carve-out and the Global Offering, the Company will still be in the process of separating from the RTA, including becoming an independently operating business with separate finance processes and a standalone finance and treasury function that are separate from the RTA. Its relationship with the RTA is governed by the Concession Agreement (including its annexes) and the TSA and will be subject to constraints imposed under the laws of the UAE, as applied in the Emirate of Dubai.

As part of its Carve-out from the RTA, the Company has developed or is in the process of developing its own functions and processes in a range of areas, including:

- establishing the independent corporate governance structure of the Company;
- creating standalone risk, control and compliance policies;
- separating finance processes and establishing a standalone finance and internal audit, risk and compliance function;
- separating human resource processes;
- separating and integrating OT and IT systems;
- developing corporate policies and procedures independent from the RTA;
- creating dedicated resources to provide contracting and procurement services and to manage the Concession Agreement, and other third-party vendor contracts;
- developing marketing and communications operations;
- creating standalone IFRS statements and associated accounting policies; and
- introducing shareholder services and investor relations platforms.

The RTA will continue, in some respects, to support some of these functions and processes as agreed under the Concession Agreement and the TSA while the Company develops its standalone functions, such as internal control, control environment, risk assessment, control activities, information and communication, and monitoring activities functions.

In the course of implementing, or even following the full implementation of its governance structure into the ordinary operational, reporting and compliance processes of the Company, there remains a risk that such procedures could fail. There is a possibility that the new functions and processes may not operate as intended or the execution of the Carve-out process and the creation of new processes may not have been properly completed. Additionally, interruptions to or problems with the services provided under the TSA (including delays in obtaining required third party consents) or as a result of migration from the RTA would require the Company to implement business continuity and disaster recovery processes to restore any short-term disruption, which could materially adversely affect the Company's business and reputation and could cause the Company to incur higher administrative and other costs. If the RTA fails to provide agreed services in a timely manner under the TSA, or fails to provide assistance as part of the migration of such services under the TSA, such failure could disrupt the Company's operations. For more information, see "*The Company's internal controls over financial reporting are exposed to risk*" in this part of the Offering Memorandum.

Consequently, the actual costs incurred to establish the infrastructure required for a new independently operating public company and the expected ongoing cost could be higher and extend for longer than the expected period. There is a risk that the Company could suffer operational difficulties which, either directly or as a result of the need for further financial investment or through the depletion of management resources in developing, monitoring and/or rectifying these new services and functions, could have a material adverse effect on the Company's business, results of operations, financial condition or prospects.

1.2.3 The Company's reliance on the RTA exposes it to potential operational risks.

The Company has significant commercial and legal relationships with the RTA on which it materially relies on to operate. Most significantly, the RTA has been the government authority that is responsible for establishing, managing and operating the parking facilities and services. Following the Carve-out, the RTA will retain all construction and maintenance responsibilities of the parking facilities and services, save for the privately-owned parking facilities. For more information see "*The Company's Developer-owned Parking Lots operating vertical is dependent on private developers fulfilling their obligations under the agreements governing the Company's management and operation of developer-owned parking lots and such agreements being renewed*" in this part of the Offering Memorandum. Generally, the parking facilities require little maintenance, however, certain of the Company's facilities—in particular some of the MSCPs—may incur unforeseen problems due to their old age such as water damage, cracks in the walls or foundation or sinking. If the RTA fails to provide adequate maintenance to the facilities or fails to provide repairs in a timely manner, the Company may be required to shut down or limit operations at the effected facility for a period of time, which may negatively impact the Company's revenue. In addition, lack of adequate maintenance may cause damage or loss to any vehicles parked on the Company's parking facilities, which may result in customers seeking compensation from the Company and could have an adverse impact on the Company's business.

Further, the RTA could undertake a number of actions that would negatively impact the parking facilities and services, including the cancellation of parking slots due to road expansion or converting paid parking facilities into unpaid parking facilities for use by government officials or the Dubai police. Although the RTA is required to maintain the parking facilities assets in line with a series of key performance indicators ("**KPIs**") under the terms of the Concession Agreement and to notify/request approval from the Company in case of any expected modifications to the parking facilities and services, the compensation that the Company is entitled to under the Concession Agreement may not fully cover losses due to actions taken by the RTA, including prolonged inaccessibility or poor maintenance of the parking facilities and services. The RTA has a paramount public interest and duty to develop and operate whatever transportation facilities it deems to be in the best interests of the Emirate of Dubai, and the Company has irrevocably waived its right to seek injunctive relief or pursue any action that would interfere with the RTA's rights to develop, operate, maintain or replace the parking facilities and services in favour of compensation mechanisms set out in the Concession Agreement. For more information, see "*Concession, Litigation and Regulatory Matters—The Concession Arrangement*" in Part 11 of this Offering Memorandum.

The Company also relies on the RTA for the collection of fines for internationally and UAE-registered vehicles. For more information, please see "*The Company's parking revenues are dependent on tariffs and/or fines being received from customers following the use of its parking locations*" in this part of the Offering Memorandum.

As a result of the foregoing, following the Carve-out, the Company will continue to rely on the RTA for many aspects of its business. Although the Directors believe that the Company's relationship with the RTA has been and will continue to be beneficial to the Company, the extent of the Company's reliance on the RTA may limit the Company's ability, in certain situations, to react quickly or to take action that would otherwise be more beneficial to the Company's business, results of operations, financial condition or prospects.

1.2.4 The Company's internal controls over financial reporting are exposed to risk.

Effective internal controls are necessary for the Company to provide reliable financial information.

If the Company fails to: a) maintain effective internal controls for its financial reporting or b) adopt or integrate its internal controls and compliance function, there could be a material adverse effect on the Company's ability to produce and provide its management with timely, reliable, accurate and up-to-date financial information on the development of business operations.

These factors could thus lead to erroneous and faulty financial information being presented to the market, as well as uninformed decisions or actions by its management. Further, if any of the risks mentioned above would be realised, this could cause investors to lose confidence in the financial information included in the Company's reports.

Although the Company aims to organise independent corporate functions necessary for a listed company ahead of Admission, it may not be able to complete the organisation of all independent functions separate from the RTA or to obtain services from third parties.

For more information on the Company's internal control framework, see "*Business Description—Independent corporate and legal functions—Internal Controls*" in Part 10 of this Offering Memorandum. For more information regarding services the RTA will provide to the Company during the transition period, see "*Material Contracts—The Transitional Services Agreement*" in Part 14 of this Offering Memorandum.

Under such circumstances, the Company may incur additional costs due to the ongoing work to finalise an integrated governance, control and risk management framework, and until such integrated framework is in place, the Company may be affected by risks arising in relation to its internal controls, audit and compliance function, which could have a material adverse effect on the Company's business, results of operations, financial condition or prospects.

1.2.5 The majority of the Company's senior management have limited experience in managing a publicly listed company.

Prior to the Carve-out, the Company has been operated as part of the RTA and, accordingly, the majority of the Company's senior management have limited experience in managing a publicly listed company complying with the specific laws and regulations pertaining to public companies listed in the UAE. The regulatory oversight, compliance and reporting obligations imposed on public companies, such as investing time and financial resources in the appropriate governance and compliance infrastructure, attracting, empowering and retaining professionals who can ensure governance and compliance in a manner meeting, or exceeding legal and regulatory requirements for a public company, will require substantial attention from the senior management. There can be no assurance that such senior management will be successful in this transition, which could have a material adverse effect on the Company's business. Non-compliance in a timely manner with the regulations and disclosure requirements imposed on listed companies may expose the Company to regulatory sanctions and fines. The imposition of fines on the Company could adversely impact the Company's business, results of operations, financial condition or prospects.

1.2.6 The Carve-out and the arrangements between the Company and the RTA were negotiated in the context of an affiliated relationship.

The Concession Agreement, the TSA and other ancillary agreements with the RTA, as well as the Company's internal policies and procedures for dealing with related parties were negotiated by persons who were, at the time of negotiation, members of the RTA. While the Company believes that the terms of these arrangements are in line with the market terms for transactions of their type and broadly similar to what would have been obtainable from unaffiliated third parties, such terms, including terms relating to fees, performance criteria, contractual or fiduciary duties, conflicts of interest, limitations on liability, indemnification and termination, may not be as favourable to the Company as otherwise might have resulted if the negotiations had involved unrelated parties from the outset.

1.2.7 The Carve-out Financial Statements may not be entirely indicative of the Company's future performance as an independent publicly listed company.

The Carve-out Financial Statements represent the historical operations of the Parking Business and have been prepared from the accounting records of the RTA, and reflect the cashflows, revenues, expenses, assets and liabilities of the Parking Business. The Carve-out Financial Statements have therefore been prepared on a "carve-out" basis from the RTA's financial statements using the historical results of operations, assets, liabilities and cash flows attributable to the Parking Business and certain assumptions and estimates were made which affected the recognition and the amount of the assets, liabilities, income and expenses.

Most significantly, the Carve-out Financial Statements include allocations for certain expenses historically maintained by the RTA or the Traffic and Roads Agency (the "**TRA**") in the amounts of AED 105.7 million, AED 110.8 million and AED 121.2 million for the years ended 31 December 2021, 2022 and 2023 respectively. These expenses have been allocated to the Parking Business and have been included in the Carve-out Financial Statements based on the most relevant allocation method, primarily relative percentage of headcount cost or revenue. Management believes that this basis for allocation of expenses is reasonable. However, it may not be indicative of the actual expense that would have been incurred had the Parking Business been operating as a separate entity apart from the RTA. These allocations are not representative of the future performance of the Company when operated independently.

The allocated corporate costs that have been allocated to the Parking Business in the Carve-out Financial Statements include, but are not limited to, executive oversight, legal, finance, human resources, audit, strategic planning and IT governance, to represent the cost of providing these services. Further, the RTA's directors compensation is included in these amounts. The amounts allocated to the Parking Business are intended to represent the costs of providing these services.

Additionally, prior to the Carve-out, the Parking Business used the RTA's centralised processes and systems for cash management, payroll and purchasing. As a result, substantially all cash received related to the Parking Business was deposited and co-mingled with the RTA's general corporate funds. Previously, the Parking Business did not have legal right to deposit or withdraw funds autonomously. The total net effect of the settlement of these transactions is reflected in the Carve-out Financial Statements in the carve-out statement of cash flows as a "financing activity" and in the carve-out statement of financial position as a "net parent investment".

As a result, the Carve-out Financial Statements do not necessarily reflect the Company's results of operations, cash flows and financial condition that it would have achieved as an independent publicly listed company during the periods presented or may not be indicative for those that it will achieve in the future.

1.2.8 The Unaudited Pro Forma Financial Information is not indicative of the Company's future performance as an independent publicly listed company.

The Unaudited Pro Forma Financial Information contained in this Offering Memorandum has been compiled to illustrate the impact of the Pre-Offering Transactions and Contractual Arrangements on the Company's financial position as at 31 December 2023 and its financial performance for the year ended 31 December 2023, as if the Pre-Offering Transactions and Contractual Arrangements had taken place on 31 December 2023 and 1 January 2023, respectively. The Unaudited Pro Forma Financial Information is presented for illustrative purposes only and is not intended to represent or to be indicative of the financial position or the results of operations that would have been reported had the Pre-Offering Transactions and Contractual Arrangements occurred as of the dates indicated or may not be indicative for what the financial position or results of operations would be for any future periods.

As a result, the Unaudited Pro Forma Financial Information does not necessarily reflect the Company's results of operations, cash flows and financial condition that it would have achieved as an independent publicly listed company during the periods presented or those that it will achieve in the future.

1.2.9 Certain agreements entered into by the RTA that relate to the Company's business may cease to be available by the RTA's counterparties as a result of the Carve-out.

A number of the RTA's agreements entered into with third parties, including public entities, include customary clauses that prevent or impose limitations on transferring the rights and obligations arising from such agreements without the consent of the other party, and may give the other party a right to terminate the agreement in the event of a change of control or if an agreement is transferred. The applicability of these clauses in the context of the Carve-out are subject to interpretation and uncertainty. Notwithstanding the RTA's notifications and consent requests sent to a number of its counterparties in relation to the Carve-out and related processes, there can be no assurance that one or more of the RTA's agreements that relate to the Company and are to be novated to the Company, will not be prematurely terminated or amended due to the Carve-out or due to intra-group reorganisations potentially carried out prior to or following the Carve-out. Any such premature termination or amendments or refusal of the counterparty to novate an agreement to the Company could have a material adverse effect on the Company's business, results of operations, financial condition or prospects.

1.2.10 The Concession Agreement contains a non-competition provision with the RTA that limits the Company's ability to pursue certain business ventures.

There may be circumstances where the Company pursues new business ventures. Under the Concession Agreement, the Company may not invest in new businesses that directly relate to or are in competition with any existing business activity of the RTA (to the extent the RTA is the sole regulator of such business activity) within Dubai as of 1 January 2024 for the duration of the Concession Agreement. Therefore, there can be no assurance that the Company will be able to successfully pursue all business ventures that may otherwise be in the best interest of the Company, which could limit the Company's longer-term growth and have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

1.3 General legal and regulatory risks relating to the Company

1.3.1 The Company is subject to litigation risks.

The Company is, and may in the future be, a party to judicial, arbitration and regulatory proceedings which arise in the ordinary course of business, including claims for third party liability in connection with the use of the Company's assets or the actions of Company employees, customer-related claims in connection with flaws in the payment application system, employment-related claims, environmental claims and tax claims. An unfavourable outcome (including an out-of-court settlement) in one or more of such proceedings or in future proceedings could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

1.3.2 The Company is subject to various laws and regulations, and changes in such regulations could adversely affect its business, results of operations, financial condition or prospects.

The Company must comply with various parking regulations, as well as applicable environmental regulations established by the UAE Federal Government and the Government of Dubai, including:

- a law concerning the organisation of roads in the Emirate of Dubai (Dubai Law No. 4 of 2021) which came into effect on 3 March 2021;
- an executive council resolution regulating car parks in the Emirate of Dubai (Dubai Executive Council Resolution No. 5 of 2016) which came into effect as of the 7 March 2023 (the "Parking Resolution");
- a law on the protection and development of the environment (Federal Law No. 24 of 1999), which came into effect on 17 October 1999;
- a law on integrated waste management (Federal Law No. 12 of 2018), which came into effect on 18 March 2018;
- a law on the protection from air pollution (Cabinet Order No. 12 of 2006), which came into effect on 1 May 2006;
- a decree on the handling of hazardous and medical wastes (Cabinet Decree No. 37 of 2001), which came into effect on 9 March 2002;
- an order on the protection of the environment in the Emirate of Dubai (Dubai Local Order No. 61 of 1991), which came into effect on 15 July 1997; and
- an order on protection of public health and community safety (Dubai Local Order No. 11 of 2003) which came into effect on 17 December 2003.

These laws may impose strict liability in the event of damage to natural resources or threats to public safety and health. Strict liability may mean that the Company is held liable for environmental damage, subject to proof of an intentional act causing damage. The relevant authorities may impose fines or sanctions, require payment of environmental damage clean-up costs or may revoke and refuse to grant authorisations and permits because of a breach by the Company of applicable regulations.

The entry into force of new laws, the imposition of new or more stringent requirements or a stricter application of existing regulations may increase the Company's costs or impose new responsibilities, leading to lower earnings and liquidity available for its activities. Breaching any of these regulations could result in reputational damage, which, in addition to the impact of any regulatory changes, could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

1.4 Risks Relating to Dubai, the UAE and to the MENA Region

1.4.1 The Company's business could be adversely affected by the deterioration of economic conditions in Dubai, the UAE and globally.

Deterioration of economic conditions in Dubai, the UAE and globally for any reason, such as due to a new pandemic or a resurgence of the COVID-19 pandemic or other factors outside of the Company's control, could adversely affect the Company's business by decreasing the demand for its parking facilities and services and the amount of travel within and to Dubai, which can contribute to a reduction in customer volumes, and therefore, revenues and profits. Normally, robust economic growth results in increased use of the Company's parking facilities and services, while slow economic growth or economic contraction adversely affects demand. Even in the absence of a market downturn, the Company is exposed to risks relating to volatility in population trends, consumer spending, business investment, government spending and price inflation, all of which affect the business and economic environment in the UAE and, consequently, the size and profitability of the Company's business. Unfavourable economic conditions could lead to lower revenues as a result of reduced road travel and customers choosing cheaper and alternative modes of travel, such as public transportation, which would reduce demand for the services provided by the Company. In certain conditions, the TEC could also decide to lower or eliminate parking tariffs. For more information, see—"*The Company's tariffs are determined by the Government of Dubai through the Executive Council, so parking tariffs may not reflect the Company's operating costs or demand within the market*" in this part of the Offering Memorandum.

An adverse change in the credit rating of the UAE, a decline in consumer confidence and/or consumer spending, higher unemployment, declines in tourism, significant inflationary or deflationary changes or disruptive regulatory, or geopolitical events could also contribute to diminished expectations for the economy and markets. The UAE's economy may be adversely affected by the tightening global economic conditions and by external shocks, including financial market volatility, trade disruptions and protectionist trade policies or threats thereof. In particular, as of 2022, expatriates represent approximately 90% of the population of Dubai, so any decline in the global or UAE economy that leads to a significant exodus of expatriates would materially negatively impact Dubai's economic outlook and economic activity levels.[57] A global shift in policies, including towards protectionism, with lower global growth due to reduced trade, migration and cross-border investment flows, could slow non-oil growth in the UAE and Dubai, particularly as it relates to the expatriate population in Dubai. Examples of such conditions could include:

- a general or prolonged decline in, or shocks to, regional or broader macroeconomies;
- regulatory changes that could impact Dubai; and
- deflationary economic pressures, which could hinder the Company's ability to operate profitably in view of the challenges inherent in making corresponding deflationary adjustments to its cost structure.

The nature of these types of risks makes them unpredictable and difficult to plan for or otherwise mitigate, compounding their potential impact on the Company's business, financial condition, results of operations and prospects.

The UAE and the economies in the MENA region are significantly affected by volatility in international oil prices and these economies have in the past been, and are likely in the future to continue to be, materially adversely affected by lengthy periods of low oil prices.

The UAE's economy is significantly impacted by international crude oil prices and is highly dependent upon its hydrocarbon-related revenue. Crude oil prices have historically fluctuated in response to a variety of factors beyond the Company's control, including (without limitation):

- economic and political developments both in oil-producing regions, particularly in the MENA region, and globally;
- global and regional supply and demand, and expectations regarding future supply and demand, for oil and gas products;
- the ability of the members of OPEC and OPEC+ to agree upon and maintain specified global production levels and prices;
- the impact of international environmental regulations designed to reduce carbon emissions, and global weather and environmental conditions; and
- prices, availability and trends relating to the use of alternative fuels and technologies.

Many economic sectors within Dubai and the wider UAE, remain in part dependent, directly or indirectly, on crude oil prices. As a result, extended periods of low crude oil prices may have a negative impact across the

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economic landscape of Dubai and other Emirates. For example, Dubai or governments from other Emirates may decide to reduce government expenditures in light of the budgetary pressures caused by lower crude oil prices, which may, in turn reduce fiscal spending on infrastructure and other projects that create revenue streams for both public and private entities. Local financial institutions may experience lower liquidity (if significant government and government-owned company deposits are withdrawn to fund deficits) or higher financing/loan losses or impairments.

The ongoing Russia-Ukraine war and the consequential sanctions imposed on Russia by numerous countries may increase volatility of crude oil prices, both in the UAE and globally. Any of the factors described above, including OPEC or OPEC+ agreements and the Russia-Ukraine war, could have a material adverse effect on the economic, political and fiscal position of Dubai (and the UAE generally), and may consequently have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

1.4.2 Continued instability and unrest in the MENA region or the escalation of armed conflict could materially adversely affect the Company's business, results of operations, financial condition or prospects.

Although the UAE enjoys domestic political stability and generally healthy international relations, since early 2011 there has been political unrest in a number of countries in the MENA region, including Bahrain, Egypt, Iran, Iraq, Libya, Syria, Tunisia and Yemen. The unrest has ranged from public demonstrations to, in extreme cases, armed conflict and civil war, and has given rise to a number of regime changes and increased political uncertainty across the region. The MENA region currently is subject to a number of active and potential armed conflicts, including the Israel-Gaza conflict and the Red Sea crisis. Unrest in the region has implications for the wider global economy and may negatively affect market sentiment towards other countries in the region, including the UAE. Although the UAE continues to exercise de-escalation diplomacy and self-restraint, any continuation of, or increase in, international or regional tensions or any military action may have a destabilising impact on the MENA region. There can be no assurance that tensions will not continue to escalate in the region, or that further unrest will not happen.

Any incidents, including terrorism or cyber-terrorism, in or affecting the UAE and increased regional geopolitical instability (whether or not directly involving the UAE), or any heightened levels of military conflict in the region or globally, including the conflict in Ukraine, may have a material adverse effect on the UAE's attractiveness for foreign investment and capital, its ability to engage in international trade, its tourism industry and, consequently, its economic, external and fiscal positions.

It is not possible to predict the occurrence of events or circumstances such as war or hostilities, or the impact such occurrences may have on the jurisdictions in which the Company operates. The occurrence of any of the above factors could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Unrest in the wider MENA region could impact the UAE, and the Company, through reduced levels of foreign direct investment into the region, capital outflows or increased volatility in the global and regional financial markets. Regional volatility could also lead to higher refugee population inflows to the UAE, which the country might not be able to easily absorb, leading to increased social unrest. Such unrest may also have negative implications on securities issued by companies operating in the region, including those in the UAE. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

1.4.3 Dubai and the UAE may introduce new laws and regulations that adversely affect the way in which the Company is able to conduct its businesses.

Emerging market economies generally and the UAE in particular are characterised by less comprehensive legal and regulatory environments. However, as these economies mature, and in part due to the desire of certain countries in the MENA region, including in particular the UAE, to accede to the World Trade Organisation, the governments of these countries have begun, and the Company expects will continue, to implement new laws and regulations which could impact the way the Company conducts its business.

Changes in investment policies or in the prevailing political climate in the UAE could result in the introduction of changes to government regulations with respect to:

- price controls;

- export and import controls;
- income and other taxes;
- foreign ownership restrictions;
- foreign exchange and currency controls; and
- labour and welfare benefit policies.

For example, recently the UAE has introduced updated legislation in certain key areas, including:

- a new companies law (Federal Decree—Law No. 32 of 2021) on Commercial Companies, which came into effect on 2 January 2022 which, among other things, eased foreign ownership restrictions;
- a new data protection law (Federal Decree—Law No. 45 of 2021 Regarding the Protection of Personal Data), which came into effect on 2 January 2022 (the "**UAE Data Protection Law**");
- a new labour law (Federal Decree—Law No. 33 of 2021), which came into effect on 2 February 2022;
- a new federal corporate tax law (Federal Decree—Law No. 47 of 2022), which came into effect on 1 June 2023, which among other things, imposes tax obligations for corporations.
- a new commercial transactions law (Federal Decree—Law No. 50 of 2022), which came into effect on 2 January 2023;
- a new commercial agencies law (Federal Decree—Law No. 3 of 2022), which came into effect on 15 June 2023; and
- a new federal competition law (Federal Decree—Law No. 36 of 2023), which came into effect on 28 December 2023.

There can be no assurance that any future changes to current laws would not increase the Company's costs or otherwise materially adversely affect the way in which the Company conducts its business, which could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

1.4.4 The UAE's Emiratisation initiative may increase the Company's cost structure.

Emiratisation is an initiative by the UAE government to employ its citizens in a meaningful and efficient manner in the public and private sectors and to reduce its reliance on foreign workers. Under the initiative, companies are encouraged to employ Emiratis in management, administrative and technical positions. However, the cost of employing UAE nationals typically is significantly higher than the cost of employing foreign workers. In addition, meeting and maintaining the Company's Emiratisation targets reduces its flexibility to rationalise its workforce, which limits its ability to reduce costs in many areas of its operations. Approximately 35% of the Company's employees are Emirati, which is higher than the minimum threshold, however, there can be no assurance that meeting and maintaining the Company's Emiratisation targets will not have a material adverse effect on its business, financial condition, results of operations or prospects.

1.4.5 The Company's financial condition and results of operations may be materially adversely affected if the USD/AED exchange rate were to change.

The Company maintains its accounts and reports its results in UAE dirhams, the currency in which its revenues are earned and the majority of its costs are incurred. However, the Company does procure certain goods from Europe, such as parking meters from Germany and system hardware for its smart scanning vehicles from the Netherlands. As a result, changes to the EUR/AED exchange rate may increase the Company's costs and therefore negatively impact the Company's results of operations.

Further, the UAE dirham is currently pegged to the U.S. dollar at a fixed exchange rate of AED 3.6725 to U.S.$1.00. If the UAE Central Bank cannot maintain a stable exchange rate or the peg to the U.S. dollar, it could reduce confidence in the UAE's economy, reduce foreign direct investment and adversely affect the

UAE's finances and economy, as well as those of the individual Emirates within the UAE. Any de-pegging or change to the USD/AED exchange rate could increase the costs that the Company pays for certain goods and services procured from outside of the UAE. As a result, the performance of the Company's business is indirectly exposed to foreign currency fluctuations relative to the UAE dirham and U.S. dollar. There can be no assurance that that the government of the UAE will not de-peg the UAE dirham from the U.S. dollar in the future.

In addition, because of the peg to the U.S. dollar, the UAE Central Bank does not have any flexibility to devalue the UAE dirham to stimulate the UAE's exports market, and the UAE Central Bank's ability to independently manage interest/profit rates is constrained, which may impair its ability to respond to financial crises or downturns. For example, if the US Federal Reserve increases interest/profit rates and the UAE Central Bank delays significantly in increasing its own rates, this could result in significant pressure on the peg. This lack of flexibility could have an adverse effect on the UAE's foreign trade and, in turn, on its economy and those of the individual Emirates within the UAE, including Dubai. Any of the foregoing may materially adversely affect the Company's business, financial condition, results of operations and prospects.

1.4.6 Introduction of corporate income tax or the application of value-added taxes on the Company may affect its financial results

Historically, the UAE has not had any Federal-level corporate tax regime. However, pursuant to Federal Decree-Law No. 47 of 2022 (the "**Federal CT Law**"), a 9% federal corporate tax regime was introduced for the first time in the UAE to be applied to the adjusted accounting net profits of a business above AED 375,000 (US$102,000). The Federal corporate tax regime applies to financial years beginning on or after 1 June 2023.

The UAE Federal Tax Authority will be responsible for administering, collecting, and enforcing corporate tax in line with the Federal CT Law and rules and regulations issued by way of Cabinet and Ministerial Decisions. For more information, see "*Taxation*" in Part 17 of this Offering Memorandum.

Therefore, the Company expects corporate tax to apply from the tax period beginning 4 January 2024 and onwards at a rate of 9.0% on its taxable income exceeding AED 375,000. The introduction of additional corporate/income tax or any other changes to current taxation may increase the Company's costs or otherwise adversely affect its business, financial condition, results of operations and prospects.

Currently, the public parking fees are out of the scope of the relevant provisions of the VAT legislation (particularly Federal Decree-Law No. 8 of 2017 and its amendments, as well as its Executive Regulations issued pursuant to Cabinet Decision No. 52 of 2017 and subsequent Cabinet Decisions). This is on the basis that the public parking fees are classified as a sovereign activity by the Government of Dubai. The Company's business plan and projections are prepared on the basis that no VAT would apply to the Company's public parking fees. However, there is no assurance that this interpretation will (and will continue to) be adopted by the Federal Tax Authority. In the event that such interpretation is not, or ceases to be, adopted by the Federal Tax Authority, value-added taxes will become chargeable on public parking fees, and the Company's revenue, business, financial condition, results of operations and prospects may be adversely impacted.

1.5 Risks relating to the Global Offering and the Shares

1.5.1 The Dubai Investment Fund, as a major Shareholder, will maintain a controlling interest in the Company following completion of the Global Offering and may have conflicts of interest with other Shareholders.

The Dubai Investment Fund will continue to be the major Shareholder of the Company following completion of the Global Offering, holding approximately 75.01% of the issued ordinary share capital of the Company, and will therefore continue to have a controlling stake in the Company. As a result, the Dubai Investment Fund will control decisions submitted for the approval of Shareholders at general assembly meetings. For example, the appointment of directors, the approval of annual financial statements, the distribution of dividends, extraordinary decisions such as those relating to mergers, changes to capital and articles of association and certain other major transactions will ultimately be decided by the Dubai Investment Fund through such majority shareholding.

Since the establishment of the Company as a public joint stock company, the Company is mandated to conduct its business in accordance with the Company Law. The interests of the majority of the Directors, and those of the Company's major Shareholder, may from time to time not be aligned with certain of the

Company's strategic or commercial objectives, and in addition there can be no assurance that the Dubai Investment Fund's interests will coincide with the interests of the Company or all the purchasers of the Shares. Additionally, the size of the controlling interest of the Dubai Investment Fund in the Company may affect the liquidity of the Shares trading on the DFM.

Although the Directors believe that the Company's relationship with the Dubai Investment Fund will be beneficial to the Company, compliance with obligations to the Dubai Investment Fund may limit the Company's ability, in certain situations, to react quickly or to take action that would otherwise be more beneficial to the Company's business, results of operations, financial condition or prospects.

1.5.2 Holders of the Shares in certain jurisdictions outside of the UAE may not be able to exercise their pre-emptive rights (if offered by the Company) if the Company increases its share capital.

Under the Companies Law, holders of the Shares generally have pre-emptive rights to subscribe and pay for a sufficient number of the Company's Shares in order to maintain their relative ownership percentages prior to the issuance of any new Shares in exchange for cash consideration. The Company currently does not intend to register the Shares under the laws of any other jurisdiction, and no assurance can be given that an exemption from such registration requirements will be available to enable holders of the Shares outside of the UAE to exercise their pre-emptive rights or, if available, that the Company will utilise such exemption. Furthermore, provided that the Company obtains all the required approvals from the SCA and its General Assembly, the Company may increase its capital without applying the pre-emption rights of the existing Shareholders, such as (i) for the purpose of the entry of a strategic partner, (ii) for the purpose of capitalising the Company's debts, (iii) for the purpose of converting bonds or sukuk issued by the Company into shares or (iv) acquiring an existing company and issuing new shares in the Company to the partners or Shareholders of that acquired company.

1.5.3 There is no existing market for the Shares and an active trading market for the Shares may not develop or be sustained.

Prior to the Global Offering, there has been no public trading market for the Shares. The Company cannot guarantee that an active trading market will develop or be sustained following the completion of the Global Offering, or that the market price of the Shares will not decline thereafter below the Offer Price Range. The failure of an active trading market to develop may affect the liquidity of the Shares. The Shares may therefore be difficult to sell compared to the shares of companies with more liquid trading markets and the price of the Shares may be subject to greater fluctuation than might otherwise be the case. Moreover, under the Articles, 60% of the Shares of the Company must be owned at all times by the Government of Dubai, which could adversely affect the liquidity of the Shares in the secondary market. The trading price of the Shares may be subject to wide fluctuations in response to many factors, including stock market fluctuations and general economic conditions or changes in political sentiment, regardless of the Company's actual performance or conditions in Dubai.

1.5.4 The DFM is smaller in size than other established securities markets and there can be no assurance that a liquid market in the Shares will develop.

The Company has applied for the Shares to be admitted to the Official List of Securities of the DFM. The DFM has been open for trading securities since September 2005, but its future success and liquidity in the market for the Shares cannot be guaranteed. The DFM is smaller in size and trading volume than other established securities markets, such as those in the United States and the United Kingdom. Brokerage commissions and other transaction costs on the DFM are generally higher than those in Western European countries.

These factors could generally decrease the liquidity and increase the volatility of the share prices listed on the DFM, which in turn could increase the price volatility of the Shares and impair the ability of a holder of Shares to sell any Shares on the DFM in the desired amount and at the price and time achievable in more liquid markets.

1.5.5 Shares in the Company may be subject to market price volatility and the market price of the Shares in the Company may decline disproportionately in response to developments that are unrelated to the Company's operating performance.

The price at which the Shares are to be sold in the Global Offering (the "**Offer Price**") is not indicative of the market price of the Shares following listing. The market price of the Shares may be volatile and subject to wide fluctuations. The market price of the Shares may fluctuate as a result of a variety of factors, including, but not limited to, those referred to in these Risk Factors, as well as period to period variations in operating results or changes in revenue or profit estimates by the Company, industry participants or financial analysts. The market price could also be adversely affected by developments unrelated to the Company's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Company, speculation about the Company in the press or the investment community, unfavourable press, strategic actions by competitors (including acquisitions and restructurings), changes in market conditions, regulatory changes and broader market volatility and movements. Any or all of these factors could result in material fluctuations in the price of Shares, which could lead to investors getting back less than they invested or a total loss of their investment.

1.5.6 The Company's ability to pay dividends in the future depends, among other things, on the Company's financial performance and capital requirements.

There can be no guarantee that the Company's historical performance will be repeated in the future, and its profit and cash flow may significantly underperform market expectations. If the Company's cash flow underperforms market expectations, then its capacity to pay a dividend will suffer. Any decision to declare and pay dividends will be made at the discretion of the Directors and will depend on, among other things, applicable law, regulation, restrictions on the payment of dividends in the Company's financing arrangements, the Company's financial position, the Company's distributable reserves, regulatory capital requirements, working capital requirements, finance costs, general economic conditions and other factors the Directors deem significant from time to time.

1.5.7 The issuance of additional Shares in the Company in connection with future acquisitions, any share incentive or share option plan or otherwise may dilute all other shareholdings and impair the Company's ability to raise future capital.

The Company may seek to raise financing to fund future acquisitions and other growth opportunities. The Company may, for these and other purposes, issue additional equity or convertible equity securities. As a result, existing holders of Shares may suffer dilution in their percentage ownership or the market price of the Shares may be adversely affected. Additional issuances may also adversely affect the prevailing market price of the Shares and impair the Company's ability to raise capital through future sales of equity securities.

1.5.8 Substantial sales of Shares by the Dubai Investment Fund could depress the price of the Shares.

Sales of a substantial number of Shares by the Dubai Investment Fund following the completion of the Global Offering may significantly reduce the Company's share price. The Dubai Investment Fund has agreed in the Underwriting Agreement to certain restrictions on its ability to sell, transfer and otherwise deal in its Shares for a period of 180 days from the listing, except in certain limited circumstances. See "*Subscription and Sale—Lock-up Arrangements*". Nevertheless, the Company is unable to predict whether substantial amounts of Shares (in addition to those which will be available in the Global Offering) will be sold in the open market following the completion of the Global Offering. Any sales of substantial amounts of Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Shares.

1.5.9 Overseas shareholders may be subject to exchange rate risk.

The Shares are, and any dividends to be paid in respect of them will be, denominated in UAE dirham. An investment in Shares by an investor whose principal currency is not UAE Dirhams exposes the investor to foreign currency exchange rate risk. Any depreciation of UAE Dirham in relation to such foreign currency will reduce the value of the investment in the Shares or any dividends in foreign currency terms.

PART 2

DIVIDEND POLICY

Dividend Policy

The Company's ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves, its capital expenditure plans and other cash requirements in future periods, and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. Any level or payment of dividends will depend on, among other things, future profits and the business plan of the Company, at the discretion of the Board of Directors and General Assembly.

Subject to the foregoing, the Company expects to distribute a minimum dividend payout of the higher of: (i) 100% of profit for the year; and (ii) Free Cash Flow to Equity, subject to distributable reserves requirements. This dividend policy is designed to reflect the Company's expectation of strong cash flow generation and expected long-term earnings potential.

Free Cash Flow to Equity is Net cash flows generated from/used in operating activities plus net cash generated from/used in investing activities plus net cashflows from financing activities (before any dividend payments).

The Company intends to pay dividends semi-annually in April and October of each year. A first dividend is expected to be paid in October 2024 in respect of the full first half of 2024.

This dividend policy is subject to consideration by the Board of Directors on an annual basis of the cash management requirements of the Company's business for operating expenses, finance costs and anticipated capital expenditures and investments. In addition, the Company expects that the Board of Directors will also consider market conditions, the current operating environment in the Company's markets and the Board of Directors' outlook for the Company's business and growth opportunities.

PART 3

USE OF PROCEEDS

Use of Proceeds

The Company will not receive any proceeds from the Global Offering other than a compensation from the Selling Shareholder for any expenses relating to the Global Offering. All expenses of the Global Offering (including selling commissions and any discretionary fees) will ultimately be borne by the Selling Shareholder as a deduction of the proceeds from the Global Offering. The Global Offering is being conducted, among other reasons, to raise the Company's profile with the investment community and supporting the Government's broader ambitions to further develop local capital markets and deploy capital into other segments of the local economy.

PART 4

CAPITALISATION

The following table sets forth the cash and cash equivalents, long term financing and accumulated net parent investment of the Parking Business as at 31 December 2023 on an actual basis, extracted from the 2023 Carve-out Financial Statements and on an unaudited pro forma basis to give effect to the Pre-Offering Transactions and Contractual Arrangements as if they had occurred on 31 December 2023, as described in the Unaudited Pro forma Financial Information, included elsewhere in this Offering Memorandum.

The information presented in the "Unaudited Pro forma" column is for illustrative purposes only and does not represent the Company's actual financial position or results. Consequently, such information may not be indicative of the Company's total capitalisation after giving effect to the Pre-Offering Transactions and Contractual Arrangements. Investors are cautioned not to place undue reliance on this illustrative information.

The table should be read in conjunction with the "*Presentation of Financial and Other Information*" section, "*Financial Statements*" in Part 22 and "*Unaudited Pro forma Financial Information*" in Part 23 of this Offering Memorandum.

	Actual	**Pro forma Adjustments**	**Unaudited Pro forma**
	As at 31 December 2023	**As at 31 December 2023**	**As at 31 December 2023**
	(AED '000)	*(AED '000)*	*(AED '000)*
Cash and cash equivalents	-	118,459	118,459
Long term financing	-	1,097,250	1,097,250
Equity:			
Accumulated net parent investment	12,608	188,357	200,965
Paid-in capital	-	60,000	60,000
Total Equity(1)	**12,608**	**248,357**	**260,965**
Capitalisation(2)	**12,608**	**1,345,607**	**1,358,215**

Notes:

(1) Total Equity is defined as "Accumulated net parent investment" in the Carve-out Financial Statements and as "Accumulated net parent investment" and "Paid-in capital" in the Unaudited Pro Forma Financial Information.

(2) Capitalisation comprises Long term financing and Total Equity.

PART 5

SELECTED FINANCIAL INFORMATION

The financial information set forth in this section should be read in conjunction with the Carve-out Financial Statements included in this Offering Memorandum. Investors should also read certain risks associated with the purchase of Shares in the section entitled "Risk Factors".

The selected financial information set forth below shows the Company's selected "Carve-out Statement of profit or loss and other comprehensive income", "Carve-out Statement of financial position", "Carve-out Statement of cash flows" and "Carve-out Statement of changes in equity", which has been derived from, and should be read in conjunction with, the Carve-out Financial Statements included elsewhere in this Offering Memorandum.

This section also includes certain Non-IFRS measures including EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Cash Conversion and Capital Expenditure, which were calculated by the Company based on data derived from the Carve-out Financial Statements and management information. These measures are not indicative of the Company's historical operating results, nor are they meant to be predictive of future results. These measures are used by the Company's management to monitor the underlying performance of the business and the operations. Since all companies do not calculate these measures in an identical manner, the Company's presentation may not be consistent with similar measures used by other companies.

The selected financial information and Non-IFRS measures presented below should be read in conjunction with "Presentation of financial and other information", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Summary Financial and Other Information" and "Financial Statements" sections.

Carve-out statement of profit or loss and other comprehensive income

	For the year ended 31 December (AED'000)		
	2021	**2022**	**2023**
Revenue	590,566	686,242	779,379
Other income	293	717	570
Commission expenses	(22,426)	(25,005)	(28,116)
Maintenance expense	(33,593)	(33,777)	(27,593)
Variable lease payments	(10,785)	(11,390)	(13,597)
Other expenses	(34,026)	(36,088)	(26,058)
Employee benefits expense	(134,679)	(135,852)	(139,250)
Depreciation and amortisation	(20,396)	(20,615)	(19,375)
Corporate allocation expense	(105,741)	(110,799)	(121,157)
(Impairment loss)/reversal of Impairment loss on trade receivables	(9,318)	2,486	(9,813)
Finance expense	(392)	(320)	(900)
Profit for the year	**219,503**	**315, 599**	**394,090**
Other comprehensive income	-	-	-
Total comprehensive income for the year	**219, 503**	**315,599**	**394,090**

Carve-out statement of financial position

	As at 31 December		
	(AED'000)		
	2021	2022	2023
ASSETS			
Non-current assets			
Property and equipment	53,391	34,148	26,902
Intangible assets	11,075	11,386	9,329
Right-of-use asset	21,608	16,446	25,073
	86,074	**61,980**	**61,304**
Current assets			
Trade and other receivables	277,982	227,680	190,927
	277,982	**227,680**	**190,927**
Total assets	**364,056**	**289,660**	**252,231**
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits	57,451	61,229	54,356
Lease liabilities	17,320	13,575	21,644
	74,771	**74,804**	**76,000**
Current liabilities			
Trade and other payables	64,499	90,040	96,627
Contract liabilities	52,973	55,202	61,459
Provisions	1,850	2,850	-
Lease liabilities	5,030	3,745	5,537
	124,352	**151,837**	**163,623**
TOTAL LIABILITIES	**199,123**	**226,641**	**239,623**
Net parent investment			
Accumulated Net Parent Investment	164,933	63,019	12,608
TOTAL LIABILITIES AND NET PARENT INVESTMENT	**364,056**	**289,660**	**252,231**

Carve-out statement of cash flows

	For the year ended 31 December (AED'000)		
	2021	**2022**	**2023**
Profit for the year	**219,503**	**315,599**	**394,090**
Adjustments for:			
Depreciation of property and equipment and right-of-use assets	18,765	18,890	16,913
Amortisation of intangible assets	1,631	1,725	2,462
Finance expense (interest on lease liabilities)	392	320	900
Provision for employees' end-of-service benefits	6,187	6,316	4,971
Impairment loss/(reversal) on financial assets/ reversal of impairment on trade receivables	9,318	(2,486)	9,813
Operating cash flows before movements in working capital and employees' end-of-service benefits paid:	255,796	340,364	429,149
(Increase)/decrease in trade and other receivables	(132,350)	52,788	26,940
Increase in trade and other payables	22,756	25,541	3,737
Increase in provision	750	1,000	-
Increase in contract liabilities	3,282	2,229	6,257
	150,234	**421,922**	**466,083**
Employees' end-of-service benefits paid	(1,967)	(2,538)	(11,844)
Net cash flows generated from operating activities	**148,267**	**419,384**	**454,239**
Cash flows from investing activities			
Purchases of property, equipment, and intangibles assets	(11,928)	(2,418)	(4,422)
Proceeds from the sale of property and equipment	-	5,897	34
Net cash (used in)/generated from investing activities	**(11,928)**	**3,479**	**(4,388)**
Cash flows from financing activities			
Principal element of lease payments	(4,958)	(5,030)	(4,450)
Interest element of lease payment	(392)	(320)	(900)
Distribution to Parent	(130,989)	(417,513)	(444,501)
Net cash used in financing activities	**(136,339)**	**(422,863)**	**(449,851)**
Net cash movement during the year	-	-	-
Cash at the beginning of year	-	-	-
Cash at the end of year	**-**	**-**	**-**

Carve-out statement of changes in equity

	Total Net Parent Investment (AED'000)
Balance as at 1 January 2021	76,419
Total comprehensive income for the year	219,503
Distribution to Parent	(130,989)
Balance at 31 December 2021	164,933
Total comprehensive income for the year	315,599
Distribution to Parent	(417,513)
Balance at 31 December 2022	63,019
Total comprehensive income for the year	394,090
Distribution to Parent	(444,501)
Balance at 31 December 2023	12,608

Certain Non-IFRS Measures

Set out below are certain measures that are not defined or recognised under IFRS, or any other generally acceptable accounting principles, including EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Cash Conversion and Capital Expenditure. The Company believes that these Non-IFRS measures provide valuable information as these measures are used by the Company's management to evaluate the efficiency of a company's operations and its ability to employ its earnings toward payment of debt, capital expenditures and working capital requirements. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company. These measures, by themselves, do not provide a sufficient basis to compare the Company's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity. The Company has presented these Non-IFRS measures because it believes these are helpful to investors and financial analysts in highlighting trends in the overall business of the Company. For more information on the definitions of the Non-IFRS measures, see "*Presentation of Financial Information*".

	For Year ended 31 December		
	2021	**2022**	**2023**
EBITDA (AED'000)(1)	240,291	336,534	414,365
EBITDA Margin(2)	41%	49%	53%
Adjusted EBITDA (AED'000)(3)	346,032	447,333	535,522
Adjusted EBITDA Margin(4)	59%	65%	69%
Cash Conversion(5)	95%	99%	99%
Capital Expenditure (AED'000)(6)	11,928	2,418	4,422

Notes:

(1) EBITDA is defined as profit for the year excluding depreciation and amortisation, tax and finance expense. During the periods presented, there were no corporate taxes incurred.

(2) EBITDA Margin is EBITDA divided by revenue.

(3) Adjusted EBITDA is defined as profit for the year excluding depreciation and amortisation, tax, finance expense and corporate allocation expense. During the periods presented, there were no corporate taxes incurred.

(4) Adjusted EBITDA Margin is Adjusted EBITDA divided by revenue.

(5) Cash Conversion is defined as EBITDA less Capital Expenditure, divided by EBITDA.

(6) Capital Expenditure is defined as the purchases of property, equipment and intangibles assets.

EBITDA, EBITDA Margin, Adjusted EBITDA, and Adjusted EBITDA Margin

The following table provides a reconciliation from profit for the year to EBITDA and Adjusted EBITDA for the periods indicated.

	For the year ended 31 December		
	2021	**2022**	**2023**
Profit for the year (AED'000)	219,503	315,599	394,090
Depreciation and amortisation (AED'000)	20,396	20,615	19,375
Finance expense (AED'000)	392	320	900
EBITDA (AED'000)	**240,291**	**336,534**	**414,365**
EBITDA Margin	*41%*	*49%*	*53%*
Corporate allocation expense (AED'000)	105,741	110,799	121,157
Adjusted EBITDA (AED'000)	**346,032**	**447,333**	**535,522**
Adjusted EBITDA Margin	*59%*	*65%*	*69%*

Cash Conversion

The following table provides a reconciliation from profit for the year to Cash Conversion for the periods indicated.

	For the year ended 31 December		
	2021	**2022**	**2023**
Profit for the year (AED'000)	219,503	315,599	394,090
Depreciation and amortisation (AED'000)	20,396	20,615	19,375
Finance expense (AED'000)	392	320	900
EBITDA (AED'000)	**240,291**	**336, 534**	**414,365**
(less) Capital Expenditure[58] (AED'000)	(11,928)	(2,418)	(4,422)
	228,363	334,116	409,943
(divided by) EBITDA (AED'000)	**240,291**	**336,534**	**414,544**
Cash Conversion	95%	99%	99%

[58] Capital Expenditures is defined as purchases of property, equipment, and intangibles assets.

PART 6

SELECTED UNAUDITED PRO FORMA FINANCIAL INFORMATION

The selected unaudited pro forma financial information set forth below as at and for the year ended 31 December 2023 has been derived from the Unaudited Pro forma Financial Information, included elsewhere in this Offering Memorandum and gives effect to the Pre-Offering Transactions and Contractual Arrangements, as described under "Material Contracts", as if they had occurred as at 1 January 2023 (in the case of the unaudited Pro Forma Statement of Profit or Loss and other Comprehensive Income for the year ended 31 December 2023) and as at 31 December 2023 (in the case of the unaudited Pro Forma Statement of Financial Position as at 31 December 2023). The selected unaudited pro forma financial information is not intended to show what the actual results of operations would have been had such transactions actually occurred on such dates, nor is it intended to forecast the Company's results of operations for any future period. The selected unaudited pro forma financial information should be read in conjunction with "Selected Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Financial Statements", "Unaudited Pro Forma Financial Information", "Material Contracts" and "Use of Proceeds" included elsewhere in this Offering Memorandum.

The Unaudited Pro Forma Financial Information is presented for illustrative purposes only and is not intended to represent or to be indicative of the financial position or the results of operations that would have been reported had the Pre-Offering Transactions and Contractual Arrangements occurred as of the dates indicated or what the financial position or results of operations would be for any future periods The pro forma adjustments and related assumptions are described in the accompanying notes to the Unaudited Pro Forma Financial Information.

Unaudited pro forma statement of profit or loss and other comprehensive income

For the year ended 31 December 2023

	Carve-out Financial Statements	**Pro forma adjustments**	**Unaudited Pro forma**
	AED'000	*AED'000*	*AED'000*
Revenue	779,379	-	779,379
Other income	570	-	570
Concession fee expense	-	(105,968)	(105,968)
Commission expense	(28,116)	-	(28,116)
Maintenance expense	(27,593)	11,203	(16,390)
Variable lease expense	(13,597)	-	(13,597)
Other expenses	(26,058)	14,708	(11,350)
Employee benefits expense	(139,250)	-	(139,250)
Depreciation and amortisation	(19,375)	(28,571)	(47,946)
Corporate allocations	(121,157)	121,157	-
Impairment loss on trade receivables	(9,813)	-	(9,813)
Finance expense	(900)	(65,955)	(66,855)
Rent expense	-	(500)	(500)
Transitional Service Agreement expense	-	(12,394)	(12,394)
Profit for the year	**394,090**	**(66,320)**	**327,770**
Other comprehensive income	**-**	**-**	**-**
Total comprehensive income for the year	**394,090**	**(66,320)**	**327,770**

Unaudited pro forma statement of financial position

As at 31 December 2023

	Carve-out Financial Statements	Pro forma adjustments	Unaudited Pro forma
	AED'000	*AED'000*	*AED'000*
Non-current assets			
Property and equipment	26,902	-	26,902
Intangible assets	9,329	1,400,000	1,409,329
Right-of-use asset	25,073	-	25,073
	61,304	**1,400,000**	**1,461,304**
Current assets			
Trade and other receivables	190,927	-	190,927
Receivable from related party	-	37,413	37,413
VAT receivable	-	55,000	55,000
Cash and cash equivalents	-	118,459	118,459
	190,927	210,872	401,799
Total assets	**252,231**	**1,610,872**	**1,863,103**
Liabilities			
Non-current liability			
Long term financing	-	1,097,250	1,097,250
Provision for employees' end of service benefits	54,356	(19,027)	35,329
Lease liabilities	21,644	-	21,644
	76,000	**1,078,223**	**1,154,223**
Current liabilities			
Payable to related party	-	355,000	355,000
Lease liabilities	5,537	-	5,537
Trade and other payables	96,627	(70,708)	25,919
Contract liabilities	61,459	-	61,459
	163,623	**284,292**	**447,915**
Total liabilities	**239,623**	**1,362,515**	**1,602,138**
Equity			
Accumulated net parent investment	12,608	188,357	200,965
Paid-in capital	-	60,000	60,000
	12,608	**248,357**	**260,965**
Total liabilities and equity	**252,231**	**1,610,872**	**1,863,103**

Pro Forma Key Performance Indicators

Set out below are certain pro forma key performance indicators measures, including Pro forma EBITDA, Pro forma EBITDA Margin, Pro forma Adjusted EBITDA, Pro Forma Adjusted EBITDA Margin, and Pro forma Cash Conversion (the "**Pro Forma Key Performance Indicators**").

	For the year ended 31 December 2023
Pro forma EBITDA (AED'000)(1)	442,571
Pro forma EBITDA Margin(2)	57%
Pro forma Adjusted EBITDA (AED'000)(3)	560,933
Pro forma Adjusted EBITDA Margin(4)	72%
Pro forma Cash Conversion(5)	99%

Notes:

(1) Pro forma EBITDA is defined as pro forma profit for the year, excluding pro forma depreciation and amortisation, and pro forma finance expense, each as set out in the Unaudited Pro Forma Financial Information.

(2) Pro forma EBITDA Margin is defined as Pro forma EBITDA divided by pro forma revenue as set out in the Unaudited Pro Forma Financial Information.

(3) Pro forma Adjusted EBITDA is defined as pro forma profit for the year, excluding pro forma depreciation and amortisation, pro forma finance expense, pro forma TSA expense, and pro forma concession fee expense, each as set out in the Unaudited Pro Forma Financial Information.

(4) Pro forma Adjusted EBITDA Margin is defined as Pro forma Adjusted EBITDA divided by pro forma revenue as set out in the Unaudited Pro Forma Financial Information.

(5) Pro forma Cash Conversion is Pro forma EBITDA less Capital Expenditure divided by Pro forma EBITDA.

Pro forma EBITDA, Pro forma EBITDA Margin, Pro forma Adjusted EBITDA, and Pro forma Adjusted EBITDA Margin

The Company defines "Pro forma EBITDA" as pro forma profit for the year, excluding pro forma depreciation and amortisation and pro forma finance expense, each as set out in the Unaudited Pro Forma Financial Information. "Pro Forma EBITDA Margin" is Pro forma EBITDA divided by pro forma revenue as set out in the Unaudited Pro Forma Financial Information. The Company defines "Pro Forma Adjusted EBITDA" as pro forma profit for the year, excluding pro forma depreciation and amortisation, pro forma finance expense, pro forma TSA expense, and pro forma concession fee expense, each as set out in the Unaudited Pro Forma Financial Information. "Pro forma Adjusted EBITDA Margin" is Pro forma Adjusted EBITDA divided by pro forma revenue as set out in the Unaudited Pro Forma Financial Information. Pro Forma EBITDA, Pro forma EBITDA Margin, Pro forma Adjusted EBITDA, and Pro forma Adjusted EBITDA Margin are key performance metrics reviewed by the Directors.

The Directors believe Pro forma EBITDA provides additional useful information to illustrate the impact of the Pre-Offering Transactions and Contractual Arrangements on the Company's underlying trading performance to date.

The Directors believe Pro forma Adjusted EBITDA provides additional useful information to illustrate the impact of the Pre-Offering Transactions and Contractual Arrangements on the performance of the Company, excluding the additional corporate allocation expense relating to the concession fee payable by the Company to the RTA pursuant to the Concession Agreement.

The following table provides a reconciliation from pro forma profit for the year to Pro forma EBITDA and Pro forma Adjusted EBITDA for the period indicated.

Pro forma EBITDA and Pro forma Adjusted EBITDA	**For the year ended 31 December 2023**
Pro forma Profit for the year (AED'000)	327,770
Pro forma Depreciation and amortisation (AED'000)	47,946
Pro forma Finance expense (AED'000)	66,855
Pro forma EBITDA (AED'000)	**442,571**
Pro forma EBITDA Margin	*57%*
Pro forma TSA expense (AED'000)	12,394
Pro forma concession fee (AED'000)	105,968
Pro forma Adjusted EBITDA (AED'000)	**560,933**
Pro forma Adjusted EBITDA Margin	*72%*

Pro forma Cash Conversion

The Company defines "Pro forma Cash Conversion" as Pro forma EBITDA less Capital Expenditure divided by Pro forma EBITDA. The Directors believe that Pro forma Cash Conversion provides additional useful information for prospective investors because it illustrates the impact of the Pre-Offering Transactions and Contractual Arrangements on the Company's profitability available for the operation of the business after Capital Expenditure.

The following table provides a reconciliation from pro forma profit for the year to Pro forma Cash Conversion for the period indicated.

Pro forma Cash Conversion	**For the year ended 31 December 2023**
Pro forma Profit for the year (AED'000)	327,770
Pro forma Depreciation and amortisation (AED'000)	47,946
Pro forma Finance expense (AED'000)	66,855
Pro forma EBITDA (AED'000)	442,571
(less) Capital Expenditure[59] (AED'000)	(4,422)
	438,149
(divided by) Pro forma EBITDA (AED'000)	442,571
Pro forma Cash Conversion	*99%*

[59] Capital Expenditures is defined as purchases of property, equipment, and intangibles assets.

PART 7

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the carved-out financial condition and results of operations as at and for the years ended 31 December 2021, 2022 and 2023 should be read in conjunction with "Selected Financial Information", "Industry Overview", "Business Description", "Financial Statements" and "Unaudited Pro forma Financial Information". The financial information considered in this section is extracted from the Carve-out Financial Statements included in the "Financial Statements" section of this Offering Memorandum.

Overview

Parkin is the largest provider of paid parking facilities and services in Dubai, accounting for more than 90% of Dubai's on- and off-street paid parking market and has the exclusive right to operate all public on-street parking, public off-street parking and public MSCPs in Dubai. Parkin also operates certain privately-owned parking facilities under contract with property developers. The Company operates across six operating verticals: (i) public on-street and off-street parking, (ii) public MSCPs, (iii) Developer-owned Parking Lots, (iv) permits and seasonal parking subscriptions, (v) parking reservations, and (vi) other services. As at 31 December 2023, Parkin operated approximately 175,000 public on- and off-street parking spaces across 85 locations, approximately 4,000 parking spaces across nine MSCPs[60] and approximately 18,000 parking spaces across seven Developer-owned Parking Lot locations. For the year ended 31 December 2023, Parkin issued approximately 139,000 seasonal parking subscriptions and permits for all parking facilities. For the year ended 31 December 2023, Parkin conducted approximately 118 million parking transactions.[61] As at the date of this Offering Memorandum, Parkin is also responsible for parking enforcement at its parking facilities (including approximately 300 parking inspectors and 19 smart scanning vehicles) and certain other parking lot-related operations in Dubai.

The Company's revenue for the years ended 31 December 2021, 2022 and 2023 was AED 590.6 million, AED 686.2 million and AED 779.4 million, respectively. The Company's EBITDA for the years ended 31 December 2021, 2022 and 2023 was AED 240.3 million, AED 336.5 million and AED 414.4 million, respectively.

In the years ended 31 December 2021, 2022 and 2023, the RTA invested an average of AED 6 million per year in improvements to its systems to create smart and autonomous parking facilities and services. Its development plans are in line with the Dubai Government's Smart City, Paperless Strategy and Digital Transformation goals and objectives, with all parking services being provided electronically via digital channels since 2020. In addition, Parkin has deployed state of the art intelligent parking management systems that utilise advanced technologies, artificial intelligence and big data analysis to provide high quality service to its customers. For instance, Parkin allows customers to pay via six payment channels: parking meters, phone applications (e.g. Dubai NOW App and Dubai Drive App), AppClip (via QR code), WhatsApp, seasonal parking subscriptions and SMS, with four different payment methods: ApplePay, cash, Nol public transport card and debit/credit cards. The RTA was among the first in the world to accept SMS parking payments in 2008 and accept payments via AppClip and WhatsApp. Further, it was the first in the Middle East to digitalise the parking experience by implementing smart inspection with artificial intelligence features. As a result of its investments and digitalisation efforts, the RTA won the Middle East Technology Excellence Awards in 2023 and achieved a customer satisfaction rate of more than 95% for the year ended 31 December 2023.

The resident population of Dubai is expected to grow by 63% between 2022 and 2040 and demand for paid public parking is expected to increase by 60% by 2033.[62] The Company's growth strategy entails using its technology and operational expertise to expand its business and meet the expected demand from the population growth. In addition to operating new parking facilities in other areas of Dubai to accommodate the population growth and new area developments, the primary growth initiatives the Company intends to pursue include: (i) with approval from the RTA, converting a portion of unpaid parking spaces (of which

[60] This includes the Khansaheb MSCP, which is managed and operated by a third-party private operator, and excludes the Al Souk Al Kabir MSCP, which is being developed through a 25-year concession agreement between the RTA and a private sector entity.
[61] Excluding fine transactions.
[62] Industry Report.

there are approximately 392,000 spaces)[63] into paid parking spaces, (ii) establishing new agreements with property developers, (iii) with approval from the TEC, adjusting zoning of highly demanded parking spaces in dense areas to increase revenue potential and (iv) investing in more digital initiatives to increase the efficiency of its parking facilities, such as a unified parking platform app to allow customers to make reservations for any parking facility. Additional potential growth initiatives include: (i) offering new commercial activities such as new payment channels and renting space to food trucks and companies that build mechanical car parks, provide car washes and provide car tinting services, (ii) providing advertisement space in the parking facilities, (iii) developing electrical vehicles related activities and (iv) leveraging the Company's operational expertise to expand geographically.

The Company's principal asset is the Concession Agreement with the RTA, which will maintain the Company's exclusive rights to operate all current and future public paid parking facilities and services in the Emirate of Dubai. The Concession Agreement is long-dated and includes a tariff uplift mechanism that can be used to offset inflation. In case tariff increases are not approved by TEC, there is a further mechanism to offset inflation by way of a reduction in the concession fee payable to the RTA by the Company—however the concession fee cannot be reduced below the floor of 12.5% of the parking revenue for any given year. Conversely, in case tariff increases approved by TEC surpass the cumulative inflation rate, then the Company and the RTA will equally share the excess revenue, subject to the concession fee rate not going above 27.5%. The Concession Agreement's maturity year is 2072.

Key Factors Affecting the Company's Results of Operations

The results of the Company's operations have been, and will continue to be, affected by many factors, some of which are beyond the Company's control. This section sets out certain key factors the Directors believe have affected the Company's results of operations in the period under review and could affect its results of operations in the future.

Population growth

Dubai has achieved a unique fast-tracked development over a span of 50 years with approximately 3.5 million Dubai residents and 4.7 million active daytime population as of 31 December 2022.[64] This population growth has been supported in part by initiatives and policies by the government of the UAE to support the tourism sector. Whilst Dubai's resident population growth was flat between 2021 and 2022, active daytime population increased by 4.4% in that year, and resident population growth and daytime population growth are expected to grow by 63% and 66%, respectively, from 2022 through 2040.[65]

Given the high car ownership in Dubai (as discussed below in "*Car ownership in Dubai*"), population growth is generally expected to correlate to higher demand for paid public parking. For example, the Company believes that the active daytime population growth from 2021 to 2022 was a key driver of revenue increasing from AED 590.6 million in 2021 to AED 686.2 million in 2022.

Future anticipated population growth is expected to drive demand for paid public parking, which is expected to grow by 60% by 2033 (which represents a CAGR of 4.8%).[66] This increased demand is also expected to result in the occupancy of existing paid public parking increasing by a CAGR of 2.0% by 2033.[67] Any increase in demand for paid public parking is expected to have a positive impact on the Company's revenue.

As expatriates represent approximately 90% of the population of Dubai, any decline in the global or UAE economy that leads to an exodus of expatriates could materially negatively impact Dubai's economic outlook, as well as demand for the Company's services. See also "*Economic conditions in Dubai and the UAE*" below.

[63] As of January 2024.
[64] Industry Report.
[65] Industry Report.
[66] Industry Report.
[67] Industry Report.

Number of paid public parking spaces

Parkin serves as the exclusive operator of paid public parking, managing 100% of both public on-street and off-street parking spaces, which represents 91% of the total paid on-street and off-street parking in Dubai.[68] 47%, 46% and 48% of the Company's revenue was derived from paid public parking for the years ended 31 December 2021, 2022 and 2023, respectively.[69]

To meet increased demand from the population growth in Dubai during the period under review, the number of paid public parking spaces operated by the Company has grown from approximately 175,000 to approximately 177,000 to approximately 179,000 as of 31 December 2021, 2022 and 2023, respectively. Over the same period, the occupancy rate of on- and off-street parking (on a combined basis) has increased from 19% in 2021 to 21% in 2022 to 24% in 2023,[70] and the occupancy rates of MSCPs has increased from 28% in 2022 to 38% in 2023.[71] The Company, in coordination with the RTA, will focus on adding paid public parking spaces, as the population of Dubai grows in order to meet the expected increase in demand for paid public parking. Potential methods of increasing the amount of paid parking spaces include paving existing areas in locations such as Al Quoz, Umm Ramool, and Ras Al Khor to construct new parking facilities, expanding to new areas of Dubai and converting unpaid parking spaces to paid parking spaces. The supply of paid public parking is expected to increase by 2.4% by 2033.[72]

Car ownership in Dubai

Private cars are the most preferred mode of transportation in Dubai, with 61% of people in Dubai preferring to use private cars, compared with 14% that prefer to use public transportation, 13% that prefer to walk and cycle, and 12% that prefer other modes.[73] A number of Dubai's structural features render it conducive to private cars, including: (i) neighbourhoods that are spread out with indirect connections to public transport routes (e.g. Dubai Metro), (ii) low fuel and energy prices, (iii) low cost of purchasing and maintaining a car, (iv) a hot climate that discourages commuters from walking, including walking from public transportation to their final destination, (v) a relatively mild rush hour compared to other jurisdictions, and (vi) high-quality infrastructure.[74] As a result of these factors, vehicle penetration in Dubai is among the highest in the world, with 580 vehicles per 1,000 inhabitants.[75] From 31 December 2021 to 30 June 2023, the number of registered vehicles in Dubai increased from 1.9 million to 2.2 million,[76] which is reflected in the increase in demand for the Company's parking facilities, with revenue increasing from AED 590.6 million to AED 686.2 million and to AED 779.4 million for the years ended 31 December 2021, 2022, and 2023, respectively.

The number of registered vehicles in Dubai is expected to grow at a CAGR of 4% between 2023 and 2033,[77] which the Company expects will drive higher demand for its parking facilities. Conversely, if consumers decide to increase their use of alternative methods of transportation, such as public transportation or ride sharing, demand for the Company's parking facilities may decrease.

Economic conditions in Dubai and the UAE

The Company's revenue is entirely derived from Dubai. Therefore, the economic conditions of Dubai and the UAE in general have a direct effect on the Company's operations. Normally, robust economic growth results in increased demand for the Company's services, while slow economic growth or economic contraction

[68] This excludes developer-owned communities.

[69] This includes only revenue from on-and off-street parking and MSCPs, which corresponds to On-street/off-street and Multi-storey building fee revenue streams in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.

[70] The Company calculates occupancy rates for Zones A and C as: actual revenue from the zone divided by the product of the number of spaces times the tariff per hour times 298 chargeable days times the number of chargeable hours per day. The Company calculates occupancy rates for Zones B and D as actual revenue from the zone divided by the product of the number of spaces times tariff per day times 298 chargeable days. During leap years, the number of chargeable days increases to 299.

[71] Occupancy rate for MSCPs is defined as actual number of cars entering the buildings each day. 2021 occupancy rate for MSCPs is not available.

[72] Industry Report.

[73] Industry Report.

[74] Industry Report.

[75] Industry Report.

[76] Industry Report.

[77] Industry Report.

adversely affects demand. After a fall in 2020 primarily due to the impact of COVID-19, Dubai's real GDP grew steadily, with year-on-year real GDP growth of 5.7% and 4.4% in 2021 and 2022, respectively.[78]

The strong and steady growth of Dubai's economy in the years prior to the impact of COVID-19, is expected to continue further with real GDP predicted to grow at a rate close to 3.5% for 2023.[79] In 2023, Dubai announced a USD 8.7 trillion economic plan to boost trade, investment and global hub status with an aim to double the size of Dubai's economy and increase foreign direct investment to over USD 177 billion over the next decade.[80] Additionally, the UAE continues to implement different social and policy reforms to attract and retain talent in-country and draw in foreign investment which could positively impact the economy and demand for the Company's services.[81] Recent announcements include reforms in visa status, including the golden visa, long-term stay visa, freelance visa, and remote work visa.[82] Furthermore, the UAE announced recent changes to its commercial company law that now allows foreign investors to own 100% of their companies, and adopted the new workweek (Monday through Friday) on 1 January 2022, aligning itself with global markets to promote international trade.[83] Further, the UAE has implemented the UAE Tourism Strategy 2031, which includes 25 initiatives and policies to boost the tourism sector in the UAE. The Dubai tourism sector is expected to be a major contributor to Dubai's economy in the next 10 years with the objective of supporting the UAE's strategy of attracting AED 100 billion in additional tourism investments. The trend in economic growth is expected to result in an increased demand for the Company's parking facilities and services and paid public parking revenue is expected to grow at a CAGR of 4.8% and occupancy rate is expected to grow at a CAGR of 2.0% by 2033.[84] However, there is no guarantee that this growth will continue, that there will not be another pandemic or similar global event or that the economy will not decline again.

The Company may also be impacted by conditions in Dubai in respect of population trends, consumer spending, business investment, government spending, capital markets conditions and price inflation, all of which affect the local business and economic environment and, consequently, demand for the Company's services. In particular, the performance of the urban mobility and parking industry in Dubai is driven by the number of available customers and the volume of the journeys they undertake, which is correlated with macroeconomic factors that impact economic conditions in Dubai, particularly in respect of population growth, consumer confidence or spending, tourism and business travel as well as changes in laws and regulations. Moreover, any actual or perceived monetary or financial crisis in the UAE could have an adverse impact on the urban mobility and parking industry, including a tightening of the credit markets, reduced levels of business and leisure travel, reduced customer confidence and spending and volatile fuel prices. In response to any perception of uncertainty in economic conditions, the Company's customers may be less likely to travel to or within Dubai, or they may choose alternative methods of transportation options that they perceive to be more affordable, such as public transportation, which would decrease demand for the Company's parking facilities and services.

Tariffs

The Company's tariffs are dependent on the different type of parking facilities and services offered by the Company:

On-street Parking: On-street parking is charged starting from 08:00 a.m. until 10:00 p.m. daily, except for Sundays and public holidays, and an on-street parking space can only be used for a maximum duration of four consecutive hours. On-street parking spaces are categorised in two different zones: Zone A and Zone C. Zone A parking is charged from AED 2 per half hour—AED 16 for four hours. Zone C parking is charged from AED 2 per hour—AED 11 for four hours.

Off-street Parking: Off-street parking is charged from 08:00 a.m. until 10:00 p.m. daily, except for Sundays and public holidays and an off-street parking space can only be used for a maximum duration of 24 consecutive hours. Off-street parking spaces are categorised in two different zones: Zone B and Zone D. Zone B parking is charged from AED 3 per hour—AED 20 for all day parking. Zone D parking is charged from AED 2 per hour—AED 10 for all day parking.

[78] Industry Report.
[79] Industry Report.
[80] Industry Report.
[81] Industry Report.
[82] Industry Report.
[83] Industry Report.
[84] Industry Report.

MSCPs[85]: MSCPs charge AED 5 per hour, daily. MSCPs parking spaces may only be used for a maximum duration of 30 consecutive days.

Developer-owned Parking Lots[86]: Developer-owned Parking lots are generally charged AED 4 per hour, with the exception of the Al Sufouh facilities, which are charged at AED 2 per hour and the Jumeirah Lake Towers facilities, which are charged from AED 4 to AED 10 per hour.

Permit and Seasonal Parking Subscriptions[87]: The Company offers one-month, three-month, six-month, and annual seasonal parking cards for on- and off-street parking, MSCPs, and Developer-owned Parking Lots at various rates.

Fines: The Company charges customers fines for any parking violations committed in the parking facilities, such as failure to pay the relevant Parking Fees and Parking User Charges. Fines range from AED 100 to AED 10,000.

Parking Reservations: The Company charges customers to reserve parking spaces in advance for on- and off-street parking and MSCPs at various rates.

Other Services: The Company charges businesses for the right to rent spaces in the parking facilities for a specified period of time.

For the years ended 31 December 2021, 2022 and 2023, tariffs have not changed and therefore the increase in revenue during these years has been driven by increased demand and utilisation of the Company's parking facilities and services.[88] Going forward, while the Company has the obligation to recommend a tariff review every two years to account for inflation, any adjustment to the tariffs charged on paid public parking spaces will ultimately be determined by the TEC. Further, with the approval of TEC and the RTA, the Company plans to move parking facilities that have high occupancy into zoning categories that charge higher tariffs. The Company expects that approximately 12,000 parking spaces will be reclassified into zones that charge higher tariffs over the next five years, the majority of which are expected to come into effect in the next two years. Whilst such tariff increases are expected to increase revenue and maintain profitability levels, higher tariffs may also negatively impact the Company's competitiveness with other providers of parking services and/or with other modes of transportation.

Following the Carve-out and governed by the Concession Agreement, from January 2026 and every two years thereafter, the Company has the obligation to recommend to the RTA an increase in tariffs by an amount at least reflective of the cumulative inflation rate. The RTA must then endeavour to obtain a final decision on the tariff increase from the TEC and the TEC then makes the final decision as to whether tariffs should be adjusted. If the TEC refuses the Company's request to increase tariffs, there will be a downward adjustment to the concession fee payable to the RTA. However, the concession fee cannot be reduced below the floor of 12.5% of the parking revenue for any given year. Therefore, if the TEC rejects the Company's request to increase tariffs and the concession fee is already at 12.5% of the parking revenue for the relevant year, the RTA will not be able to lower the concession fee further and the Company will not be able to fully offset inflation. However, if the TEC approves an increase for parking tariffs that surpasses the cumulative inflation rate, the Company and the RTA will equally share the excess revenue, subject to the concession fee rate not going above 27.5%.

For more information, see "*Concession, Litigation and Regulatory Matters—The Concession Arrangement—Concession fees*" in Part 11 of this Offering Memorandum.

Customer Compliance

The Company's revenue is dependent on customers paying the relevant Parking Fees and Parking User Charges for the use of the parking facilities and services, as well as fines for various violations. From 2021 to

[85] MSCPs revenue corresponds to the Multistorey parking building fees revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.
[86] Developer-owned Parking Lots revenue corresponds to the Developer parking fee revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.
[87] Permits and Seasonal Subscriptions revenue corresponds to the Permit and seasonal cards revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.
[88] Tariffs have not increased since 2015.

2023, the Company invested in smart scanning technology to help enforce parking tariffs, including adding a fleet of nine smart scanning vehicles. For the years ended 31 December 2021, 2022, and 2023, the Company's rate of successful collection from fines issued to UAE-registered vehicles was 104%,[89] 95% and 99%, respectively. For the years ended 31 December 2021, 2022 and 2023, revenue from fines issued to customers increased from AED 135.9 million, to AED 179.0 million and to AED 181.3 million, respectively, and revenue from the enforcement of fines accounted for 23%, 26%, and 23% of the Company's revenue, respectively. In part due to the increased rate of enforcement, the Company has experienced an increase in its revenue from AED 590.6 million to AED 686.2 million and to AED 779.4 million for the years ended 31 December 2021, 2022 and 2023, respectively.

The Company will continue to invest in technology to aid with parking enforcement. For example, the Company has ordered 200 cameras to aid with enforcement at its off-street parking lots, which are expected to be operational by the end of 2024. In 2023, the Company had nine smart scanning vehicles covering 34% of parking spaces, and in 2024, the Company added ten additional smart scanning vehicles, which currently cover 70% of parking spaces.

Win and Renewal of Developer-owned Parking Lot contracts

The Company's revenue is impacted by its ability to win and renew key developer contracts to operate and manage parking facilities for property developers. Developer-owned Parking Lots revenue[90] accounted for 7%, 7% and 8% of the Company's revenue for the years ended 31 December 2021, 2022 and 2023, respectively. Generally under the agreements, the Company may earn a fixed annual fee, receive a percentage share of the revenue or keep the full revenue generated, in exchange for a fixed annual fee to the property developer for operating the parking facility, whilst the property developer of the facility will be responsible for maintenance and repairs (other than maintenance and repairs related to signs and meters installed by the Company to help facilitate the operations of the parking facilities).

If the property developers were to cease operations, temporarily or permanently, or face financial distress or other business disruption causing them to terminate or not renew the agreement, or to terminate or not renew the agreement for any other reason, the Company could lose its revenue stream from the affected facility. The impact of the cancellation of a Developer-owned Parking Lot contract is dependent in part on the number and occupancy rate of parking spaces at the relevant parking lot. For example, for the years ended 31 December 2021 and 31 December 2022, the number of Developer-owned Parking Lot spaces managed by the Company decreased from 26,000 to 17,000, respectively, due to the cancellation of the Al Khail contract. The contract was cancelled due to low occupancy rates and therefore did not have a significant impact on the Company's revenue from Developer-owned Parking Lots revenue[91], which nonetheless increased from AED 40.8 million to AED 46.3 million for the years ended 31 December 2021 and 31 December 2022, respectively. In 2024, the number of Developer-owned Parking lot spaces operated and managed by the Company will decrease by 7,728 due to a change in terms of the agreement executed with the private developer for the Al Sufouh agreement, which the Company expects will result in a decrease in revenue from Developer-owned Parking Lots in that same period. For more information, see "*Financial Guidance*" in Part 8 of this Offering Memorandum.

As of October 2023, there are 17 private communities in Dubai where the Company has the potential in the short and medium term to provide its services. Additionally, there are a number of private communities currently managed by other parking operators that represent future opportunities for the Company upon the expiry of the existing contracts with these other operators.

Seasonality

The Company's revenue is subject to a degree of seasonal impact. The Company typically experiences an increase in demand for its services during the first and fourth quarters of each year, primarily as a result of additional travel and tourism to Dubai during the cooler months and experiences a loss in the second and third quarters due to Dubai residents travelling abroad and less tourists travelling to the region during the hotter months of the year. The Company's quarterly and half-yearly results may not be comparable within

[89] Percentage is higher than 100% due to the Company collecting fines from other historical periods in addition to 2021.

[90] Developer-owned Parking Lots revenue corresponds to the Developer parking fee revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.

[91] Developer-owned Parking Lots revenue corresponds to the Developer parking fee revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.

any financial year as a result of this seasonality. Further, any adverse events that occur during or otherwise have an impact on the Company's business during the first and fourth quarters of the year, will likely have a disproportionate impact on the results of the Company compared to similar events that occur during or have an impact on the business in the second and third quarters of the year. In addition, during Ramadan, the Parking Fees are enforced on a reduced timetable, which therefore impacts the amount of revenue the Company receives during this period.

Fixed and Variable Cost Structure

The Company's fixed costs are TSA expense, rent expense,[92] corporate allocation expense, employee benefits expense,[93] maintenance expense and other expenses. On a historical basis, the Parking Business' fixed costs[94] for the years ended 31 December 2021, 2022 and 2023 accounted for 52%, 46% and 40% of revenue, respectively. Given that the Company did not incur any TSA expenses and rent expenses for the years ended 31 December 2021, 2022 and 2023, this calculation does not include TSA expense and rent expense. On a pro forma basis, fixed costs[95] accounted for 23% of pro forma revenue for the year ended 31 December 2023 as derived from the Unaudited Pro Forma Financial Information.

The Company's variable costs are commission expenses, (impairment loss)/reversal of impairment loss on trade receivables, variable lease payments, and concession fee expense.[96] On a historical basis, the Parking Business' variable costs[97] for the years ended 31 December 2021, 2022 and 2023 accounted for 7%, 5% and 7% of revenue, respectively. Given that the Company did not incur any concession fee expenses for the years ended 31 December 2021, 2022 and 2023, this calculation does not include the concession fee expense. On a pro forma basis, variable costs[98] accounted for 20% of pro forma revenue for the year ended 31 December 2023 as derived from the Unaudited Pro Forma Financial Information.

The Company believes that it is able to budget and plan its business needs effectively due to the stability of its fixed and variable cost structure.

Factors Affecting Comparability of the Carve-out Financial Statements

The factors listed below and their impact on the Company's financial condition, results of operations and liquidity may affect the comparability of the periods presented in this Offering Memorandum and may also impact the comparability of the Company's results of operations in future periods with historical results of operations.

The Carve-out Financial Statements may not be indicative of future performance.

The transfer of the Parking Business to Parkin Company P.J.S.C. on 4 January 2024 represented a capital reorganisation. The Carve-out Financial Statements represent the financial results of the Parking Business before the incorporation date of the Company as if the Company had historically operated as a standalone entity. Because the Parking Business was not a standalone legal entity for the period 1 January 2021 through 31 December 2023, the Company's results and financial performance have been carved-out from the accounting records of RTA and reflect the revenues and expenses of the Parking Business as if these had always been a part of the Company.

The Carve-out Financial Statements represent the historical operation of the Parking Business and have been prepared from the accounting records of the RTA and reflect the cash flows, revenues, expenses, assets and liabilities of the Parking Business, which were separately maintained in the RTA's books except for corporate shared overheads and are carved out and further explained in Note 5 and 20 to the Carve-out Financial Statements. Certain property and equipment and intangible assets as disclosed in Note 12 and Note 13 respectively are used in the Parking Business operations where the title will remain with the RTA. These assets are also not included in the Carve-out Financial Statements and will not be included in subsequent financial statements of the Company, but instead will be included as part of the Concession Agreement with the RTA.

[92] TSA expense and rent expense only relevant for pro forma fixed costs.
[93] Employee benefits expense may increase in line with inflation; however, no other fixed cost is expected to increase due to inflation.
[94] Excluding depreciation and amortisation and finance expense.
[95] Excluding depreciation and amortisation and finance expense.
[96] Concession fee expense only relevant for pro forma variable costs.
[97] Excluding depreciation and amortisation and finance expense.
[98] Excluding depreciation and amortisation and finance expense.

Further, employee benefits including the liability in respect of end of service benefits obligation only relates to employees who are directly attributable to the Parking Business and given that not all employees from the Parking Business were transferred to the Company, the amount of end of service benefits currently reflected in the financial statements will not be similar in the Company's future financial statements. These liabilities were not legally transferred to Parkin Company P.J.S.C. as of the date of the Carve-out Financial Statements. Because Parkin was not a standalone legal entity in the years ended 31 December 2021, 2022 and 2023 the cumulative net investment by the RTA in the Parking Business (the "**Net Parent investment**") is shown in lieu of shareholders' equity in the Carve-out Financial Statements. The impact of transactions between the Parking Business and RTA that were not historically settled in cash are also included in Net Parent Investment.

During the years ended 31 December 2021, 2022 and 2023, the Company functioned as part of the TRA, which is one of four agencies forming part of RTA. Accordingly, both RTA and TRA have performed certain corporate overhead functions for the Parking Business. These functions include, but are not limited to, executive oversight, legal, finance, marketing, customer services, information technology, human resources and financial reporting. The costs of such services have been allocated to the Parking Business based on the most relevant allocation method to the service provided. Management believes such allocations are reasonable; however, they may not be indicative of the actual expense that would have been incurred had the Parking Business been operating as a separate entity apart from RTA. The cost allocated for these functions is included in corporate allocation expense in the carve-out statement of profit and loss and other comprehensive income for the historical periods presented. A complete discussion of the Parking Business's relationship with RTA, together with the cost allocations, is included in Note 20 to the Carve-out Financial Statements.

The Company utilised the RTA's centralised processes and systems for cash management, payroll and purchasing. In the case of RTA, all business activity related cash deposits are received by cash accounts owned and managed by DOF. There are parking related sweep accounts which are pooled into DOF and are used to fund the cash requirements of Parkin. As the sweep accounts are legally held by DOF, the sweep account cash balances are not included in the Carve-out Financial Statements. The total net effect of the settlement of these transactions is reflected in the carve-out statements of cash flows as a financing activity and in the carve-out statement of financial position as 'distribution to parent' and in the carve-out statement of financial position as 'accumulated net parent investment.' Any balance not swept to the cash pool account would be included in the Carve-out Financial Statements to the extent the balance remains in an account in the legal name of the carve-out business.

Further, pursuant to the Concession Agreement, the majority of the maintenance costs of the parking facilities will be borne by the RTA, and the Company will only be responsible for the maintenance of the assets that help facilitate the operation and management of the parking facilities. Therefore, the Carve-out Financial Statements reflect higher maintenance expenses than are expected for the Company as a standalone entity.

Ultimately, because the Parking Business did not operate as a stand-alone entity during the period under review, the Carve-out Financial Statements may not be indicative of the Company's future performance and do not necessarily reflect what its results of operations, financial position and cash flows would have been had the Company operated as a separate entity apart from the RTA during the historical periods presented.

Entry into the Term Financing and Revolving Credit Facilities Agreement

On 26 January 2024, the Company entered into the five-year, AED 1.2 billion Term Financing and Revolving Credit Facilities Agreement. The Term Financing and Revolving Credit Facilities Agreement was put in place to optimise the capital structure of the Company. On 31 January 2024, AED 1.1 billion of term financing was raised, and on 14 February 2024, the proceeds were paid to the RTA in the form of an Upfront Concession Payment.

The Term Financing and Revolving Credit Facilities Agreement is bifurcated into a term financing facility commitment of AED 1.1 billion and a revolving financing facility commitment of AED 100 million. The funds raised through the facilities are intended to be used firstly, towards making an upfront concession payment in accordance with the terms of the Concession Agreement; and secondly, for general corporate purposes including fees and expenses.

Financings under the Term Financing and Revolving Credit Facilities Agreement carry variable profit at 3-month EIBOR plus a margin at a rate per annum of 0.80%. The arrangement fee under the term credit facility is 0.25% flat and additional profit on the revolving financing facility is 0.25% per annum, calculated on daily unutilised and available commitments, and payable quarterly in arrears as a profit amount under a Murabaha transaction. Because the Term Financing and Revolving Credit Facilities Agreement was entered into after 31 December 2023, neither it nor any transaction costs incurred in relation to it are reflected in the Carve-out Financial Statements.

Entry into the Concession Agreement

On 5 February 2024, the Company entered into the Concession Agreement with the RTA which will maintain the Company's exclusive rights to operate all current and future public paid parking facilities in the Emirate of Dubai. In consideration, the Company paid to the RTA an Upfront Concession Payment of AED 1.1 billion. Further, the Company will pay a variable concession fee every year based on a percentage of the parking revenues collected, and a deferred payment component of AED 300 million which is payable upon insolvency of the Company. If the deferred payment is waived by the RTA, this amount will be reclassified as equity (as a distributable reserve). Furthermore, if the Company decides that it needs additional financial support, management may request a waiver of payment obligations from the RTA. However, the granting of any such waiver is solely at the discretion of RTA. The agreement term is 49-years unless terminated or extended as per the terms of the Concession Agreement. As per the terms of the Concession Agreement, there are no decommissioning obligations at the end of the contractual period. For more information, see "*Concession, Litigation and Regulatory Matters—The Concession Arrangement"* in Part 11 of this Offering Memorandum.

The Concession Agreement does not confer the right to control parking facilities, real estate assets, and related capital work-in progress to the Company. The Company has the right to operate the parking facilities to provide the public service on behalf of the RTA in accordance with the terms specified in the agreement. Therefore, the right to use parking facilities and real estate assets will be recognised as an intangible asset by the Company going forward.

Entry into the TSA

Prior to the entry of the Concession Agreement, the Parking Business was managed by the TRA, which was not a separate legal entity but a division of the RTA.

The cost of the TRA agency handling the parking operations, which are in the nature of corporate and shared costs allocated for the purpose of the preparation of Carve-out Financial Statements, include human resources, transactional accounting services, administration services and software and licenses.

In connection with the transfer of the Parking Business as a standalone business and the signing of the Concession Agreement, the Company entered into a transitional service agreement (the "**TSA**") with the RTA on 5 February 2024, pursuant to which the Company will pay a variable monthly fee to the RTA for the provision of services to be used in the transitional period (as agreed under the TSA). The annual costs related to the TSA will fund a variety of corporate functions, including smart services (shared for 24 months); customer support (24 months); warehouse access (shared for 24 months); cash collection support (shared for 6 months); commercial and investment support (shared for 12 months); legal support (shared for 12 months); IT and applications support (shared for 24 months); administration services support (shared for 12 months); security and monitoring (shared for 24 months); human resources and development support (shared for 6-12 months) and marketing support (shared for 6-12 months). Because the TSA was entered into after 31 December 2023, expenses incurred from the TSA are not reflected in the Carve-out Financial Statements. For more information, see "*Material Contracts—The Transitional Services Agreement*" in Part 14 of this Offering Memorandum.

Lease agreement

The Company entered into a lease agreement in respect of its corporate office with the RTA for a period of 1 year commencing from 1 January 2024. As per the terms of the lease agreement, the Company will pay AED 500,000 as rent and will pay for certain additional costs for maintenance, utilities consumption and soft services. The Company may terminate the lease agreement, without any penalty, at any time during the term of the agreement by giving not less than two months' notice to the lessor. Because the Lease Agreement was entered into after 31 December 2023, expenses incurred from the lease agreement are not reflected in the Carve-out Financial Statements.

Employee costs

The Company was established on 4 January 2024, and has appointed its Board members, key management personnel and certain employees. The Board consists of seven members (Chairman, Vice-Chairman and five Board members). The Company's employee structure is comprised of management personnel, including Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO) and Director of Technology. The Carve-out Financial Statements include the RTA's management compensation, however, going forward, this will be reflected as Parkin's senior management compensation. Because the Board of Directors were appointed after 31 December 2023, directors' compensation is not reflected in the Carve-out Financial Statements. Further, following the Carve-out, the RTA transferred 328 employees to the Company, who also received salary increases. Since employee transfers and salary increases occurred after 31 December 2023, the increased cost in employee benefits expense is not reflected in the Carve-out Financial Statements.

Accumulated Net Parent Investment

During the period 2021 to 2023, the Parking Business utilised the RTA's centralised processes and systems for cash management, payroll and purchasing. In the case of the RTA, all business activity related cash deposits are received by cash accounts owned and managed by the Department of Finance. There are parking related sweep accounts which are pooled into the Department of Finance and are used to fund the cash requirements of the Parking Business.As the sweep accounts are legally held by the Department of Finance, the sweep account cash balances are not included in the Carve-out Financial Statements. The total net effect of the settlement of these transactions is reflected in the statement of cash flows within the Carve-out Financial Statements as a financing activity ('Distribution to Parent') and in the statement of financial position in the Carve-out Financial Statements as 'accumulated net parent investment'. Any balance not swept to the cash pool account would be included in the Carve-out Financial Statements to the extent the balance remains in an account in the legal name of the Parking Business.

At the date of incorporation of the Company, DIF contributed AED 60 million of share capital to the Company. Because this contribution, known as the Accumulated Net Parent Investment, occurred after 31 December 2023, it is not reflected in the Carve-out Financial Statements.

Cash and cash equivalents

Upon formation of the Company, DIF injected bank balances totalling AED 60 million into the Company, in accordance with Dubai Law No. 30 of (2023) concerning the establishment of Parkin Company P.J.S.C. Further, on 5 February 2024, DOF paid the Company approximately AED 61.5 million corresponding to contract liabilities, which were collected by DOF previously. These represent the balances of prepaid seasonal subscriptions and permits, and the balance in the dedicated app wallet that the Company will service in future periods. Because these injections of cash occurred after 31 December 2023, they are not reflected in the Carve-out Financial Statements.

Taxation

Although the UAE historically has not had any corporate income tax, the Company is now subject to the UAE's new corporate income tax regime, which came into effect on 1 June 2023 and will apply to the Company from 4 January 2024. Under this new regime, as a public company it will be subject to a 9% tax. Federal corporate tax in the UAE on adjusted accounting net profits above a threshold of AED 375,000. For more information, see "*Taxation—UAE Taxation*" in Part 17 of this Offering Memorandum. Because the Company was not subject to corporate income tax until after 31 December 2023, the Carve-out Financial Statements do not reflect any corporate income tax.

Current Trading

The Company has made an encouraging start to the year, with business in line with expectations and the financial guidance presented in the "*Financial Guidance*" section in Part 8 of this Offering Memorandum.

Description of Key Line Items

Revenue

The Company earns revenue from fares charged for public parking, by issuing fines, permits and seasonal subscriptions, reservations, as well as from other parking services.

Public parking[99]

Revenue from public parking fares is recognised at a point in time when the parking ticket is issued. The transaction price is fixed based on the parking fares determined by the TEC and is typically paid upfront by the customer. Each time a parking ticket is issued to the customer to park their vehicle, it represents a distinct performance obligation. The parking fares are settled through various payment channels, such as parking meters, parking applications (e.g. Dubai NOW App and Dubai Drive App), AppClip (via QR code), WhatsApp, seasonal parking cards and SMS, and various payment methods, such as ApplePay, cash, Nol public transport card and debit/credit cards.

Additionally, the RTA app has a dedicated wallet for parking. The amounts loaded in the dedicated wallet balance are recognised as a liability till the balance is utilised to pay the parking fare.

Public Parking Fees can be split into three categories as follows:

- On-and off-street[100]: Revenue from on-and off-street paid public parking fares paid by customers.
- MSCPs[101]: Revenue from parking fares in the MSCPs parking buildings operated and managed by the Company and owned by the RTA.
- Developer-owned Parking Lots[102]: The parking fares for parking spaces in developer locations.

Fines

Revenue from fines on UAE-registered vehicles is recognised at a point in time when the violation of the use of parking space resulting in the penalty takes place. Whereas fines levied on vehicles registered in other countries are recognised as revenue when collected due to the limited enforceability of these fines and results in a significantly diminished probability of successful collection. The transaction price is the fines and penalties determined by the RTA for different violations.

Permits and seasonal subscriptions[103]

Revenue from the sale of permits and seasonal subscriptions is recognised over time during the tenure of the permit or seasonal subscription. The transaction price is paid upfront being the fixed fee for a permit or seasonal subscription and the application processing fee (if any). The obligation to provide permits and seasonal subscriptions for the right to park vehicles at the parking spaces operated and managed by the Company for a specified duration is a distinct service to the customers. Processing of the application for permits does not provide any additional distinct benefit to the customers. Hence, the only performance obligation identified is the right to use a designated parking space for the tenure of a permit or seasonal subscription.

Parking Reservations

Revenue from reservation of parking spaces is recognised over time during the tenure of the reservation. The transaction price is paid upfront being the fixed fee for a reservation and the application processing fee, if any.

[99] Public parking corresponds to the public parking fees revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.
[100] On-and off-street revenue corresponds to the On-street/off-street parking revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.
[101] MSCPs revenue corresponds to the Multistorey parking building fees revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.
[102] Developer-owned Parking Lots revenue corresponds to the Developer parking fee revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.
[103] Permits and seasonal parking subscriptions revenue corresponds to the Permits and seasonal cards revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.

The obligation to provide reservations for the right to park vehicles at the parking spaces operated and managed by the Company for a specified duration is a distinct service to the customers. Processing of the application for reservations does not provide any additional distinct benefit to the customers. Hence, the only performance obligation identified is the right to use a designated parking space for the tenure of a reservation.

Other Services

Revenue from other parking services mainly includes income earned from third-parties operating shops and spaces in the MSCPs operated and managed by the Company. Revenue from other services also includes revenue earned from the Khansaheb MSCP, which is managed and operated by a third-party private operator pursuant to a concession agreement with the Company. Revenue from other services is recognised on a straight-line basis over the term of the contract.

Other income

Other income primarily consists of penalty payments received from suppliers in respect of contract breaches and non-compliance, as well as payment of fines that were previously written off. Suppliers are penalised for delay and lapses in work.

Commission expenses

Commission expenses include commission that the Company must pay to third-party companies that aid with the operations and management of the parking facilities. This includes the commission paid to telecom operators that help facilitate the collection of parking revenue through SMS, as well as the commission paid to the Emirates Police which helps with the enforcement and collection of fines from non-Dubai registered vehicles.

Maintenance expense

Maintenance expense primarily consists of the expenses the Company has incurred to maintain its parking systems.

Variable lease payments

Variable lease payments primarily consist of variable rental expenses paid to developers for using the Developer-owned Parking Lots pursuant to the agreements the Company has in place with each developer.

Other expenses

Other expenses primarily consist of operation expenses and miscellaneous expenses. Operation expenses include, among other things, depreciation charges from the RTA for the assets being utilised by the Company but that are not recognised as property and equipment or intangible assets by the Company, as well as vehicle utilisation expenses for leased and owned vehicles.

Employee Benefits Expense

Employee benefits expense primarily consists of salaries and wages, health benefits and other allowances, and end of service benefits for employees directly employed by the Company.

Depreciation and amortisation

Depreciation and amortisation consists of depreciation on property, equipment, and right-of-use assets, and amortisation on intangible assets.

Corporate allocation expense

Corporate allocation expense includes allocations for certain expenses historically maintained by the RTA or the TRA, who have performed certain corporate overhead functions for the Parking Business, including, but not limited to, executive oversight, legal, finance, human resources, audit, strategic planning and IT governance. These expenses are allocated to the Company to represent the cost of providing these services.

Further, corporate allocation also includes the RTA's management compensation. The amounts allocated to the Company are intended to represent the costs of providing these services, and management believes the allocation methods are reasonable. However, the actual cost of obtaining these individual services, when the Company is a stand-alone company, could be materially different. The cost of the services provided by RTA and TRA was determined by the most relevant allocation method, primarily relative percentage of headcount or revenue or expenditure.

(Impairment loss)/ reversal of Impairment loss on trade receivables

(Impairment loss)/reversal of Impairment loss relates to receivables from fines and telecom operators. The Company records expected credit loss provisions based on the credit risk of the receivables and the impairment loss is due to movements in those provisions. The provisions are computed based on the historical default rates adjusted for forward-looking macroeconomic factors and the time value of money.

Finance expense

Finance expense includes finance expenses associated with lease arrangements entered into by the Company and the private developers.

Carve-out Statement of Profit or loss and other Comprehensive Income

The table below presents the Company's statement of profit or loss and other comprehensive income for the periods indicated, which have been extracted from the Carve-out Financial Statements set out in the "*Financial Statements*" section.

	For the year ended 31 December *(AED'000)*		
	2021	**2022**	**2023**
Revenue	590,566	686,242	779,379
Other income	293	717	570
Commission expenses	(22,426)	(25,005)	(28,116)
Maintenance expense	(33,593)	(33,777)	(27,593)
Variable lease payments	(10,785)	(11,390)	(13,597)
Other expenses	(34,026)	(36,088)	(26,058)
Employee benefits expense	(134,679)	(135,852)	(139,250)
Depreciation and amortisation	(20,396)	(20,615)	(19,375)
Corporate allocation expense	(105,741)	(110,799)	(121,157)
(Impairment loss)/reversal of Impairment loss on trade receivables	(9,318)	2,486	(9,813)
Finance expense	(392)	(320)	(900)
Profit for the year	**219,503**	**315, 599**	**394,090**
Other comprehensive income	**-**	**-**	**-**
Total comprehensive income for the year	**219, 503**	**315,599**	**394,090**

Revenue

Revenue increased by AED 95.7 million, or 16.2%, to AED 686.2 million in the year ended 31 December 2022 from AED 590.6 million in the year ended 31 December 2021. This was primarily due to the growing number of daytime population (4% year-on-year) and visitors (97% year-on-year), which the Company believes is due to the attractiveness of Dubai as a place to live and work, as well as the increase in the number of paid public parking spaces available to customers.

- Revenue from on-and off-street parking[104] increased by AED 34.2 million, or 12.8%, to AED 300.6 million in the year ended 31 December 2022 from AED 266.4 million in the year ended 31 December 2021. This was primarily due to the increase in the number of paid public parking spaces available to customers and the increase in occupancy due to the growing daytime and visitor population, as well as improvements in enforcement capabilities.

[104] On-and off-street paid parking revenue corresponds to the on-street/off-street parking revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.

- Revenue from MSCPs[105] increased by AED 2.9 million, or 22.3%, to AED 15.9 million in the year ended 31 December 2022 from AED 13.1 million in the year ended 31 December 2021. This was primarily due to the addition of the Al Satwa MSCP in April 2021 and the increase in occupancy in MSCPs.

- Revenue from Developer-owned Parking Lots[106] increased by AED 5.5 million, or 13.5%, to AED 46.3 million in the year ended 31 December 2022 from AED 40.8 million in the year ended 31 December 2021. Despite the cancellation of the Al Khail Gate (which had an occupancy rate of approximately 2%), the growth in revenue is primarily due to the growth in demand for parking spaces within some of the key developer areas, such as Burj Khalifa, Jumeirah Lakes Towers and Barsha Heights, and the improvement in enforcement capabilities.

- Revenue from permits and seasonal subscriptions[107] increased by AED 8.6 million, or 7.9%, to AED 116.6 million in the year ended 31 December 2022 from AED 108.0 million in the year ended 31 December 2021. This was primarily due to the increase in demand for MSCP seasonal cards and permits.

- Revenue from fines increased by AED 43.2 million, or 31.8%, to AED 179.0 million in the year ended 31 December 2022 from AED 135.8 million in the year ended 31 December 2021. This was primarily due to the increase in smart inspection initiatives, which resulted in more violations being discovered.

- Revenue from parking reservations increased by 0.7 AED million, or 4.1%, to AED 18.3 million in the year ended 31 December 2022 from AED 17.6 million in the year ended 31 December 2021. This was primarily due to an increase in parking reservations from contracts and hotels.

- Revenue from other services increased by AED 0.6 million, or 6.6%, to AED 9.4 million in the year ended 31 December 2022 from AED 8.8 million in the year ended 31 December 2021. This was primarily due to the renewal of shop lease agreements that included higher rental prices.

Revenue increased by AED 93.1 million or 13.6%, to AED 779.4 million in the year ended 31 December 2023 from AED 686.2 million in the year ended 31 December 2022. This increase was primarily due to the increase in the number of customers in Dubai.

- Revenue from on-and off-street parking[108] increased by AED 57.1 million or 18.9%, to AED 357.7 million in the year ended 31 December 2023 from AED 300.6 million in the year ended 31 December 2022. This increase was primarily due to the increase in customers using on-and off-street parking, and is in line with the increase in occupancy rate which increased from 21% for the year ended 31 December 2022 to 24% for the year ended 31 December 2023.

- Revenue from MSCPs[109] increased by AED 1.2 million or 7.8%, to AED 17.2 million in the year ended 31 December 2023 from AED 16.0 million in the year ended 31 December 2022. This increase was primarily due to the increase in customers using the MSCPs (despite the closure of the Al Rigga and Sabkha MSCPs for a portion of the year), and is in line with the increase in the occupancy rate, which increased from 28% for the year ended 31 December 2022 to 38% for the year ended 31 December 2023.

- Revenue from Developer-owned Parking Lots[110] increased by AED 12.3 million, or 26.6%, to AED 58.7 million in the year ended 31 December 2023 from AED 46.3 million in the year ended

[105] MSCPs revenue corresponds to the Multistorey parking building fees revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.
[106] Developer-owned Parking Lots revenue corresponds to the Developer parking fee revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.
[107] Permits and Seasonal parking subscriptions revenue corresponds to the Permits and seasonal cards revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.
[108] On-and off-street paid parking corresponds to the On-street/off-street parking revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.
[109] MSCPs corresponds to the Multistorey parking building fees revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.
[110] Developer-owned Parking Lots corresponds to the Developer parking fee revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.

31 December 2022. This increase was primarily due to the increase of customers using the Developer-owned Parking Lots, and is in line with the increase in the occupancy rate, which increased from 22% for the year ended 31 December 2022 to 26% for the year ended 31 December 2023.

- Revenue from permits and seasonal subscriptions[111] increased by AED 18.8 million, or 16.2%, to AED 135.5 million in the year ended 31 December 2023 from AED 116.6 million in the year ended 31 December 2022. This increase was primarily due to the increase in seasonal subscriptions issued to customers, which increased from approximately 80,000 for the year ended 31 December 2022 to approximately 139,000 for the year ended 31 December 2023.

- Revenue from fines increased by AED 2.3 million, or 1.3%, to AED 181.3 million in the year ended 31 December 2023 from AED 179.0 million in the year ended 31 December 2022. This increase was primarily due to the increase in fines that carry higher penalties and the decrease in fines that carry lower penalties.

- Revenue from parking reservations increased by AED 2.0 million, or 10.9%, to AED 20.3 million in the year ended 31 December 2023 from AED 18.3 million in the year ended 31 December 2022. This increase was primarily due to the increase in parking reservation requests from contractors.

- Revenue from other services decreased by AED 0.7 million, or 6.7%, to AED 8.7 million in the year ended 31 December 2023 from AED 9.4 million in the year ended 31 December 2022. This decrease was primarily due to the decrease in rental requests from third-party shops.

Other income

Other income increased by AED 0.4 million, or 144.7%, to AED 0.7 million in the year ended 31 December 2022 from AED 0.3 million in the year ended 31 December 2021. This was primarily due to the increase in suppliers delay penalties and fines collected that were previously written off.

Other income decreased by AED 0.1 million, or 20.5%, to AED 0.6 million in the year ended 31 December 2023 from AED 0.7 million in the year ended 31 December 2022. This decrease was primarily due to the significant decrease in supplier delay penalties offset by the increased recovery of fines from 2016, 2017 and 2018 that were previously written off.

Commission expenses

Commission expenses increased by AED 2.6 million, or 11.5%, to AED 25.0 million in the year ended 31 December 2022 from AED 22.4 million in the year ended 31 December 2021. This was primarily due to the increase in commission paid to telecom operators as a result of the increase in Parking Fees collected via SMS.

Commission expenses increased by AED 3.1 million, or 12.4%, to AED 28.1 million in the year ended 31 December 2023 from AED 25.0 million in the year ended 31 December 2022. This increase was primarily due to the increase in parking revenue, which also increases the amount of commission the Company must pay to third-party companies, including telecom operators who help facilitate the collection of parking revenue through SMS.

Maintenance expense

Maintenance expense increased by AED 0.2 million, or 0.5%, to AED 33.8 million in the year ended 31 December 2022 from AED 33.6 million in the year ended 31 December 2021. This was primarily due to increased expenses resulting from improvements made to the road and building infrastructure.

Maintenance expense decreased by AED 6.2 million, or 18.3%, to AED 27.6 million in the year ended 31 December 2023 from AED 33.8 million in the year ended 31 December 2022. This decrease was primarily due to fewer improvements made to the road and building infrastructure.

[111] Permits and Seasonal parking subscriptions corresponds to the Permits and seasonal cards revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.

Variable lease payments

Variable lease payments increased by AED 0.6 million, or 5.6%, to AED 11.4 million in the year ended 31 December 2022 from AED 10.8 million in the year ended 31 December 2021. This was primarily due to the increase in fees paid to developers as a result of the increase in revenue from Developer-owned Parking Lots.

Variable lease payments increased by AED 2.2 million, or 19.4%, to AED 13.6 million in the year ended 31 December 2023 from AED 11.4 million in the year ended 31 December 2022. This increase was primarily due to the increase in revenue earned from Developer-owned Parking Lots, which are governed by revenue sharing agreements.

Other expenses

Other expenses increased by AED 2.1 million, or 6.1%, to AED 36.1 million in the year ended 31 December 2022 from AED 34.0 million in the year ended 31 December 2021. This was primarily due to the increase in recharge and utilisation charges for property, equipment and intangible assets of the RTA used by the Company, and the cost of lease and owned vehicles used by the Company. The recharge and utilisation charge relates to the expense that the Company incurs for the use of the RTA's parking lots, real estate assets, building fixtures, and other assets that are used to facilitate operations of the Parking Business. Since these assets will not be transferred to the Company, these expenses are not included in property, equipment or intangible assets, and pursuant to the Concession Agreement, the Company has been granted the right to use such assets.

The recharge for property, equipment and intangible assets of RTA used by the Company increased from AED 16.7 million in the year ended 31 December 2021 to AED 23.8 million in the year ended 31 December 2022. Leased and owned vehicles used by the Company and provided by the RTA increased from AED 4.6 million in the year ended 31 December 2021 to AED 4.9 million in the year ended 31 December 2022.

Other expenses decreased by AED 10.0 million, or 27.8%, to AED 26.1 million in the year ended 31 December 2023 from AED 36.1 million in the year ended 31 December 2022. This decrease was primarily due to the decrease in the operational charges incurred during EXPO2020 for the public parking facilities, and the decrease in recharge expenses by the RTA for assets utilised by the Company that are not recognised as property, equipment or intangible assets.

Employee Benefits Expense

Employee benefits expense increased by AED 1.2 million, or 0.9%, to AED 135.9 million in the year ended 31 December 2022 from AED 134.7 million in the year ended 31 December 2021. This was primarily due to higher wages, offset in part by a reduction in employees.

Employee benefits expense increased by AED 3.4 million, or 2.5%, to AED 139.3 million in the year ended 31 December 2023 from AED 135.9 million in the year ended 31 December 2022. This increase was primarily due to the increase in employees' salaries and allowances. The increase was offset by the decrease in end of service provision expenses as a result of more employees registering with a separate pension scheme offered by the Parking Business.

Depreciation and amortisation

Depreciation and amortisation net expense increased by AED 0.2 million, or 1.1%, to AED 20.6 million in the year ended 31 December 2022 from AED 20.4 million in the year ended 31 December 2021. This was primarily due to the increase in the number of assets used such as parking machines, handheld devices and mobile ANPR systems.

Depreciation and amortisation decreased by AED 1.2 million, or 6.0%, to AED 19.4 million in the year ended 31 December 2023 from AED 20.6 million in the year ended 31 December 2022. This decrease was primarily due to the decrease in depreciation for property and equipment from the decrease in the number of machinery and equipment being used. This decrease was partially offset by an increase in amortisation on intangible assets and depreciation on right of use assets that were added, including the right to use assets from the Business Bay and TECOM Developer-owned parking facilities.

Corporate allocation expense

Corporate allocation expense increased by AED 5.1 million, or 4.8%, to AED 110.8 million in the year ended 31 December 2022 from AED 105.7 million in the year ended 31 December 2021. This was primarily due to the increased corporate allocation of AED 2.0 million to the RTA and AED 2.8 million to the TRA due to the increase in employee salaries and bonuses.

Corporate allocation expense increased by AED 10.4 million, or 9.3%, to AED 121.2 million in the year ended 31 December 2023 from AED 110.8 million in the year ended 31 December 2022. This increase was primarily due to the hiring of additional employees in the administration and human resources departments, which increased salary expenses.

(Impairment loss)/reversal of Impairment loss on trade receivables

(Impairment loss)/Reversal of Impairment loss on trade receivables was a reversal of AED 2.5 million in the year ended 31 December 2022 compared to an impairment of AED 9.3 million in the year ended 31 December 2021. This was primarily due to an increase in provisions in 2021 as a result of COVID-19 and its impact on the economy. A large portion of these provisions were subsequently reversed in 2022.

(Impairment loss)/Reversal of Impairment loss on trade receivables increased by AED 12.3 million, or 495%, to AED 9.8 million in the year ended 31 December 2023 from AED 2.5 million in the year ended 31 December 2022. This increase was primarily due to the Company writing off fines not recovered from 2018.

Finance expense

Finance expense decreased by AED 0.1 million, or 18.4%, to AED 0.3 million in the year ended 31 December 2022 from AED 0.4 million in the year ended 31 December 2021. This was primarily due to the decrease in finance expense on lease liabilities in relation to lease payments.

Finance expense increased by AED 0.6 million, or 181.3%, to AED 0.9 million in the year ended 31 December 2023 from AED 0.3 million in the year ended 31 December 2022. This increase was primarily due to the increase in finance expense in relation to lease agreements for the TECOM and Business Bay Developer-owned Parking Lots.

Carve-out Statement of Financial Position

The following table presents the Company's statement of financial position for the periods indicated, which have been extracted without material adjustment from the Carve-out Financial Statements set out in the "*Financial Statements*" section.

	As at 31 December		
	(AED'000)		
	2021	2022	2023
ASSETS			
Non-current assets			
Property and equipment	53,391	34,148	26,902
Intangible assets	11,075	11,386	9,329
Right-of-use asset	21,608	16,446	25,073
	86,074	**61,980**	**61,304**
Current assets			
Trade and other receivables	277,982	227,680	190,927
	277,982	**227,680**	**190,927**
Total assets	**364,056**	**289,660**	**252,231**
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits	57,451	61,229	54,356
Lease liabilities	17,320	13,575	21,644
	74,771	**74,804**	**76,000**
Current liabilities			
Trade and other payables	64,499	90,040	96,627
Contract liabilities	52,973	55,202	61,459
Provisions	1,850	2,850	-
Lease liabilities	5,030	3,745	5,537
	124,352	**151,837**	**163,623**
TOTAL LIABILITIES	**199,123**	**226,641**	**239,623**
Net parent investment			
Accumulated Net Parent Investment	164,933	63,019	12,608
TOTAL LIABILITIES AND NET PARENT INVESTMENT	**364,056**	**289,660**	**252,231**

Non-current assets

Non-current assets decreased by AED 24.1 million, or 28.0%, to AED 62.0 million as at 31 December 2022 from AED 86.1 million as at 31 December 2021. This was primarily due to a decrease in property and equipment and right-of-use assets. The decrease in property and equipment is due to the depreciation charge during the year as well as retirements of machinery and equipment, including parking machines and handheld devices. The right of use assets decreased on account of the depreciation charge for the year.

Non-current assets decreased by AED 0.7 million, or 1.1%, to AED 61.3 million as at 31 December 2023 from AED 62.0 million as at 31 December 2022. This decrease was primarily due to the decrease in property and equipment, and intangible assets, which was offset by the increase in the right-of-use assets. The decrease in property and equipment is the result of the depreciation for the year, offset by the upgrade in parking machines and parking inspection systems for motor vehicles. The decrease in intangible assets relates mainly to the amortisation for the year. The right of use assets increased as result of the additional contracts signed with private developers for the right to use the TECOM and Business Bay Developer-owned Parking Lots.

Current assets

Current assets decreased by AED 50.3 million, or 18.1%, to AED 227.7 million as at 31 December 2022 from AED 278.0 million as at 31 December 2021. This was primarily due to the decrease in receivables from telecom operators as a result of settlements with those operators, offset in part by an increase in receivables from fines due to the decreased collection of fines.

Current assets decreased by AED 36.8 million, or 16.2%, to AED 190.9 million as at 31 December 2023 from AED 227.7 million as at 31 December 2022. This decrease was primarily due to the decrease in receivables from telecom operators as a result of settlements with those operators, as well as a decrease in receivables from fines due to the increased collection of fines.

Non-current liabilities

Non-current liabilities were stable at AED 74.8 million as at 31 December 2022 and 2021. Employees' end of service benefits increased during the period due to revised salary agreements, however this was offset by a decrease in lease liabilities maturing during the year.

Non-current liabilities increased by AED 1.2 million, or 1.6%, to AED 76.0 million as at 31 December 2023 from AED 74.8 million as at 31 December 2022. This increase was primarily due to the increase in non-current lease liabilities resulting from additional contracts signed with private developers for the right to operate and manage their parking facilities. This increase was partially offset by a decrease in the provision for employees' end of service benefits due an increase in employees registering for a separate pension scheme program offered by the Parking Business.

Current liabilities

Current liabilities increased by AED 27.5 million, or 22.1%, to AED 151.8 million as at 31 December 2022 from AED 124.4 million as at 31 December 2021. This was primarily due to an increase in trade and other payables, which occurred due to the increase in telecom operators costs as a result of the increase in parking revenue earned from SMS payments facilitated by telecom operators.

Current liabilities increased by AED 11.8 million, or 7.8%, to AED 163.6 million as at 31 December 2023 from AED 151.8 million as at 31 December 2022. This increase was mainly due to the increase in contract liabilities from the sale of seasonal subscriptions. When purchasing seasonal subscriptions, customers provide advanced payments for a service that the Company will fulfil over a period of time.

Liquidity and Capital Resources

The Company's primary sources of liquidity are the cash flows generated from its operations and the Term Financing and Revolving Credit Facilities Agreement. Prior to entry into the Term Financing and Revolving Credit Facilities Agreement on 26 January 2024, the Company funded its working capital needs and capital expenditure requirements with cash from operations.

The Company did not have any interest-bearing loans or borrowings for the years ended 31 December 2021, 2022, and 2023. However, on 26 January 2024, the Company and Emirates NBD Bank P.J.S.C. entered into an agreement for a 5-year, AED 1.2 billion unsecured Term Financing and Revolving Credit Facilities Agreement. The Term Financing and Revolving Credit Facilities Agreement is bifurcated into a term financing facility commitment of AED 1.1 billion and a revolving financing facility commitment of AED 100 million. The funds raised through the facilities are intended to be used to make the upfront concession payment required under the Concession Agreement; and secondly, for general corporate purposes, including fees and expenses related to the Term Financing and Revolving Credit Facilities Agreement.

Financings under the facility carry variable profit at 3-month EIBOR plus a margin at a rate per annum of 0.80%. The arrangement fee is 0.25% flat and additional profit on the revolving financing facility is 0.25% per annum, calculated on daily unutilised and available commitments, and payable quarterly in arrears, as a profit amount under a Murabaha transaction. Principal amounts outstanding under the term financing facility will be due and payable in full on final maturity which is 5 years from the date of the Term Financing and Revolving Credit Facilities Agreement.

The Term Financing and Revolving Credit Facilities Agreement contains customary representations and warranties, subject to limitations and exceptions and customary covenants restricting the Company's ability to declare dividends or make distributions in the event of outstanding default or a default that may occur as a result of such dividend distribution. The Company is also required to comply with a leverage covenant of no more than 4.5x (tested semi-annually), as well as limitations on making significant asset disposals and granting certain security interests. Because the Term Financing and Revolving Credit Facilities Agreement was entered into after 31 December 2023, neither it nor any transaction costs incurred in relation to it are reflected in the Carve-out Financial Statements.

The Directors expect the Company's operations to be adequately funded by ongoing operational cash flow generation.

The Directors believe that, going forward, the Company's strong capital structure allows for further leveraging (of up to 4.5x Net Debt to EBITDA, as per the covenants of the Term Financing and Revolving Credit Facilities Agreement), which is expected to enable the Company's growth.

Carve-out statement of cash flows

	For the year ended 31 December (AED'000)		
	2021	**2022**	**2023**
Profit for the year	**219,503**	**315,599**	**394,090**
Adjustments for:			
Depreciation of property, and equipment and right-of-use assets	18,765	18,890	16,913
Amortisation of intangible assets	1,631	1,725	2,462
Finance expense (interest on lease liabilities)	392	320	900
Provision for employees' end-of-service benefits	6,187	6,316	4,971
Impairment loss/(reversal) on financial assets/ reversal of impairment on trade receivables	9,318	(2,486)	9,813
Operating cash flows before movements in working capital and employees' end-of-service benefits paid:	255,796	340,364	429,149
(Increase)/decrease in trade and other receivables	(132,350)	52,788	26,940
Increase in trade and other payables	22,756	25,541	3,737
Increase in provision	750	1,000	-
Increase in contract liabilities	3,282	2,229	6,257
	150,234	**421,922**	**466,083**
Employees' end-of-service benefits paid	(1,967)	(2,538)	(11,844)
Net cash flows generated from operating activities	**148,267**	**419,384**	**454,239**
Cash flows from investing activities			
Purchases of property, equipment, and intangibles assets	(11,928)	(2,418)	(4,422)
Proceeds from the sale of property and equipment	-	5,897	34
Net cash (used in)/generated from investing activities	**(11,928)**	**3,479**	**(4,388)**
Cash flows from financing activities			
Principal element of lease payments	(4,958)	(5,030)	(4,450)
Interest element of lease payment	(392)	(320)	(900)
Distribution to Parent	(130,989)	(417,513)	(444,501)
Net cash used in financing activities	**(136,339)**	**(422,863)**	**(449,851)**
Net cash movement during the year	-	-	-
Cash at the beginning of year	-	-	-
Cash at the end of year	**-**	**-**	**-**

Net Cash Flows from Operating Activities

Net cash flows from operating activities increased by AED 271.1 million, or 182.9%, to AED 419.4 million in the year ended 31 December 2022 from AED 148.3 million in the year ended 31 December 2021, primarily due to the increase in revenue and the decrease in trade receivables from fines and telecom operators.

Net cash flows from operating activities increased by AED 34.9 million, or 8.3%, to AED 454.2 million in the year ended 31 December 2023 from AED 419.4 million in the year ended 31 December 2022, primarily due to an increase in revenue and collection of trade receivables from fines and telecom operators.

Net Cash Flows used in/generated from Investing Activities

Net cash flows generated from investing activities were AED 3.5 million in the year ended 31 December 2022, which compares to net cash flows used in investing activities of AED 11.9 million in the year ended

31 December 2021. This change was primarily due to the decrease in capital expenditure, along with a disposal of parking meters and security equipment in 2022.

Net cash flows used in investing activities increased by AED 7.9 million, or 226.1%, to AED 4.4 million in the year ended 31 December 2023 from AED 3.5 million generated in the year ended 31 December 2022, primarily due to the increased overhaul of multiple parking machines, and the purchase of intangible assets and the decrease in the disposal of parking meters.

Net Cash Flows used in Financing Activities

Net cash flows used in financing activities increased by AED 286.5 million, or 210.2%, to AED 422.9 million in the year ended 31 December 2022 from AED 136.3 million in the year ended 31 December 2021, primarily due to the increase in distribution to the RTA.

Net cash flows used in financing activities increased by AED 27.0 million, or 6.4%, to AED 449.9 million in the year ended 31 December 2023 from AED 422.9 million in the year ended 31 December 2022, primarily due to the increase in distribution to the RTA.

Contract and Contingent Liabilities

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. The Company's contract liabilities represent the advance payment by customers for tariffs.

As of 31 December 2021, 2022, 2023, contract liabilities consisted of AED 41.8 million, AED 40.8 million, and AED 42.8 million respectively related to account balances paid in advance by the customer for seasonal public parking cards or temporary permits of parking access. Further, AED 4.1 million, AED 4.5 million, and AED 4.0 million represents advance payments collected from customers against parking spot reservation in public parking and MSCPs parking buildings as of 31 December 2021, 2022, 2023, respectively. The remaining amount of AED 7.1 million, AED 9.9 million, and AED 14.6 million relate to amounts deposited by customers in the RTA Parking Wallet application as of 31 December 2021, 2022 and 2023, respectively.

As of 31 December 2023, contract liabilities of AED 42.8 million, arising from permits and seasonal subscriptions will be recognised as revenue in the next one year. Further, as of 31 December 2023, contract liabilities of AED 4.0 million, arising from parking spot reservations will be recognised as revenue in the next one year.

The following table presents the Company's movements in contract liabilities for the periods indicated.

	As at the Year ended 31 December		
		(AED 000)	
	2021	**2022**	**2023**
Beginning balance as at 1 January	49,691	52,973	55,202
Add: Collection from permits and seasonal cards	109,369	115,673	137,485
Add: Collection from wallet application	28,656	43,872	73,998
Add: Collection from reservations	17,428	18,682	19,861
Less: Revenue recognised from permits and seasonal cards from current year collection	(70,117)	(77,378)	(93,025)
Less: Revenue recognised from permits and seasonal cards from prior years collection	(37,906)	(39,244)	(42,441)
Less: Revenue recognised from wallet application from current year collection	(21,535)	(33,939)	(59,369)
Less: Revenue recognised from wallet application from prior years collection	(5,020)	(7,122)	(9,933)
Less: Revenue recognised from reservations from prior years collection	(13,324)	(14,211)	(15,848)
Less: Revenue recognised from reservations from prior years collection	(4,269)	(4,104)	(4,471)
Ending balance as at 31 December	52,973	55,202	61,459

Contingent liabilities

Pursuant to the Concession Agreement, the Company will have to pay AED 300 million to the RTA in the event that the Company becomes insolvent.

Capital Expenditure

The Company's Capital Expenditure for the years ended 31 December 2021, 2022 and 2023 was AED 11.9 million, AED 2.4 million and AED 4.4 million, respectively. The most significant element of the Company's capital expenditure during 2021 was parking machines, which totalled approximately AED 8 million in 2021. This cost decreased in 2022 due to the Company purchasing less equipment as a result of the upgrade to its existing parking machines and the smart parking inspection system. Capital Expenditure increased in 2023 due to the increase in intangible assets, such as the parking systems, and the development of phase two of the smart parking inspection system. For information regarding the Company's expected capital expenditure going forward, please see "*Capital Expenditure*" in "*Financial Guidance*" in Part 8 of this Offering Memorandum.

Off-balance sheet arrangements

The Company does not have off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risks

For a description of the Company's management of interest rate, price, credit, trade receivables from fines, trade receivables from telecom operators, liquidity and currency risks, see Note 21 of the 2022/2021 Carve-out Financial Statements and Note 21 of the 2023 Carve-out Financial Statements in Part 22 ("*Financial Statements*").

Significant Accounting Judgments, Estimates and Assumptions

For a description of the Company's significant accounting judgments, estimates and assumptions, see Note 5 of the 2022/2021 Carve-out Financial Statements and Note 5 of the 2023 Carve-out Financial Statements in Part 22 ("*Financial Statements*").

PART 8

FINANCIAL GUIDANCE

The financial guidance presented in this section has been prepared with reference to the Unaudited Pro Forma Financial Information and constitutes forward-looking statements that are based upon a number of assumptions and estimates and subject to risk and uncertainties. PricewaterhouseCoopers Limited Partnership Dubai Branch, the independent auditor, has not reviewed, audited or compiled the Unaudited Pro Forma Financial Information, and has not reviewed, audited, examined, compiled nor applied agreed-upon procedures with respect to forward-looking statements and targets set forth below. Such statements are no assurance of the Company's actual future financial results which may differ materially from what is expressed or implied by these forward-looking statements due to a variety of factors, certain of which are outside of the Company's control. In addition, unanticipated events may adversely affect the actual results achieved by the Company in future periods whether or not the assumptions prove to be correct. See also "Information Regarding Forward Looking Statements". These targets are based on data, assumptions and estimates which are considered to be reasonable by the Company as at the date of this Offering Memorandum. Such data and assumptions may change or be modified due to uncertainties relating, in particular, to the economic, financial, competitive, regulatory and fiscal climate or because of other factors of which the Company is not aware at the date of this Offering Memorandum. In addition, the achievement of these targets presupposes the successful and effective implementation of the strategy presented in "Business—Competitive Strengths" in this Offering Memorandum. The Company accordingly makes no commitment or guarantee regarding the achievement of the targets presented below. Subject to the foregoing, management has the following medium term targets for the Company's business.

Revenue

The Company expects revenue to grow by approximately 6.0% on average per annum in the near term, and by approximately 3.5% on average per annum in the medium term. The Company earns revenue from (i) on-and off-street parking, (ii) permits, seasonal subscriptions, and parking reservations, (iii) MSCPs, (iv) Developer-owned Parking Lots, (v) other services and (vi) fines. Revenue guidance for each of these categories are described below.

On- and Off-Street Parking

The Company's revenue guidance for on- and off-street parking is calculated by multiplying the weighted average hourly tariff by (i) chargeable days, (ii) chargeable hours per day, (iii) the number of parking spots and (iv) implied utilisation. Implied utilisation is calculated by multiplying (a) the number of registered vehicles in Dubai by (b) occupied spot hours per registered vehicles and divided by (c) implied total spot hours.

(i) *Weighted average hourly tariff*[112]*:* The Company expects the weighted average hourly tariff to increase by 2.5% to 3.0% on average in 2024 and 2025, which the Company expects to be driven by the conversion of approximately 5,250 spots each year from Zone C to Zone A. From 2026 onwards, the Company expects approximately 500 spots to be converted from Zone C to Zone A on average per year over the medium term, which will have minimal impact on tariff growth. Tariffs may also be impacted by the Concession Agreement's inflation protection mechanism, which is expected to increase every two years, if approved. For more information on the inflation protection mechanism, see "*Concession, Litigation and Regulatory Matters—The Concession Arrangement*" in Part 11 of this Offering Memorandum.

(ii) *Chargeable days:* There are 298 chargeable days per year (299 in leap years).

(iii) *Chargeable hours per day:* The Company expects chargeable hours to remain constant at fourteen hours per day over the near and medium terms.

(iv) *Parking spots*: The Company expects an increase of approximately 8,100 parking spots in 2024 and approximately 4,200 parking spots on average per annum thereafter over the medium term. In coordination with the RTA, new parking spots are expected to be developed, and certain unpaid parking spots are expected to be converted to paid parking spots. This expected increase is in line with the Company's and the RTA's five-year pavement plan, as well as the RTA's Dubai Master Plan.

[112] The weighted average hourly tariff is based on the number of parking spots and the tariffs across various zones.

(v) *Implied utilisation[113]:* The Company expects implied utilisation to increase 0.5 percentage points on average per annum over the near and medium terms. This is driven by an expected growth in registered vehicles by 4.2% per annum (comparatively, daytime population is expected to grow by 2.8% per annum between 2023 and 2040)[114] and an expected increase in occupied spot hours per registered vehicle.

(vi) *Occupied spot hours per registered vehicle[115]:* The Company expects occupied spot hours per registered vehicle to be approximately 82 hours in 2024 and to increase to approximately 83 hours over the medium term.

Permits, Seasonal Subscriptions and Parking Reservations

The Company expects revenue from permits, seasonal subscriptions and parking reservations to initially increase by 7.5% due to the introduction of fees paid by government entities for the reservation and use of specific parking spots. Over the medium term, the Company expects this revenue to increase by approximately 4.0% on average per annum, roughly in line with the growth in registered vehicles in Dubai.

MSCPs

Due to the closure of the Sabkha MSCP and the renovation of the Al Rigga MSCP, the Company expects a decrease in revenue from MSCPs of approximately 35%-40% in 2024. However, due to the expected opening of the Al Souq Al Kabir MSCP in the last quarter of 2025, as well as the reopening of the Al Rigga MSCP, the Company expects an approximately 43% increase in MSCP revenue in 2025. Over the medium term, the Company expects a 1% increase in MSCP revenue on average per annum.

Developer-owned Parking Lots

Due to the reduction of approximately 7,700 parking spaces in the Al Sufouh Parking Lot, the Company expects a 20% to 25% decrease in revenue from Developer-owned Parking Lots in 2024. However, over the medium term the Company expects a 7.5% to 10% increase of such revenue on average per annum based on the expectation that there will be, on average, an increase of 3,000 spots every three years over the medium term.

Other Services[116]

In the near term, the Company expects an approximate 15% increase of revenue from other services on average per annum, primarily driven by the introduction of advertisement revenue as well as the growth in rental services. Over the medium term, the Company expects a 1.0% to 1.5% increase of such revenue on average per annum.

Fines

The Company expects revenue from fines to comprise approximately 31% of total revenue (excluding fines and other services) in 2024, with such proportion decreasing by approximately 0.8 percentage points on average per annum over the near and medium terms.

EBITDA

The Company expects implied EBITDA to grow approximately 8.5% on average per annum in the near term and approximately 5.5%-6.0% on average per annum over the medium term. Further, the Company expects implied EBITDA Margin to increase to approximately 62% to 64% in the medium term. This is under the assumption that tariffs are not increased and the inflation protection mechanism results in a reduction of the Concession Fee.

[113] Implied utilisation was 22.6% in 2018, 21.4% in 2019, 15.6% in 2020, 18.5% in 2021, 20.6% in 2022, and 24.2% in 2023.
[114] Industry Report.
[115] Occupied spot hours per registered vehicle for 2018 were approximately 81.6 hours; 2019: 79.2 hours; 2020: 59.5 hours; 2021: 69.2; 2022: 72.5 hours; and 2023: 79.9 hours.
[116] Primarily related to rental income and advertisement revenue.

Concession Fee Expense

The Concession Fee is calculated as 20% of revenue from (i) on- and off-street parking, (ii) permits, seasonal subscriptions, and parking reservations[117] subject to the Concession Fee, which excludes revenue generated related to seasonal cards from Developer-owned Parking Lots, (iii) MSCPs, and (iv) other services subject to the Concession Fee, such as rental revenue. The Concession Fee excludes revenue generated from Developer-owned Parking Lots and fines.

The Company expects that, over the near and medium terms, approximately 94% of revenue on average from permits, seasonal subscriptions, and parking reservations will be subject to the Concession Fee.

The Company expects that in the near term approximately 75% of revenue on average from other services will be subject to the Concession Fee, decreasing to 55% over the medium term.

From January 2026 and every two years thereafter, the Company has the obligation to recommend to the RTA an increase in tariffs by an amount at least reflective of the cumulative inflation rate. The RTA must then endeavour to obtain a final decision on the tariff increase from the TEC, and the TEC then makes the final decision as to whether tariffs should be adjusted. If the TEC refuses the Company's request to increase tariffs, there will be a downward adjustment to the Concession Fee payable to the RTA. However, the Concession Fee cannot be reduced below the floor of 12.5% of the parking revenue for any given year. Commencing from the fourth quarter of 2026, if a tariff increase is not approved, the Concession Fee will decrease every 2 years by approximately 320 basis points and may reach the concession rate floor of 12.5% by the fourth quarter of 2030. This is under the assumption that the inflation rate will be 2% per year.

Employee Benefits Expense

The Company's guidance for employee benefits expense is calculated by multiplying (i) the number of full time employees by (ii) average full time employee cost, and adding (iii) fees paid to the Directors.

(i) *Full time employees:* As of 31 December 2023, the Parking Business had 487 employees. 328 employees have been transferred to the Company and represent the number of employees as at the date of this Offering Memorandum. The Company expects the number of employees to increase to 413 by the end of 2024 (310 inspectors and 103 non-inspector employees including management) and remain flat thereafter.

(ii) *Average full time employee cost[118]:* The Company expects average full time employee costs to be AED 315,000 in 2024. Going forward, the costs are expected to grow in line with UAE inflation.

(iii) *Director fees*: The Company expects to pay AED 3.0 million in fees to the Directors in 2024. Going forward, the fees are expected to grow in line with UAE inflation[119]

Other costs

Commission expenses[120]: The Company expects commission expenses to be approximately 3.5% to 4.0% of revenue on average over the near and medium term.

Variable lease payments[121]: The Company expects variable lease payments to be approximately 2.0% to 2.5% of revenue on average over the near and medium term.

Transitional Services Agreement expenses: The Company expects expenses related to the TSA to be approximately AED 13 million on average per annum in 2024 and 2025[122]. From 2026 onwards, the Company expects such expenses to be approximately 2.0% to 2.5% of revenue over the medium term.

[117] Includes fees received from government entities for parking use.
[118] Includes salaries, benefits, allowances, and end of service benefits.
[119] Per the Articles of Association, the Board of Director charges are subject to a maximum of 1% of net profits in a given year.
[120] Commission Expenses refer to expenses related to telco services and parking fine commissions.
[121] Variable Lease Payments refer to payments made to private developers pursuant to the Developer-owned Parking Lot agreements. As per IFRS-16, a portion of these agreements were historically recognised as a right-of-use asset and payments made were therefore recognised within depreciation and amortisation. As part of the guidance, that portion of payments has been included within Variable Lease Payments, and excluded from depreciation and amortisation, given the cash nature of such payments.
[122] TSA can extend up to 24 months, after which all costs covered under the TSA would be incurred by the Company.

Other costs[123]*:* The Company expects other costs to be approximately 3.5% to 4.0% of revenue over the near and medium terms.

Net Profit

The Company expects net profit to remain relatively flat in the near term due to the introduction of corporate tax expenses. Thereafter, over the medium term, the Company expects net profit to increase by approximately 8.0% to 8.5% on average per annum. The Company expects net profit margin to decrease to approximately 40% in the near term due to the introduction of corporate tax expenses and to increase to approximately 45% to 47% in the medium term.

Depreciation and amortisation

The Company expects depreciation expenses in relation to the existing property, plant and equipment and intangible assets transferred from the RTA of approximately AED 18 million on average per year in the near term, and nil on average thereafter over the medium term.

As per IFRS-16, a portion of the Developer-owned Parking Lots agreements were historically recognised as a right-of-use asset and payments made were therefore recognised within depreciation and amortisation. As part of the guidance, that portion of payments has been included within Variable Lease Payments, and excluded from depreciation and amortisation, given the cash nature of such payments.

With respect to its maintenance and growth capital expenditure, the Company uses straight-line depreciation (five years for maintenance capital expenditure and three years for cameras and smart scanning vehicles).

The Company expects amortisation expenses of approximately AED 1.5 million per annum over the medium term in respect of its intangible assets[124] (excluding the Concession Agreement asset) and concession asset amortisation to be approximately AED 29 million per annum until the end of the concession life (based on a right-of-use asset of AED 1.4 billion amortised over 49 years).[125]

Finance expense

The Company's finance expense is expected to relate to the Term Financing and Revolving Credit Facilities Agreement, which carries variable profit at 3-month EIBOR plus a margin at a rate per annum of 0.80%.

Taxes

The Company expects an income tax rate of 9.0% to apply to its profit before tax from 2024 and onwards.

Capital Expenditures

Smart parking cameras

Smart parking cameras currently cost approximately AED 70,000 per camera and have a useful life of three years. All cameras are expected to be replaced at the end of their useful life. The Company installed eight cameras in 2023, and it expects to install 200 new cameras in 2024, and 308 new cameras each year thereafter through 2027. The Company expects to have approximately 1,100 cameras by 2033.

Smart scanning vehicles

Smart scanning vehicles currently cost approximately AED 890,000 per vehicle and have a useful life of three years. All smart scanning vehicles are expected to be replaced at the end of their useful life. The Company purchased nine vehicles in 2022 and ten vehicles in 2023, and it expects to purchase one new vehicle in each of 2024, 2026, 2028, 2031 and 2033. The Company expects to have 24 smart scanning vehicles by 2033.

[123] Other costs include maintenance expense, corporate allocation expense, (impairment loss)/reversal of impairment loss on trade receivables, and other expenses.
[124] Primarily relating to software and IT systems.
[125] Including upfront and deferred portions.

Recurring maintenance and intangible capital expenditures (Excluding Concession Agreement Asset)

The Company expects recurring maintenance capital expenditures of approximately AED 2.5 million per annum from 2024 onwards, primarily related to the replacement of hardware used by inspectors for the scanning of plate numbers, in addition to other hardware such as computers. The Company expects intangible capital expenditures (excluding those related to the Concession Agreement asset) of approximately AED 1.5 million per annum from 2024 onwards, primarily driven by the maintenance of software and IT system.

The Company does not expect inflation to impact capital expenditures in the medium term.

Working Capital

Receivables

The Company receives revenue from on- and off-street parking, Developer-owned Parking Lots and fines on a delayed basis. In 2021, 2022 and 2023, this delay (known as trade and other receivable days) was, on average, 229 days, 158 days and 117 days, respectively. The Company expects this to decrease to 97 days in 2024 and then decrease further by approximately 1 to 1.5 days per annum over the near and medium terms.

The Company has recognised a VAT receivable related to the Upfront Concession Payment of AED 55 million in 2023, which is expected to remain flat over the near and medium terms.

The Company has also recognised a receivable from related party of AED 37 million, related to end of service benefits of employees transferring to the Company which will be covered by the RTA. Over the near and medium terms, the Company expects that figure to remain flat.

Payables

The Company expects to make payments under the Concession Agreement within 90 days of becoming due. The Company expects to make other payables (including all direct and indirect costs (including taxes) and excluding depreciation and amortisation and finance expenses) within 63 days of becoming due in 2024, and then increasing by approximately 2 to 2.5 days per annum over the near and medium term. This compares to 67 days, 94 days and 41 days in 2021, 2022 and 2023, respectively.

The Company has recognised a payable to related party of AED 55 million, in line with the VAT Receivable recognised.

Contract liabilities days

Contract liabilities days represent the amount of days it will take for the Company to fulfil its obligation to transfer goods or services to customers for which the Company has received a consideration and recognised the revenue. This includes advanced payments received for parking services such as permits and seasonal subscriptions, which are used over time. The Company expects 44 contract liabilities days until 2025, increasing by an average of approximately 0.5 to 1.0 day per annum over the medium term.

Inventory

The Company does not have any inventory.

PART 9

INDUSTRY OVERVIEW

Unless the source is otherwise stated, the market, economic and industry data in this Offering Memorandum constitute the Company's estimates, using underlying data from independent third parties. Statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets in this Offering Memorandum are based on published and publicly available data obtained from multiple independent third-party sources.

In particular, unless otherwise specifically stated, the information in this "Industry Overview" is based on the Industry Report which has been prepared by the Industry Consultant, exclusively for the benefit of the Company in relation to the markets in which the Company operates (the "**Industry Report**"). The Industry Report has been produced solely as a general guide and does not constitute advice. The preparation of the Industry Report, or any information extracted from the Industry Report in this Offering Memorandum, is not intended to create, and the Industry Consultant does not accept, any duty of care to any recipient of the Offering Memorandum or any liability for damages suffered by any party resulting from their use of the information extracted from the Industry Report. Reliance by any other party on the contents of the Industry Report shall be at the party's own risk. The Industry Consultant makes no representation or warranty, expressed or implied, to any party with respect to the accuracy or completeness of the information contained in the Industry Report. The Industry Report was prepared on 27 January 2024 and as such addresses statements and matters stated therein at that time or at the times otherwise specified therein and does not take account of any changes or developments which may have occurred since.

The Industry Consultant's conclusions, or any information or summary extracted from the Industry Report and contained or referred to herein are subject to the assumptions and qualifications set forth in the Industry Report and should be read in conjunction with the full text of the Industry Report. As at the date of this Offering Memorandum, the Industry Consultant has given and not withdrawn its written consent for the use of its name, logo, statements, and market research and data supplied by it to the Company in the manner and format set out in this Offering Memorandum. The Industry Consultant relied on information provided by the Company as well as publicly sourced information for this report. When creating the report, the Industry Consultant assumed that information provided from public or other sources was correct and complete. Therefore, no further checking of this information was conducted. Estimates and projections set out in this section are prepared based on the analysis performed by the Industry Consultant and include research estimates found in published official sources.

The Industry Report contains information obtained or derived from a variety of public sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Taking into consideration the "Information regarding forward-looking statements" section, whilst the members of the Board believe that the information and data on the market study in this Offering Memorandum obtained from third party sources, including the information obtained from the Industry Consultant, are information and data that may be relied upon, this information has not been independently verified by the Company, nor the Board, advisors, its Shareholders, or the Industry Consultant. Therefore, none of the aforementioned parties shall bear any responsibility for the accuracy or completeness of any of this information.

Dubai Macroeconomic Outlook And Key Trends

Introduction to Dubai and its economy

The Emirate of Dubai, which is situated on the eastern coast of the Arabian Peninsula, is one of seven Emirates that make up the United Arab Emirates ("**UAE**"). It is the second largest Emirate by land area, and second wealthiest in terms of GDP, behind Abu Dhabi.

Dubai has successfully diversified its economy and is now a centre for Middle Eastern trade flows, one of the premier financial capitals in the Middle East and a significant tourist destination. The largest components of GDP in 2022 were: wholesale and retail trade; transportation and storage; financial and insurance; manufacturing; real estate and construction.[126]

[126] Dubai Statistics Centre, 2023.

Dubai's real GDP increased by 4.4% in 2022 to an estimated AED 414 billion (US$113 billion), largely as a result of growth in the transportation and storage, wholesale and retail trade, and financial and insurance sectors. In terms of contribution to GDP, the largest sectors in Dubai are wholesale and retail trade (26.8%), accommodation and food services (20.3%), and arts, entertainment and recreation (15.4%), as of 2022.[127]

In H1 2023 Dubai's real GDP grew 3.2% year on year, reaching AED 223.8 billion. Growth in Q1 was 2.8%, accelerating to 3.6% in Q2 year on year.[128] Growth in both quarters surpassed average global growth rates for the same period. In Q1 2023 the European Union grew by 1.1%, USA by 1.8% and Organisation for Economic Cooperation and Development countries by 1.6%.[129] In Q2 2023 the European Union grew by 0.5%, USA by 2.6% and Organisation for Economic Cooperation and Development countries by 1.5%.[130]

When compared to global averages, the UAE exhibits significantly stronger economic growth with historical and forecast annual rates of 3.5% (2010-2022) and 5.2% (2022-2027), outpacing the world's 1.3% and 1.9%, respectively.[131]

In July 2023, Fitch Ratings rated the UAE's federal government AA- with a stable outlook, citing moderate public debt, a strong net external asset position, and high GDP per capita. Earlier in the year, the UAE government was also given an Aa2 creditworthiness rating by Moody's, indicating a stable outlook for its economy[132], compared to other GCC countries such as Qatar Aa3, KSA and Kuwait A1, Oman Ba1 and Bahrain B2, and international peers including an A1 rating for Japan, Baa1 for Spain, Aa2 for France, Aaa for Germany, the Netherlands, the United States, Australia and Singapore, Aa3 for the United Kingdom, or Baa3 for India.

Additionally, the UAE continues to implement different social and policy reforms to attract and retain talent in-country and draw in foreign investment. Recent announcements include:

(i) **Reforms in visa status**: A variety of visa reforms, including the golden visa, long-term stay visa, freelance visa, remote work visa, and other related reforms have been announced by UAE cabinet ministers to retain and attract top talent and skill sets, improve the competitiveness and flexibility of the job market, and increase investment opportunities within the UAE.

(ii) **Ease of conducting business**: Recently, the UAE was ranked first in the Middle East and 20th globally by the World Citizenship Report 2023 in 'Economic Opportunity Rankings' out of 128 countries offering the most economic opportunities for investors and residents.[133]

(iii) **Unemployment Insurance Scheme**: In 2022, the UAE introduced a form of social security under Federal Decree Law No. 13 of 2022, which offers financial support to individuals during their unemployment, with the support continuing until they secure new employment, in line with the rules outlined in a specific decree-law.[134]

Dubai ranked third in a recent global survey on relocation preferences (14% of votes), indicative of its appeal to expatriates and top talent, coming in behind London (18%) and Amsterdam (15%).[135]

[127] Dubai Statistics Centre, 2023.
[128] Dubai Statistics Centre, 2023.
[129] OECD, 2023.
[130] OECD, 2023.
[131] EIU, 2023.
[132] Government of UAE, 2023.
[133] Zawya, 2023.
[134] Government of UAE, 2023.
[135] BCG, 2021.

Table 1: Top cities to relocate to

Country	Ranking	% of respondents
London	1	18
Amsterdam	2	15
Dubai	**3**	**14**
Berlin	4	13
Abu Dhabi	5	11
Tokyo	6	11
Singapore	7	11
New York	8	10
Barcelona	9	9
Sydney	10	8

Source: BCG, 2021.

The UAE announced recent changes to its commercial company law to allow foreign investors to own 100% of their companies for more than 1,000 commercial and industrial activities, excluding economic activities with a strategic impact.[136] Finally, the UAE adopted the new workweek (Monday through Friday) on January 1, 2022, aligning itself with global markets to promote international trade.

Dubai contained the impact of the COVID-19 pandemic on its economy with a range of measures, including a mass vaccination programme and economic support initiatives. This boosted market sentiment and recovery, with nearly 70% of workers having returned to in-person work in some capacity post the COVID-19 pandemic by around June 2022.

After a steep fall in 2020, real GDP grew steadily, with year-on-year real GDP growth of 4.4% and 7.9% for 2021 and 2022 respectively. The strong and steady growth of Dubai's economy in the years prior to the impact of COVID-19, is expected to continue further with real GDP predicted to grow at a rate close to 3.5% for 2023[137] and an expected average CAGR of 4% up to 2033. Tourism has also rebounded since the Covid pandemic, increasing by 20% in H1 2023 to exceed pre-COVID-19 levels.

Additionally, the promoted range of economic initiatives are expected to stimulate growth and attract additional visitors and residents to Dubai. As a result, Dubai's government expects to reach a population of 5.8 million by 2040 (from 0.9 and 1.9 million in 2000 and 2010) according to its 2040 Master Urban Plan[138] which would mean an absolute increase of 61% compared to the total population registered in August 2023 (3.6 million).[139] If the goal of 5.8 million inhabitants is achieved by 2040, then this implies an average growth rate of 2.8% over the next 18 years which is relatively high compared to other global metropolises such as Hong Kong, New York, London and Singapore where growth is projected is at average of 0.5%. These demographic trends are shown in the tables below.

Table 2: Dubai Demographic Indicators

Indicator	unit	2018	2019	2020	2021	2022
Resident Population	m persons	3.2	3.4	3.4	3.5	3.5
Of which expatriates	m persons	2.9	3.1	3.1	3.2	3.3
YoY population growth	%	7.3%	5.1%	1.6%	2.0%	2.1%
Daytime population	m persons	4.4	4.6	4.4	4.5	4.7
International visitors per annum	m persons	15.9	16.7	5.5	7.3	14.4

Source: Dubai Statistics Center, 2023—Yearly Population Estimates.
Note: Daytime population includes a percentage of employees of the federal government, local government and the private sector residents outside Dubai, as well as average number of tourists and sailors and those coming for other purposes.
Note: International visitors who spend one night at least in Dubai including Air, Land & Sea Visitors, excluding United Arab Emirates residents, Local Emiratis and Aircrews & marines

136 Government of UAE, 2023.
137 FitchSolutions, 2023.
138 The National News, 2022.
139 Zawya, 2023.

Table 3: Growth in Historical Population of Dubai vs other global metropolises

Indicator	Unit	2018	2019	2020	2021	2022	CAGR
Dubai	YoY%	7.3%	5.1%	1.6%	2.0%	2.1%	2.7%
Hong Kong	YoY%	0.8%	0.7%	-0.4%	-0.9%	-0.9%	-0.4%
New York	YoY%	-0.6%	-0.6%	4.8%	-3.2%	-1.5%	-0.2%
London	YoY%	0.9%	0.6%	0.5%	n/a	n/a	n/a
Singapore	YoY%	0.5%	1.2%	-0.3%	-4.1%	3.4%	0.0%

Sources: Dubai (Dubai Statistics Centre); Hong Kong (World Bank); London (Statista / Office for National Statistics); New York (US Census Bureau, Population Division); Singapore (World Bank).

Table 4: Population estimates of Dubai vs. other global metropolises.

Indicator	unit	2023	2025	2030	2033	2035	2040	CAGR
Dubai (daytime)	millions	4.9	5.1	5.9	6.4	6.8	7.8	2.8%
Dubai	millions	3.6	3.9	4.4	4.8	5.1	5.8	2.8%
Hong Kong	millions	7.5	7.6	7.8	n.a	8.0	8.1	0.5%
New York	millions	8.3	n.a.	8.8	n.a	n.a.	9.0	0.5%
London	millions	9.0	9.2	9.4	n.a	9.6	9.8	0.5%
Singapore	millions	5.7	5.7	5.9	n.a	6.0	6.0	0.3%

Sources: Dubai (Dubai Statistics Centre, 2023) August and Vision 2040; Hong Kong (Government Hong Kong, 2023); New York (OpenDataNewYork, n.d.); London (Greater London Authority. GLA 2021-based demographic projections); Singapore (World Bank, 2023).

Disposable income measures people's financial well-being, impacting consumption and saving, which are key drivers of economic growth and stability. Table 5 below shows median disposable income per household of US$88,612 in the UAE in 2022, the highest in the GCC countries, and significantly higher than six out of seven of the G7 countries in the same period as shown in Table 6. Table 7 contrasts forecasts of UAE GDP and disposable income growth between 2023 and 2027 with global trends.

Table 5: Median Disposable income per household—GCC Countries

Indicator	unit	2018	2019	2020	2021	2022
UAE	USD	89,233	87,840	75,721	86,175	88,612
Qatar	USD	73,140	76,570	70,660	68,705	63,904
Kuwait	USD	60,053	58,902	47,923	55,786	60,339
Oman	USD	37,790	38,858	40,408	46,387	45,552
Saudi Arabia	USD	36,960	37,165	32,170	35,643	35,140

Note: Disposable income is defined as the gross income minus social security contributions and income taxes.
Source: Euromonitor.

Table 6: Median Disposable income per household—G7 Countries

Indicator	unit	2018	2019	2020	2021	2022
USA	USD	86,190	93,085	98,369	101,771	107,988
Canada	USD	48,943	50,355	52,458	59,384	57,478
UK	USD	52,213	50,466	53,149	57,122	53,862
France	USD	50,223	50,384	54,470	53,797	51,636
Germany	USD	47,445	47,557	51,816	50,807	50,288
Italy	USD	41,008	40,651	43,152	43,048	42,215
Japan	USD	42,725	43,787	46,412	42,397	36,981

Note: Disposable income is defined as the gross income minus social security contributions and income taxes. Source: Euromonitor.

Table 7: Future evolution of explanatory variables (2023—2027)

Indicator	unit	2023F	2024F	2025F	2026F	2027F
UAE GDP growth	%	4.0%	3.7%	3.5%	3.4%	3.1%
World GDP growth	%	2.2%	2.4%	2.7%	2.7%	2.7%
UAE disposable income per capita YoY growth	%	9.2%	3.8%	4.3%	4.2%	4.8%
World disposable income per capita YoY growth	%	1.9%	1.7%	1.8%	1.9%	2.0%

Source: Economist Intelligence Unit, 2023.

Dubai's economic initiatives

In the mid-1990s, with a decline in oil production, Dubai successfully diversified its economy and is now recognised as a hub for real estate, tourism, and trade. It is seen as one of the premier financial capitals in the Middle East. In early 2023, Dubai announced a USD 8.7 trillion economic plan to boost trade, investment and global hub status with an aim to increase foreign direct investment to over USD 177 billion over the next decade.[140] Dubai also successfully hosted World Expo 2020, held once every five years, attracting over 24 million visitors.[141]

Economic innovation has continued with key initiatives launched to support growth, innovation and sustainability including, but not limited to, the following:

Dubai Clean Energy Strategy 2050 (Announced—2015): An initiative pledged by Dubai to take use of clean energy sources to 75% by 2050, built on five main pillars namely infrastructure, legislation, funding, building capacities and skills, and an environment friendly energy mix.[142]

Dubai Industrial Strategy 2030 (Announced—2016): An initiative seeking to increase the sector's contribution towards Dubai's GDP. The industrial sector is expected to grow by an additional AED 18 billion by 2030, creating 27,000 jobs and leading to a forecast increase in exports to AED 16 billion. Investment in research and development is expected to increase by AED 700m by 2030.[143]

Dubai 2040 Urban Master plan (Announced—2021): With a significant focus on economic growth through all these initiatives Dubai also has a clear focus on a comprehensive future plan to develop Dubai's sustainable urban development. As referenced above the population of Dubai residents is expected to increase from 3.5 million in 2022 to 5.8 million by 2040. Some of the key initiatives of this plan include (i) developing five main urban areas (three existing and two new) to support economic growth and increased job opportunities across the population; (ii) ensure that 60% of Dubai's area is comprised of natural reserves and rural natural areas; (iii) increase the land area for tourism and hotel activities by 134% and for commercial activities to 168 sq.km; (iv) increase land area dedicated to education and health facilities by 25%; (v) promote non-automotive transportation (walking, cycling and use of flexible means of transportation).[144]

UAE Tourism Strategy 2031 (Announced—2022): As part of the 'Projects of the 50', the strategy includes 25 initiatives and policies to boost the tourism sector in the UAE by increasing GDP to AED 450 billion, hosting 40 million guests and attracting AED 100 billion as additional tourism investments[145].

Dubai Economic Agenda D33 (D33) (Announced—2023): D33 is a 10-year economic plan launched by the Dubai government in January 2023 with the aim to double the size of Dubai's economy by 2033 and make it one of the top three global cities. Some of the objectives include (i) increase foreign trade from AED 14.2 trillion in the past decade up to AED 32 trillion (ii) increase foreign direct investment to reach a total of AED 650 billion by 2033 (iii) increase government expenditures from AED 512 billion to AED 700 billion (iv) increase private sector investment from AED 790 billion in the past decade to AED 1 trillion (v) increase the value of domestic demand for goods and services from AED 2.2 trillion in the past decade to AED

[140] WAM, 2023.
[141] UAE Embassy, 2023.
[142] Government of UAE, 2023.
[143] Government of UAE, 2023.
[144] Government of UAE, 2023.
[145] Government of UAE, 2023.

3 trillion (vi) generate an annual contribution of AED 100 billion to Dubai's economy from digital transformation projects.[146]

Dubai Green Mobility Strategy 2030 (Announced—2016). The strategy contains a series of initiatives to promote green mobility in Dubai which include the set-up of more than 1,000 electric car charging stations by 2025, approximately 42,000 electric cars in the streets of Dubai by 2030 and to have emission-free public transport in Dubai by 2050.

Launch of initiatives to support family businesses (Announced—2023): A series of initiatives designed to future-proof family businesses and bolster their competitiveness and growth capabilities to establish Dubai as a base for family-owned businesses and high net worth individuals.[147]

Further, Dubai is also a major host of events including sports, fashion, food and technology which draw visitors from all over the world, with an aim to capture 400 global economic activities annually by 2025.[148] In 2022, Dubai won 232 bids for business events, which is twice as many as in 2021, and which are expected to bring in 135,000 visitors over the coming years.[149] Some of the events are recurring and some are onetime events as set out below:

Recurring events

Recurring major events in Dubai include Dubai Airshow, Dubai International Boat Show, Dubai Duty Free Tennis Championship, Dubai Shopping Festival, DP World Tour Championship Dubai, Dubai World Cup, Emirates Rugby 7s, GITEX, The Big 5 International Building & Construction Show and Gulf Foods.

One time event in 2023

The 28th Conference of the Parties (COP28) to the United Nations Framework Convention on Climate Change (UNFCCC) which starts at end November 2023 will be held at Expo City Dubai. COP28 is looking to host and gather over 70,000 participants[150] which is a sizeable participant cohort compared to COP26 which hosted close to 40,000 participants.[151] This showcases Dubai's commitment to positioning itself as a global hub for major events and aligning with Dubai Economic Agenda D33.

Overview of economic activities supporting the transportation and parking sectors

Roads & Infrastructure

Dubai continues to invest in infrastructure, which is fundamental to any city's development and economic growth. Investment in roads and other transport infrastructure was AED 140 billion between 2006-2020.

RTA invested AED 90 billion between 2006-2021, approximately 50% of which was on roads. In this period Dubai's road network grew by 115% from 8,715 to 18,475 lane km, the number of bridges and underpasses increased from 129 to 988, and the number of pedestrian bridges and underpasses from 26 to 122.[152] A recent study by RTA highlighted that the Dubai Road Pavement Condition Index measured 95% in 2022, based on a laser assessed quality test.[153] Savings in terms of time and fuel because of RTA road and public transport network projects between 2006 and 2022 amounted to over AED 262 billion cumulatively.[154]

Several projects have also contributed to public safety on roads, with road incident related fatalities declining from 22 cases per 100,000 of the population (2006) to 1.9 in 2022.[155]

RTA has conducted several benefit-cost studies and feasibility studies to evaluate the impact of projects, one example being improvements to ease traffic flows and improve pedestrian safety to Umm Suqeim Road,

[146] Government of UAE, 2023.
[147] The National News, 2023.
[148] Khaleej Times, 2022.
[149] Emirates News Agency, 2023.
[150] Emirates News Agency, 2023.
[151] UN, n.d.
[152] RTA, 2021.
[153] RTA, 2023.
[154] Gulf News, 2023.
[155] Gulf News, 2023.

which had an estimated benefit of AED8.8 (AED 8.8 of benefits per AED 1 of cost). Another example is the major Airport Street Project which eased traffic congestion on roads surrounding Dubai International Airport, with an estimated benefit of AED3.8.[156]

Real estate

Real estate has been one of the top sectors contributing to Dubai GDP (8.2% of GDP in H1 2023), with year-on-year growth in excess of 14% in some years[157] and represented 7.9% of GDP (at constant prices) in 2022 (AED 32.7 billion).[158] It is expected that property developers will play a key role in achieving green targets to accommodate the higher population target of 5.8 million by 2040[159] and in implementing Phase 2 of the Dubai 2040 Urban Master Plan.[160]

In 2022, for the first time, Dubai's real estate transactions crossed half a trillion dirhams amounting to AED 528 billion, a 76.5% increase from 2021. There was also a 44.7% increase in the number of transactions, totalling 122,658 in 2022.[161]

The Dubai market has witnessed a broad increase in residential values with a rise of 4.8% during Q2 2023. This is the 10th consecutive quarter of price rises with prices up 17% on an annualised basis.

Further, in 2022, Dubai experienced significant growth in commercial real estate transactions across offices, retail and warehouses with an increase of 32%[162] compared to the previous year owing to the active initiatives undertaken by the Dubai government to position the region as a long-term prospect.

The momentum of demand for commercial real estate continued to increase in Q2 2023, with a 22% rise in the number of transactions compared to the same period in the previous year. The total transacted value also witnessed a growth of 101% amounting to AED 21 billion.[163]

Forward looking analysis—Residential market including drivers

Knight Frank's Summer 2023 Dubai Residential Market Review forecast that an additional 85,200 homes would enter the market by 2028, of which 69% would be apartments. The rise in the real estate market is being driven by several key factors, such as the positive sentiment following the announcement of the D33 Dubai Economic Agenda and Vision 2040 targets.

Tourism

Dubai has created a strong foundation as a tourist destination with its cutting-edge engineering (home to the tallest building in the world, the Burj Khalifa), varied cultural events, retail and shopping offerings, beaches, nightlife and annual calendar of events. Dubai ranked top in the TripAdvisor's 2023 Travellers' Choice Awards for the second consecutive time as the most popular tourist destination globally.[164]

Dubai's tourism sector is expected to be a major contributor towards Dubai's economy in the next 10 years with the objective of supporting the national strategy of attracting AED 100 billion in additional tourism investments and receiving 40 million hotel guests in 2031.[165]

In H1 2023 Dubai hosted record visitors of 8.55 million tourists, exceeding H1 2019 by 20%.[166] Further, as of H1 2023, Dubai's main airport reported a 49% increase in passenger traffic, surpassing pre-pandemic levels.[167]

Dubai has also benefitted from travel and tourism resulting from major events taking place within neighbouring countries.

[156] Transport and Logistics ME, 2020.
[157] Dubai Statistics Centre, 2023.
[158] Dubai Statistics Centre, 2022.
[159] Emirates News Agency, 2021.
[160] Dubai Media Office, 2022.
[161] Dubai Media Office, 2023.
[162] CRC Property, 2023.
[163] CRC Property, 2023.
[164] Zawya, 2023.
[165] Dubai Media Office, 2023.
[166] DET, 2023.
[167] Reuters, 2023.

Despite the challenges of COVID-19, Dubai reopened to worldwide travellers after almost four months of closure[168] due to lockdowns. Even through the pandemic, tourists continued to choose Dubai as a destination, with Dubai International airport retaining its title as the busiest international airport in the world for international passengers for the ninth year in a row in 2022.[169]

The total number of hotel rooms in Dubai has risen at an annual growth rate of 7.5% from 51,000 in 2010[170] to 121,000 by 2022.[171] Occupancy rates reached an average of 72% in 2022, and 77% in the first six months of 2023, which rank amongst the highest in the world.[172]

Forward looking analysis—Tourism

As part of Dubai Tourism Vision 2025, Dubai's Crown Prince announced that UAE wanted to increase the number of tourists to 25 million by 2025.[173]

The UAE has also announced the UAE Tourism Strategy 2031[174] which will include 25 initiatives and policies to support the tourism sector. It aims to i) raise the sector's contribution to GDP; ii) strengthen the position of UAE as one of the best destinations; iii) boost competitiveness by attracting investment; and iv) welcome 40 million hotel guests.

The Dubai 2040 Urban Master Plan, which aims to increase the total space dedicated to tourism activities by 134% and the length of public beaches by 400% over the next two decades, is also expected to transform the city's leisure and tourism infrastructure.[175]

High Level Overview Of The Global Urban Mobility And Parking Sectors

The role of parking in the urban transportation sector

In a global perspective, urban transportation encompasses a diverse range of modes including private cars, public transit, taxis, shared mobility, cycling and walking. The choice of transportation modes in a city is influenced by various factors, including its geographical location, urban layout, historical development, the integration of the different elements of the transportation system, and modernisation efforts.

Increasing urbanisation and population growth have increased the use of cars and parking demand in cities, leading to policy developments aimed at reducing congestion, encouraging the use of public transport and increasing sustainability. These include public investment in metro systems, trams, the encouragement of cycling and walking and support for multi-modal transportation, where a combination of transport modes are used for a single journey, such as using a passenger car for the first part of a journey and then using public transport.[176]

Car parking facilities have a crucial role in the urban transportation sector as they directly impact traffic congestion, mobility and accessibility. Enough parking spaces in the right places can, for example, reduce congestion, support local businesses and have a positive impact on the environment by reducing car emissions.

Smart mobility, the use of technology to optimise journeys, is enabling car parking businesses to make more efficient use of their assets, improve the customer experience and operate in a sustainable way. It allows the parking operator to optimise the use of its existing network and gives customers data to inform their choices of transportation.[177]

[168] CNBC, 2020.
[169] Dubai Media Office, 2023.
[170] BBC, 2010.
[171] Dubai Statistics Centre, 2022.
[172] Dubai Media Office, 2023.
[173] Reuters, 2021.
[174] DubaiMediaOffice, 2022.
[175] Government of UAE, 2023.
[176] EuropeanUnion, 2019.
[177] ParkLink, 2021.

Key global trends in the parking sector

Key global trends in urban mobility which affect the parking sector include:

- **Improved integration of transport modes**: cities are investing in better transportation interchanges, reducing transfer times between different modes of transport, and establishing Park and Ride schemes allowing motorists to park their vehicles and continue their journey on public transport.

- **Artificial intelligence (AI)**: AI in parking allows to integrate sensor-based systems for real-time space detection, computer vision for vehicle identification, and predictive algorithms for demand forecasting and dynamic pricing. Automated payment via RFID or license plate recognition streamlines transactions, while AI-driven video analytics enhance security. Smart city integration supports traffic flow and EV charging optimisation.

- **Data-Driven and Automated Management Systems**: these systems are aimed at improving the efficiency of urban transportation systems, including optimising routes, and managing traffic flows.

- **Sensor-based Systems**: The tracking of real-time parking occupancy data through sensor-based systems.

- **Automatic Number Plate Recognition (ANPR)**: increasingly used for access control of parking facilities, security, and revenue management.

- **Mobile Parking Apps and E-Payment Systems**: the increased use of technology, such as Mobile Parking Apps, enable receipt of real-time information about traffic and parking availability, facilitate bookings and allow contactless payment methods, including digital wallets.

- **Shared mobility and carpooling**: use of these is rising, especially in cities with less affordable fares.

- **Mobility alternatives**: shared bicycles and electric scooters can transform the last-mile connectivity in cities and contribute to reducing traffic congestion.

- **Urban congestion charges**: aimed at encouraging the use of public transport: and reducing traffic congestion in city centres, including charges or restrictions to vehicles entering high-traffic areas.

- **Transition to green vehicles**: electric, hydrogen or hybrid vehicles are increasingly being used as part of net-zero emission initiatives. An increasing number of cities are introducing premium parking charges for older vehicles to incentivise the adoption of environmentally friendly alternatives.

- **Driverless technology**: The development of driverless technology which is likely to lead to a change in the car parking space required, as driverless cars will be able to be moved more easily in car parking locations and directed to favoured car parking locations.

- **Public Private Partnerships/Concessions**: an increasing number of cities and municipalities are achieving higher service levels and efficiency through concessions for on-street and off-street parking systems.

Potential impacts of EV charging stations on parking facilities

As per the Dubai Green Mobility Strategy there are expected to be over 42,000 EVs on the streets of Dubai by 2030. The integration of parking facilities as primary hubs for EV charging is opening a wide range of upside opportunities for parking companies:

1. EV charging services represent new revenue streams for parking owners and operators.

2. EVs usually require significant charging time, which could lead to longer parking durations and increased revenue per parking space.

3. Providing EV charging stations can make the parking facilities more attractive to EV owners, increasing overall occupancy rates.

4. Embracing EV charging help align the city with sustainability goals, fostering a positive brand image for the parking operator.

5. Charging stations can gather valuable data on customer behaviour, usage patterns, and energy consumption, providing insights for business intelligence and decision-making.

To maximise these benefits, parking companies typically take into account multiple factors including types and number of chargers to install, locations within the parking facility, pricing strategies, maintenance needs, and customer service enhancements.

High level overview of the transportation sector in Dubai

RTA's role

RTA is responsible for planning and providing the requirements of transport, roads and traffic management in Dubai, and between Dubai and other Emirates of the UAE. Its main aim is to provide an effective and integrated transport system capable of achieving Dubai's vision and serving the vital interests of the Emirate.[178] These responsibilities include the design, establishment, management and supervision of public parking in Dubai.

Modes of transportation in Dubai

RTA's focus on the provision of sustainable mobility and seamless connectivity has facilitated an efficient multimodal transport system in Dubai, which includes buses, taxis, metro, trams, cars and water transport. The public transport network is highly interconnected with ridership across the modes of public transport increasing by 8.7% annually.[179]

Even though public transport infrastructure is well developed, in common with other large, relatively new global cities, commuting by car remains the most popular method of transportation in Dubai. In 2022, car journeys accounted for some 61% of journeys, walking and cycling for 13%, public transport for 14% and other modes for 12%[180].

Traffic and vehicle movement is assisted by an expansive highway network and optimised traffic management. This has consolidated private cars, taxis, and, more recently, shared mobility as efficient means of transport.

The expansion of a rail-based system in Dubai is aligned with other contemporary cities that are transitioning to rail-based systems, such as metros and trams, to address the pressing need to reduce carbon dioxide (CO2) emissions, electrify transportation and enhance energy efficiency. Rail systems are also well-suited for regenerative braking, further conserving energy. The expansion of the Metro has contributed to the development of the multi-modal system, while still integrating highly efficient vehicular transportation and fluid road traffic management.

The UAE and Dubai's infrastructure has consistently achieved global top ranking in various aspects of urban infrastructure and transportation. In the 2021 Global Food Security Index Report, UAE obtained the highest scoring in Road Infrastructure out of 113 countries. Additionally, Dubai was ranked first in Enforcement of Transport Safety in the 2021 Safe Cities Index Report out of 60 cities. The UAE ranked first in satisfaction with roads and highways out of 167 countries. On the city mobility index, Dubai ranked as a top performer in the transport affordability, public transport reliability and customer satisfaction, and as a global leader on the accessibility indicator.

Private Vehicles in Dubai

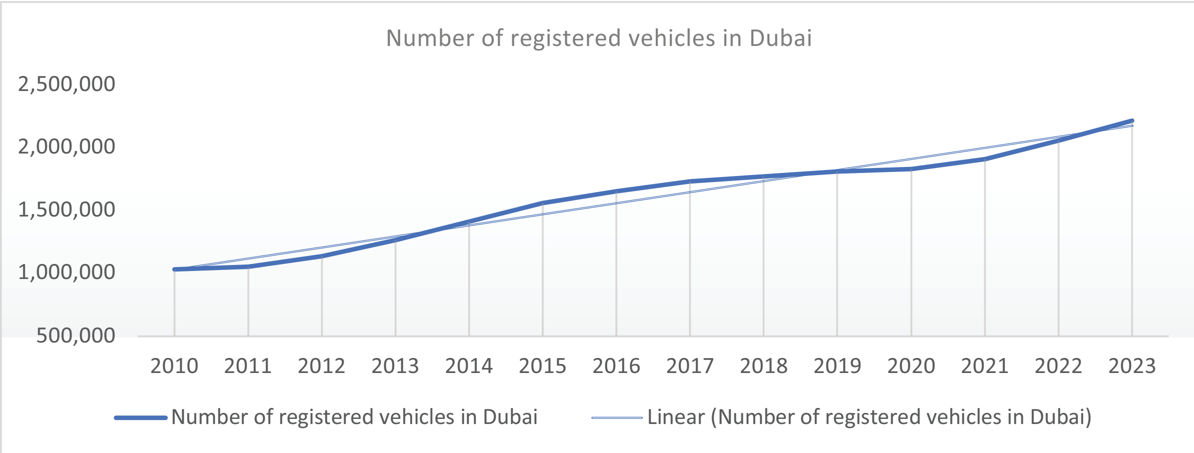
Vehicle penetration in Dubai is amongst the highest in the world, as shown in Table 14: Vehicles per 1000 inhabitants of this report. This is partially due to the relatively low cost of purchasing and maintaining a car. Further, the harsh summer weather makes public transport a less appealing option, coupled with relatively fast journeys using expressways.

[178] RTA, 2022.
[179] Gulf News, 2023.
[180] DeloitteCityMobilityIndex, 2020, Urbanmobilityindex, 2021.

Dubai has been growing steadily, with the total number of registered vehicles expected to reach 2.2 million in 2023, an increase of 22% from 2020.

The following graph illustrates the linear evolution over the years of vehicle registrations in Dubai:

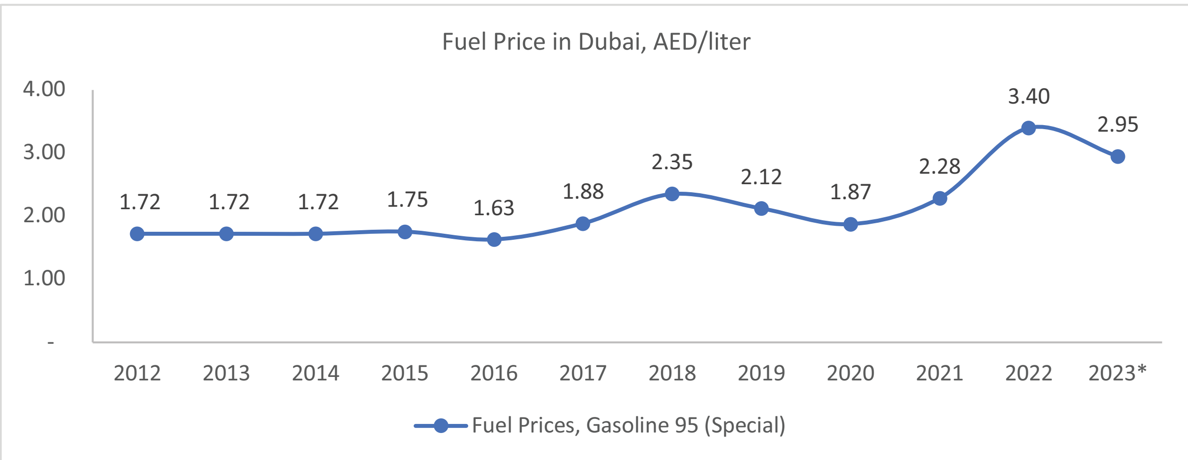
Figure 1: Evolution of registered vehicles in Dubai 2010-2023



Source: RTA.

Prior to 2015, gasoline products in Dubai were heavily subsidised and prices were held constant. Specifically, e95 gasoline was available at the retail price of 1.72 AED. A zero-subsidy regime for fuel prices started in August 2015, at which point prices increased to follow production costs as shown in Figure 2 below. The price of Gasoline 95 is the second lowest out after Saudi Arabia of the countries benchmarked (see Figure 5: Year on Year Price Comparison for Gasoline 95). Only in the United States is the price below AED 4, and in Hong Kong it is over AED 11.

Figure 2: Evolution of Fuel Price in Dubai 2012-2023*



Note: For year 2023, the price corresponds to the average fuel price between 1st January to 1st September.[181]

[181] The Fuel Price, 2023.

The relatively lower cost of acquiring vehicles in Dubai compared to other cities is another factor that explains the high density of private vehicles:

Table 8: Comparative Indexed Vehicle Prices

Country	Unit	Indexed Price	Ranking
Saudi Arabia	#	78.95	9
UAE	**#**	**86.23**	**18**
Spain	#	95.71	45
USA	#	103.89	65
UK	#	105.64	72
Germany	#	108.18	79
France	#	113.31	91
Singapore	#	327.34	167

Source: Global Economy, 2017 Note: The index summarises the cost of vehicle purchases by country to allow international price comparison. The world average is set at 100, the source includes a list of 167 countries.

Public Transport

As referred to above, public transport plays a key role in the Dubai transport infrastructure, with 620 million riders in 2022, as shown in Table 9 below. The Metro had the largest share of ridership with taxis and buses providing the second and third largest shares, respectively.

Table 9: Public Transport in Dubai: Annual Ridership by mode 2010-2022

	Annual Ridership in Dubai 2010-2022													
All ridership figures in millions of passengers	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023 (H1)**
Metro Ridership(1)	39	69	109	138	164	179	191	201	204	203	114	151	225	123
Tram Ridership(2)						4	5	6	6	7	4	5	7	4
Buses Ridership	110	110	108	116	136	135	151	155	168	157	95	116	157	83
Marine Ridership(3)								14	14	14	8	11	16	9
Taxi Ridership	142	159	166	174	188	184	180	176	174	180	110	155	183	96
Shared Mobility Ridership(4)								17	22	33	15	23	32	21
Total Ridership	**292**	**339**	**384**	**427**	**488**	**501**	**528**	**569**	**588**	**594**	**346**	**461**	**621**	**337**
Registered vehicles (millions)	**1.03**	**1.05**	**1.1**	**1.3**	**1.4**	**1.6**	**1.7**	**1.7**	**1.8**	**1.8**	**1.8**	**1.9**	**2.1**	**2.2**

Source: DTC, RTA and Dubai Statistics Notes: (1) Green Line Metro started operations in 2011; (2) Tram started operations in 2015; (3) Marine Ridership reported by Dubai Statistics from 2017 onwards; (4) Shared Mobility data available from 2017 onwards (5) The combined taxi and shared mobility ridership for 2016 and earlier years doesn't capture shared mobility because data was not available. The reduction seen for this metric in the table for years 2015 and 2016 is linked to the missing datapoint for shared mobility, which was expanding through that period but only captured from 2017 onwards.

Notably, Dubai's metro and tram networks, despite being relatively recently built, have already captured a substantial share of public transport trips, as a result of its well-designed infrastructure supported by efficient bus feeder services. Dubai's metro layout is, however, characterised by extensive linear coverage across the city. This may not always offer direct point-to-point routes, often making car travel quicker and more convenient. Moreover, the hot climate in Dubai often deters commuters from walking from public transport to their destinations, favouring the usage of private cars, taxis, and shared mobility options.

The Metro network gained a 15 km extension as part of the Route 2020 project in 2021, with the network length now reaching 89 km. The system consists of two fully automated lines, which are the red line and green line, the former of which is the world's longest driverless single metro line at 52.1 kms.[182]

The Dubai Tram network consists of an 11-train fleet each with a capacity of 292 passengers with a total network length of 10.6 km. The fully automated rail system stretches across Al Sufouh, Dubai Marina and

[182] RTA, 2023.

Palm Jumeirah. Passing through 11 stations, the tram stations are connected to two stations on the main metro line. The Dubai Tram conducted 99 thousand trips in 2022 serving 7.48 million riders.[183]

Taxis in Dubai are strictly metered with regulated fares. They can be hailed on streets or booked through smart apps or by phone. Taxis operate 24 hours a day, with special taxis for women passengers, driven by female chauffeurs, as well as airport taxis that transport passengers from the airports. Uber and Careem e-hailing services can also be utilised in Dubai. In 2022, taxis served 183 million riders across 105 million trips, with Shared Mobility (which includes shared mobility e-hailing and car sharing) serving an additional 32 million riders across 19 million trips.[184]

RTA also offers smart car rental service that can be used to rent a car for a number of capped hours.

The Dubai bus fleet consists of 1,400 buses as of December 2022, with 1,278 buses providing service along 165 lines within the Emirate, and 122 buses assigned to the 12 intercity lines that provide transportation to other Emirates. Dubai's bus system provides services to 82% of the urban areas across Dubai, transporting 157 million passengers in 2022.[185]

Growth in ridership of the metro increased by 15.7% CAGR between 2010 and 2022 as additional lines and stations were added. Taxi ridership grew by 3.6% CAGR in the same period when the e-hailing component was included. The growth rate between 2018 and 2022 for all modes of public transportation slowed down due to the reduced traffic during the COVID-19 pandemic, except for e-hailing (shared mobility) which increased by a CAGR of 10%. Traffic volumes for all modes, except for buses, recovered to pre-pandemic levels in 2022, and are showing some growth in 2023.

Dubai's Parking Market

Overview of the parking market in Dubai

As private car use is the most prevalent form of transport, Dubai has developed an extensive system of public and private car parking facilities. Parkin is the sole provider of public parking spaces, including on- and off-street parking and 9 MSCPs[186] (see figure below). Many private car parking facilities are also available.

The range of car parking facilities include:

1. **Public Parking**: RTA has authority over on-street and off-street parking in Dubai's public areas, excluding those designated as private developer areas. Parkin serves as the exclusive operator of public parking, managing 100% of both public on-street and off-street parking spaces situated on public land.

2. **Off-street Paid Private Parking**: This business segment consists of parking spaces across private land-plots with different owners and operators. To operate they require an approved permit from RTA's Right of Way Department.

3. **On-street and Off-street parking in Private Developer Areas**: In private developer areas, which may vary from small communities or building complexes to larger neighbourhoods such as Palm, the ownership of parking spaces, both on-street and off-street, lies with the private developer rather than RTA.

4. **MSCPs**: Parkin provides the service in the public MSCPs. There are also many private MSCPs and underground parking facilities throughout the city. These are usually located in popular areas, including business districts, shopping centres, airport terminals and residential communities. Both commercial and residential buildings normally have their own parking facilities, as required by Dubai Municipality.

183 RTA, 2023.
184 RTA, 2023.
185 DSC, 2022.
186 Notes: MSCP assets were transferred to the RTA in 2005. Out of the 9 car parks, Al Rigga MSCP is under maintenance and expected to resume operations in January 2025, Sabkha MSCP has been demolished and will be reinstated under PPP and Khansaheb car park is operating under a PPP arrangement.

5. **Mall Parking**: Dubai's many shopping malls have extensive and well-organised parking facilities, offering both paid and free parking.

6. **Paid Parking in Hotels and Office Buildings**: Many hotels and office buildings also provide paid parking facilities to the public, managed by private operators.

7. **Accessible parking facilities**: Special facilities are widely available for individuals with disabilities, including designated parking spaces.

8. **Unpaid (Free) Parking Areas**: Parking is free in many areas, providing 390 thousand spaces across public communities in Dubai. This will remain under the RTA.

9. **Park and Ride Facilities**: Some Dubai Metro and other public transportation systems have park-and-ride facilities to encourage the use of public transportation. These facilities allow commuters to park their cars and then continue their journeys using public transport.

Dubai has strict parking regulations backed up by a system of fines. These regulations include controlled parking in disabled spaces and no-parking zones.

Overview of the regulatory environment for the parking business in Dubai

RTA establishing law and operational structure

The RTA is the independent government authority responsible for planning and providing the requirements of transport, roads and traffic in Dubai and at the interface points between adjacent Emirates and countries, under Law No. 17 of 2005.[187] Parkin, which had been part of the Dubai Municipality since 1995, was transferred to the RTA as a result of this legislation.

Since its establishment in 2005, the RTA has seen an increase in its duties and responsibilities, primarily through the issue of laws and Executive Council of Dubai Resolutions (generally seen as supporting or secondary legislation). Under the 2016 Parking Regulations (No. 5 of 2016) (the 2016 Parking Law), the RTA is responsible for the design, establishment, management, and supervision of public parking in Dubai.[188]

Each of the RTA's four agencies (the Traffic and Roads Agency, the Public Transport Agency, the Rail Agency and the Licensing Agency) are administratively and financially independent, operating under the oversight of the RTA. Each Chief Executive Officer responsible for an agency is appointed by the RTA Chairman as set out in Article 3 of Executive Council Resolution (ECR) No. 8 of 2006. In effect, an RTA Agency is under the responsibility and control of the RTA, and all agencies are required to follow a general framework with specific duties assigned to each agency in articles set out in Resolution No. 8.

As of November 2023, Parkin is part of the Traffic and Roads Agency and is responsible for paid public parking facilities as well as for providing parking services in a number of private parking facilities in Dubai.

The 2016 Parking Law

The 2016 Parking Law gives the RTA's Traffic and Roads Agency duties and powers to:

1. Design, establish, manage, and supervise public car parks.

2. Authorise Persons to utilise and manage public car parks under investment contracts.

3. Authorise Persons to establish, manage, and supervise private car parks.

4. Authorise Persons to temporarily or permanently take any part of a public car park out of use or to relocate any equipment or signs of a public car park, including Parking Fee collection machines.

5. Issue Persons with season public car park Permits and other Permits to reserve public car park spaces, and cancel these Permits.

[187] GovernmentDubai, 2005.
[188] Dec, 2016.

6. Authorise Persons to build shades for reserved public car park spaces.

7. In accordance with the relevant requirements and procedures approved by the Director General, authorise Persons to use components of a public car park system.

8. Determine public car park spaces designated for ambulance, civil defence, police, or public transport Vehicles; taxicabs; Vehicles of Persons with Disabilities; and other Vehicles owned by any other group.

9. Determine Parking Fee payment methods.

10. Receive and investigate complaints filed against entities granted Permits and take appropriate action.

11. Create a database of season public car park Permits and other Permits issued the names and addresses of their holders, and any other information it deems important.

12. Perform any other duties required for the implementation of the Parking Law.

The Parking Law also gives RTA employees and employees of companies contracted by the RTA to manage public car parks the capacity of law enforcement officers.

It also requires a permit to be obtained from RTA's Right of Way Department to establish and manage private car parks, which is issued subject to a number of provisions, including:

- The approval of the Dubai Municipality to use an undeveloped land plot.

- Holding a commercial licence to manage private car parks.

- Complying with certain technical specifications.

- Payment of a fee and any costs incurred by the TRA plus twenty-five percent (25%) of those costs as administrative fees.

- Providing the TRA with a cash security deposit of ten thousand Dirhams (AED 10,000.00).

Administrative Resolution No 381 of 2017 "Regulating Car Parks in the Emirate of Dubai" sets out more details of the regulations.

Parking tariff regulations

Parking fees for paid public parking, including permits and reservation fees, are determined by the TEC and vary by type of parking (zones/ whether on- and off-street or MSCPs) and length of time.

The 2016 Parking Law introduced the current system of parking zones. Executive Council Resolution No. (18) of 2022 made some changes to the 2016 Parking Law, including authorising the RTA to change or reduce the timings for paid parking, and being able to exempt certain categories of people, areas or time periods from parking fees.

Parking tariffs in Dubai are benchmarked against those in other global cities.

Impact of recent and future reforms affecting the transportation and parking sectors in Dubai

Some key reforms and initiatives in the transportation sector in Dubai

- Further integration of the public transport system to provide a more efficient transit experience for passengers is likely, making the system more attractive.

- The Dubai Autonomous Mobility Strategy, which is largely focused on the metro, buses and taxis, aims to transform 25 per cent of the total transportation in Dubai to autonomous mode by 2030.[189]
- There will be continued development of traffic management and smart systems to improve traffic flows. Dubai has invested in smart parking systems that use technology to help drivers find available parking spaces quickly and efficiently. These systems utilise sensors, mobile apps, and digital signage to guide drivers to open parking spaces, reducing the time spent searching for parking, and making car use easier.
- The planned expansion of the passenger rail network in the UAE to link all seven Emirates and connect to neighbouring countries will benefit commuters and businesses and encourage tourism. The intention is that it will be integrated with existing public transport and include park and ride facilities and carry 36 million passengers by 2030[190].
- Cycling may become more attractive through the enhancement of cycling infrastructure including dedicated cycling lanes, bike-sharing programs, and bike-friendly facilities to promote eco-friendly transportation.
- RTA has the objective of reaching 80% e-hailing for taxi trips in the upcoming years. A shift from street-hailing to e-hailing should help optimise the supply and demand for taxis.
- Sustainable transportation initiatives will continue, including investment in EV charging infrastructure, which Parkin is aiming to incorporate into its facilities.

Specific car parking reforms and initiatives

- RTA has turned Parkin into a company, entering into a long-term concession agreement with it in return for a concession fee, with the intention of carrying out a partial share offering in the company in an IPO on the Dubai Stock Exchange in 2024. The Government's residual shareholding in the parking company will be held by the Dubai Investment Fund and the company's operational performance will be supervised and regulated by the RTA.
- Dubai continues to improve the integration between parking facilities and the public transportation system, making it more convenient for residents and visitors to use both modes of transportation.
- Digitalisation of parking infrastructure, systems, enforcement capabilities and customer services, which has improved the customer experience and operational efficiency, will increase.
- Dubai has implemented measures to improve accessible parking for individuals with disabilities including wide provision of designated accessible parking spaces and strict enforcement of accessible parking regulations.
- New parking areas will be introduced through paving previously unpaved spaces, some spaces that are not currently paid for will be converted to paid spaces, and some spaces will be converted from certain zones to more expensive ones.
- EV charging infrastructure will become more available in car parking facilities.

Parkin's Positioning

Parkin's positioning across the different market segments

As discussed above, Parkin is the sole parking provider for paid public on -street parking but has competition in the other market segments in which it operates.

On-street and Off-street Parking in Dubai (all city, excluding private developer communities)

Public Parking

RTA has authority over on-street and off-street parking in Dubai's public areas, excluding those designated as private developer areas ("Private Developer Parking", see following subsection).

[189] Strategy for Government Services, UAE, 2023.
[190] The National News, June 2023.

Parkin serves as the exclusive operator of public parking, managing 100% of both public on-street and off-street parking spaces situated on public land. As of June 2023, this comprised 133,499 on-street paid public parking spaces and 40,605 off-street paid public parking spaces.

Public parking represents 91% of the total paid on-street and off-street parking across the Emirate of Dubai (excluding private developer communities).

Off-street Paid Private Parking

The remaining 9% of paid on-street and off-street parking in public communities corresponds to off-street paid private parking This business segment consists of 16,509 parking spaces and is highly fragmented, distributed across 194 private land-plots with different owners and operators. To operate they require an approved permit from RTA's Right of Way Department.

Each owner/operator can establish its own tariff. The more commonly observed tariffs are 5, 7, 10, 15, or 20 dirhams per hour.

Several companies have permits to offer private parking on multiple private lots[191] including:

- **Reem Al Sahra Car Parking LLC**: Its biggest facility has 1,111 parking spaces, and it has 5 other lots across Dubai. It charges either 5 AED/hour or 10 AED/hour, depending on the facility. They open 24/7 and the payment mode is Cash at Exit.

- **Mohammad Al Blooshi Car Park Rental**: it operates across 12 locations. Its five larger parking lots have a total of 2,300 parking spaces. The standard hourly rate for parking stands at 10 AED. Additionally, selected locations offer a daily rate of 35 AED, and a monthly rate of 200 AED for vehicles, 250 AED for trucks, and 300 AED for minibuses.

- **Al Mubasher Car Parking Rental**: 7 locations, with a charge of 10 AED/hour.

- **Amazon Car Park Rental**: 5 locations with a charge of 10 AED/hour.

- **Inkeass Valet Parking Services**: 4 locations with a charge of 10 AED/hour.

- **Noor Al Majaz Car Park Rental & Management**: 2 locations, 10 AED/hour, Cash Payment.

- **Unique Car Parking Rental LLC**: 2 locations, with rates of 5 or 10 AED/hour.

Competitive positioning

Although Parkin has a long-term exclusive position in its core on-street parking segment, competition from a large number of private landowners could result in it losing market share in the off-street segment. There are some barriers to entry in that vacant land for private parking lots is a limited resource and there is a need to meet the conditions attached to obtaining a permit. Parkin has the advantage of its booking and payment technology and marketing activities compared to some of the small private operators. It is, however, relatively easy for owners of parking lots to advertise vacant spaces on parking platforms.

On-street and Off-street parking in Private Developer Areas

In private developer areas, which may vary from small communities or building complexes to larger neighbourhoods such as Palm, the ownership of parking spaces, both on-street and off-street, lies with the private developer rather than RTA. Private developers have the discretion to decide whether the parking should be payable or not. Additionally, they have the autonomy to enter into commercial agreements with any parking operator of their choice. This arrangement gives private developers control over parking policies within their zones. However, the capacity to issue parking fines currently falls outside their jurisdiction. This currently creates a competitive advantage for Parkin as an operator of on-street parking within developer zones, under bilateral commercial agreements, given its enforcement authority. Conversely, for off-street parking, where a controlled access system with gates can ensure payments at exit, there is not a significant

[191] RTA, 2023, 2gis.ae, 2023.

competitive advantage for Parkin versus other operators. It should be noted that the RTA has the authority at its discretion to allow the Company's competitors to issue and enforce fines in private developer communities.

As of October 2023, Dubai has over 200 private developer communities, with a wide variety of area sizes and stages of development. An initial assessment has revealed around 17 private communities in Dubai where Parkin has potential in the short and medium term to provide parking management and operations services. The criteria followed to assess the potential for Parkin includes the availability of parking facilities, and the viability for paid parking which takes into account the density of traffic, land use type, availability of public transport, and parking occupancy.

Additionally, there is a number of private communities currently managed by other parking operators that could represent future opportunities to Parkin upon the expiry of the contract between these operators and the developers.

Table 10: Private Developer Projects with Potential Opportunities

Project	Developer Name	Number of parking spaces(1)
Al Barari	Al Barari	NA
Arjan	DCM	1,311
Culture Village	DCM	NA
Dubai Land	DCM	1,692
Liwan	DCM	1,692
Majan	DCM	NA
Al Khail Gate	DHAM	300
Dubai International Academic City	DHAM	1,211
Dubai Outsource City	DHAM	270
Dubai Production City	DHAM	3,052
Dubai Science Park	DHAM	353
Dubai Studio City	DHAM	858
Sufouh Gardens	DHAM	200
Dubai Investments Park—2	DIP	NA
Green Community	DIP	NA
Dubai Investments Park—1	Dubai Investments Park (DIP)	NA
Dubai Maritime City	Dubai Maritime City (DMC)—DP World	NA
Dubai Sports City	Dubai Sports City	NA
Dubai Harbour	Emaar Properties	NA
Dubai Hills	Emaar Properties	NA
Warsan First Development	MERAS	NA
Meydan Heights	Meydan	NA
Mohamed Bin Rashed City District	Meydan	NA
Motor City	Motor City	NA
Al Furjan	Nakheel	NA
Discovery Gardens	Nakheel	16,800
International City	Nakheel	22,300
Jumeirah Village Circle	Nakheel	NA
Jumeirah Village Triangle	Nakheel	NA
The Gardens	Nakheel	NA
Ports Customs and Free Zone Corporation	Ports Customs and Free Zone Corporation	NA
Al Qusais Residential Complex	Wasl	NA
Nadd Al Hamar Village	Wasl	980

Note (1): Based on a preliminary assessment carried out by Parkin team, projects highlighted in blue (17 in total) present an opportunity for Parkin.

Parkin currently provides parking operation services for seven private communities, all of which are associated with four developers:

Table 11: Private developer areas currently served by Parkin

Developer sites	Name of the Developer
Dubai Healthcare City	Dubai Healthcare City Authority (DHCA)
Business Bay	Dubai Holding—Dubai Community Management (DCM)[192]
Barsha Heights	Dubai Holding—Dubai Asset Management (DHAM)
Burj Khalifa	Emaar Properties
Tecom Site A (Al Sufouh)	DHAM
Jumeirah Lake Towers (JLT)	Dubai Multi Commodities Centre (DMCC)
Silicon Oasis	Dubai Silicon Oasis Authority

Source: RTA.

Potential growth market

Considering the commercial viability of paid parking in relation to factors such as population density and business activities, there are at least 44 additional private developer areas that could serve as potential targets for Parkin to provide parking services in the future, primarily in the on-street segment. It is important to note that this assessment excludes areas primarily characterised by residential villas, where there is lower population density and, consequently, less potential for paid parking services.

Competitive positioning

Parkin has a small share of the private developer market, providing services for seven sites at present. Although a number of private developer sites have been identified which it could target to obtain private developer business, it will face competition from other parking operators when tendering for contracts. It has a competitive advantage in the private developer communities as it can issue and enforce fines (including for the existing private developer contracts) which, as at the date of this Offering Memorandum, other operators cannot. It should be noted that the RTA has the authority at its discretion to allow the Company's competitors to issue and enforce fines in private developer communities.

MSCPs Parking segment

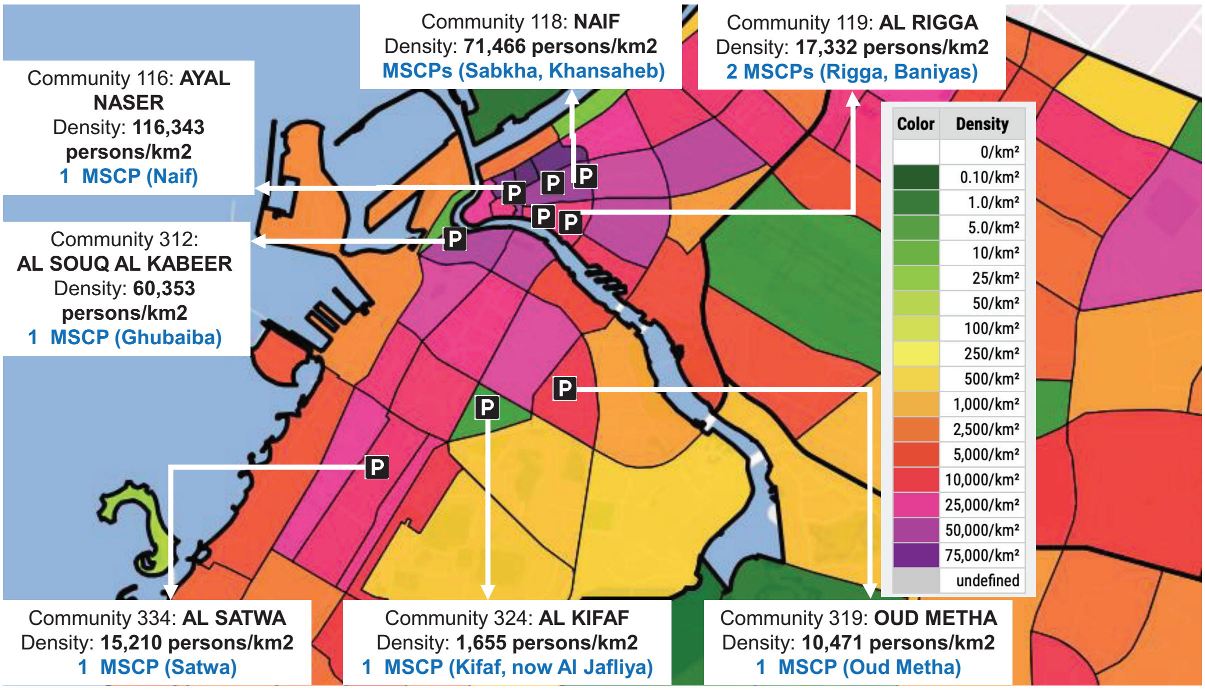
Parkin's MSCPs are strategically situated in some of the most densely populated communities in Dubai. RTA can develop such facilities on a standalone basis (not connected to a commercial or residential complex).

The following table summarises the communities where Parkin operates carparks.

The following map provides a partial visual representation of Dubai's population density, highlighting the strategic placement of RTA's MSCPs in relation to the city's demographic distribution.[193]

[192] Owner of the Business Bay site changed to TECOM Investments FZ LLC after the publication of the Industry Report.
[193] Dubai Statistics Centre, 2022; CityPopulation.DE.

Figure 3. Population density map and location of RTA's multistorey car parks



Sources: Dubai Statistics and Citypopulation.de.

Parking facilities in malls and commercial buildings

Table 12 below showcases examples of MSCPs parking in locations such as malls, hotels, and office buildings. These are located in private developer areas. Given the highly scattered nature of this segment across Dubai, the list provided is illustrative and not exhaustive.

Table 12: Examples of parking facilities in malls and commercial buildings

Parking Facility	Operator	Tariff	Spaces
MSCP	DWTC	10 AED per hour	1,212
Al Fattan Currency House	Secure Parking	10 AED per hour (first 30 min free)	1,168
ICD Brookfield Place	ICD Brookfield Place	20 AED for up to 2 hours, 20 AED for each additional hour, free between 6PM—4AM on weekdays, free on Saturdays and Sundays.	2,700
Dubai Opera	Green Parking	10 AED per hour up to 4 Hours 40 AED, each additional hour 20 AED, event 40 AED	203
Times Square Center	Times Square Center	3 hours Free	728
Souk Madinat Jumeirah	Secure Parking	2 hours Free, each additional hour 10 AED	465
Business Central Towers	Green Parking	2 hours 25 AED, each additional hour 10 AED, Daily Max 100 AED	313
Emaar Square	Green Parking	1st hour 25 AED, each additional hour 20 AED	560
Golden Mile Galleria—Palm Jumeirah	Parkonic	Free for the first 2 hours, 10 AED each additional hour, AED 500 Monthly Membership, AED 2,750 6 Months Membership, AED 5000 Annual membership	500
Al Rostamani—Sheikh Zayed Road	Green Parking	Free for customers	102
Emaar Boulevard Plaza	Green Parking	Not available	168
City Walk	Secure Parking	Free for customers	1,435
Mall of the Emirates	Mall of the Emirates	Weekdays: 4 hours free, 5 hours 20 AED, 6 Hours 40 AED, 7 hours 60 AED, 8 hours 100 AED, daily max 150 AED, overnight Sun-Thu 350 AED Weekends and holidays: free	7,900
Dubai Marina Mall	Dubai Marina Mall	Weekdays: 3 hours free, Each additional hour 20 AED, Weekends: free	341
Fashion Avenue—Dubai Mall	Emaar Malls	Free	2,596
Grand Parking—Dubai Mall	Emaar Malls	Free	1,602
Cinema Car Park—Dubai Mall	Emaar Malls	Free	4,451
Zabeel Parking—Dubai Mall	Emaar Malls	Free	2,093
Ibn Battuta Mall / Garden Cross Rd I	Nakheel Malls	Free	900
Ibn Battuta Mall / Tulip Rd	Nakheel Malls	Free	320
Ibn Battuta Mall / D 51	Nakheel Malls	Free	400
Ibn Battuta Mall / Garden Cross Rd II	Nakheel Malls	Free	250

Sources: Parkme.com, Goldenmilegalleria.com, 2gis.ae.

Many MSCPs operators offer their customers competitive membership options that can range from one month to one year to allow savings on the daily fee.

Competitive positioning

Parkin's MSCPs are in densely populated areas where the average user characteristics are likely to be different from users of car parks in malls. It is in a good position to increase occupancy of its existing car parks and can expand its MSCPs portfolio should it decide to do so, including through the concession model. The relatively large number of competitor parking facilities means Parkin will continue to have a small share of the market even in an expanded business segment.

Competitors in the MSCPs and developer parking segments

The potential competitors to Parkin in the MSCPs and developer parking segments are largely the same in each segment.

The MSCPs market in Dubai is large and scattered, including car parks linked to malls, commercial developments, hotels and residential buildings, each of which can choose how to develop and manage them. As a result, a range of car park businesses operate in the market with many different agreements in place.

As referred to earlier, the master developers of private sites in Dubai have the freedom to decide on how to develop and operate the car parking facilities on site, although tariff levels have to be approved. They do not have the powers to issue parking fines, which they can manage in parking lots through installing barriers or contracting with Parkin to issue fines on their behalf.

There are many small car parking businesses in Dubai. The large competitors to Parkin identified are privately owned or part of other groups and information on their Dubai operations is, therefore, limited. The potential competitors identified in these segments include:

Secure Parking UAE, which is now owned by the UAE private Al Shirawi conglomerate, was established in the UAE in 2005. It operates and manages several large car parks and also carries out equipment and maintenance services.[194] It employs some 550 staff, including project managers, logistics personnel and field technicians.

The facilities operated by Secure Parking UAE include: The Beach, City Walk, Madinat Jumeirah, Index Tower DIFC, Dubai Chamber of Commerce, AWR M Square, Aldar Shams Boutik, Abu Dhabi World Trade Center, Aldar HQ.[195] Its provision of car parking facilities and services include:

- Managing the 1,000 bay car park at the Beach by Meraas. As well as car park operations it maintains the installed equipment such as a parking guidance system, parking management system and an integrated online shop validation solution.

- Operating and managing the City Walk Mall car park and valet parking. This car park comprises 1,435 parking bays. Secure Parking installed and commissioned a state-of-the-art parking management system and parking guidance system with value added technologies such as Secure-A-Spot Online Booking System, RFID-based payment system, and SMS Payment. It has also been awarded a contract for the supply and installation of the parking management system within the City Walk Residence.

- Since August 2014, Secure Parking has managed the car parking and valet parking operations at the Madinat Jumeirah car park. It provides valet parking for up to 200 cars per day.

- It provides a tailored parking advisory services to Msquare, a prestigious mixed-use development, followed by a complete supply installation and setup of the parking management system and advanced cloud technologies. It also provides comprehensive system maintenance along with parking operations and management across residential, offices and visitors car parks.

Valtrans/Parkonic. Parkonic is a subsidiary of the UAE based Valtrans Group. Valtrans mainly operates valet parking services. Parkonic is a parking systems provider and integrator. It provides consultancy services, supplies, installs and maintains equipment, and provides parking systems.

Parkonic has developed a range of parking systems for different locations and requirements. Its Parkonic Flow system can provide barrierless and ticketless parking, with smart entry/exit systems. Parkonic Space Share allows owners of unused spaces to rent them out and can be used by car parks as well as individuals. Parkonic customers use the website or download an App to find locations, book and pay. Payment is by the web or App and, in some locations, by machine, cash and SMS.

It provides services in 39 locations, 34 in Dubai including Dubai Harbour, Museum of the Future, Fairmont, Cedre Villas residential, Palm West Beach, Palm Monorail. Some of its operations include:

- Parking facilities at Palm Monorail Gateway Station, which has over 1600 car parking spaces. Monorail users have 3 hours free parking upon ticket validation and pay AED 10 per hour thereafter.[196]

[194] SecureParking, 2023.
[195] SecureParking, 2023.
[196] Parkonic, 2023.

- Cashless parking meters installed on the East Crescent of Palm Jumeirah with users needing to download the Parkonic app.[197]

- Parking at the Golden Mile Galleria at Palm Jumeirah, 1600 spaces, free for the first two hours and AED 10 per hour thereafter.[198]

GreenParking is owned by Future Link L.L.C, which is based in Dubai.[199] It has more than 25 years of expertise in parking management and specialises in eco-friendly parking and offers electric charging stations. It carries out a full range of parking services from supply and installation of parking equipment to parking operations and valet services. It provides parking management services to 21 sites, including Marinascape Mall, Business Central Towers, at Khorfakkan Beach, at Dubai Healthcare City and Deira Waterfront.

Mawgif was founded in KSA in 2008, and its UAE business was established in 2015. It manages, operates and maintains all car parks at Dubai International and Dubai World Central airports under a 10-year contract agreed in 2016.[200] This contract included a commitment to design and build a 3,000-space MSCP at Dubai International's Terminal 1. Mawgif has extensive experience designing, building, and operating car parking facilities as well as on-street parking management throughout Saudi Arabia and manages a total of 100,000 car park spaces across the Middle East region. It has developed technology that allows customers to scan the code on their parking ticket to pay.[201]

Concordia is a joint venture between Dubai Multi Commodities Centre Authority, the master developer of Jumeirah Lakes Tower (JLT) and EMCOR Facilities Services. JLT has over 60,000 residents and comprises 45% high-rise towers for residential use, 21% office spaces, and the rest for hotels or mixed use. The residential towers are grouped into threes in 23 clusters. The Dubai Metals and Commodities Centre has a 55-storey tower.[202] Most of the parking in JLT is managed by Concordia. Each cluster in JLT has its own parking facilities.

Zone Parking Solutions/Parking District Solutions. Zone Parking Solutions was founded in early 2008 as a result of a Joint Venture between NSL from the UK and UAE investment companies. It now appears also to be operating under the name Parking District Solutions, which specialises in valet parking and courier delivery. Zone Parking Solutions' website is very out of date, providing case studies from 2010 to 2013. It says it provides a wide variety of parking services including training and vehicle removal as well as planning, design, implementation and car park operations, and employs over 500 staff. It manages the car park at DIFC Gate and Gate Village.

Industry trends, threats, and opportunities vis-a-vis Parkin

Table 13 below summarises threats and opportunities, aligning with global trends that are impacting the parking market and illustrating Parkin's response or ability to capitalise on these factors.

Table 13: Industry trends, threats, and opportunities

Global Trend	Type	Potential Impact on Parkin/ Parkin's Response
Integration of transport modes/ Smart Cities	Opportunity	Multi modal journeys, together with smart parking technology, could increase the attraction of Park & Ride. It could also reduce car journeys as public transport becomes more flexible/easier to navigate, requiring car parking planning to be integrated into the development of the system.

197 NationalNews, 2022.
198 GoldenMileGalleria, 2023.
199 FutureLink, 2023.
200 TIN, 2016.
201 News,GulfBusiness, 2022.
202 jlt-dubai, 2023.

Global Trend	Type	Potential Impact on Parkin/ Parkin's Response
Urban congestion charges	Opportunity/Threat	By raising the cost of driving into the centre, this will intentionally reduce the number of car journeys. However, this could lead to an increase in Park & Ride. Also, if electric cars are exempted this suggests a focus on increasing facilities for charging would help offset this effect.
Transition to green vehicles	Opportunity	This presents an avenue to scale up the installation of charging stations within the parking facilities, which would translate into additional source of revenue.
Data-Driven and Automated Management Systems	Opportunity	When used to improve traffic flow these systems will increase the attractiveness of car transport and the demand for parking. In relation to parking facilities, they should increase productivity and reduce costs as well as improving user experience.
Automatic Number Plate Recognition (ANPR)	Opportunity	This should reduce costs as it will lead to fewer resources being needed for payment, inspection and enforcement. It should also improve the user experience.
Mobile Parking Apps and E-Payment Systems:	Opportunity	Changing consumer behaviour, and a shift in consumer preferences towards app-based and on-demand services will make booking and payment easier and should reduce costs as it will avoid SMS charges.
Shared mobility	Threat	A trend towards shared mobility may impact reduction in car journeys which could lead to reduced demand for parking.
Last-mile Mobility alternatives	Threat	Micro mobility is expanding in Dubai which could be at the expense of usage of vehicles for short distances.
Driverless technology	Threat/Opportunity	
(in the long-term)	This will impact on the choice of parking location. It should also improve productivity in the long term if it facilitates better use of space. Therefore, it represents an opportunity, as it would allow to better utilise car parks in further away locations, but also a threat, as it can incentivise shared mobility.	
PPPs/Concessions	Opportunity	Parking concessions could allow more car parks to be built than Parkin has capacity to build and operate itself, while giving it extra long-term revenue.

Benchmarking

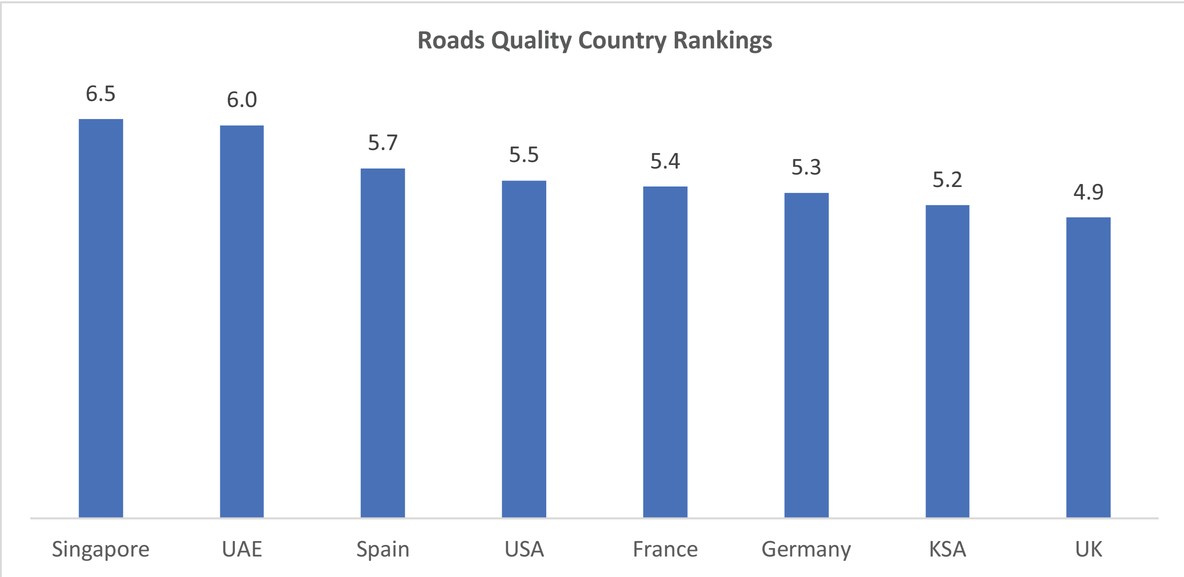
Comparison with main global cities

A comparison with other major global cities on a range of measures highlights some of the reasons for the dominance of cars in Dubai's transportation sector.

Quality of Roads and Infrastructure

The UAE ranked among the top countries for quality of roads, coming in 8th position out of a total of 141 countries, and scoring 6.0 in 2019 when the average score was 4.07 points.

Figure 4: Quality of Roads Index



Source: Global Economy roads quality—country rankings 2019.

Vehicles Density

Table 14 below shows that of the eight cities benchmarked Dubai had the highest number of vehicles per 1,000 inhabitants, at 580 in 2022.

Table 14: Vehicles per 1000 Inhabitants[203]**:**

City	Vehicles per 1,000 inhabitants	Year
Dubai	580	2022
Madrid	431	2020
Paris	357	2020
Riyadh	304	2020
Berlin	288	2020
London	283	2018
New York City	249	2021
Singapore	116	2022

[203] (Eurostat, 2023); (SingaporeStatistics); (JapanStatistics); (Census.Gov, 2022); (NYC Streets Blog, 2023); (MacroTrends, 2023); (Statista, 2023); (City of Sydney Government, 2022); (Government of Australia Census, 2022); (Statista, 2023); (Share, 2023); (World Bank, 2023); (CeicData, 2023); (Ministry of Transport, Saudi Arabia, 2023); (Invest Saudi, 2023); (Government of Kuwait, 2023); (Jordan News, 2023); (Government of Jordan, 2023); (World Population Review, 2023).

Modal Split for Urban Mobility

Car journeys in Dubai account for 61% of journeys taken, the highest percentage in the benchmarked cities, as shown in Table 15 below.

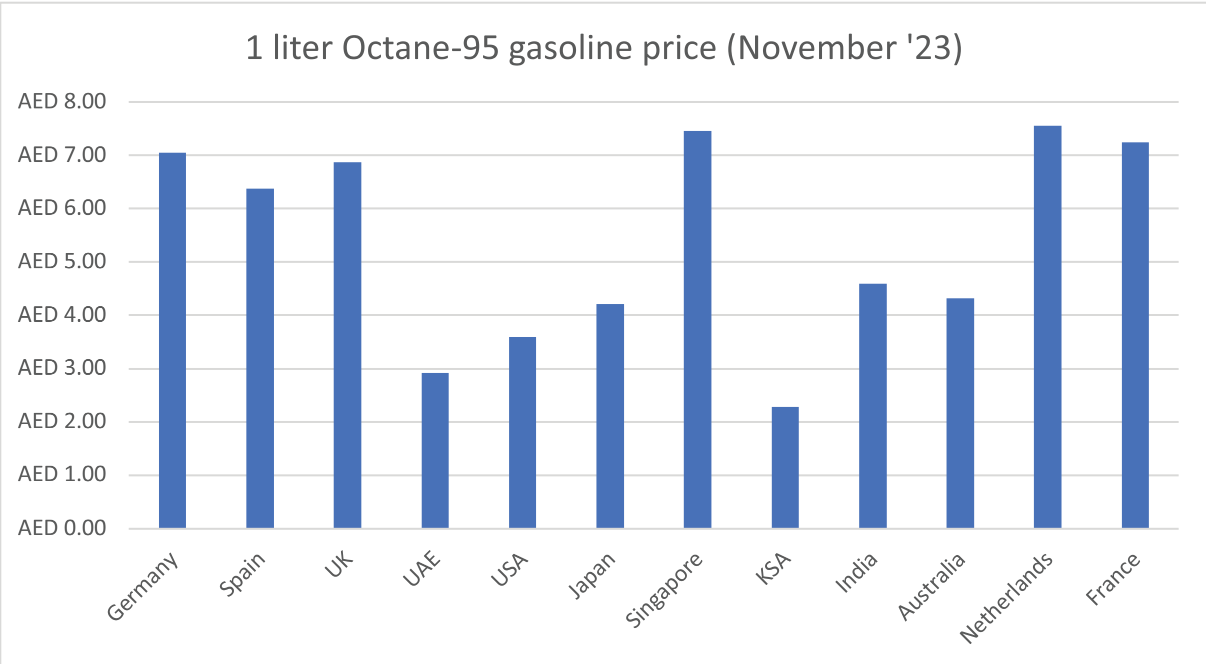
Table 15: Preferred Mode of Transportation[204]

City	Walking	Biking	Public Transport	Cars	Other
Dubai	13%		14%	61%	12%
Amman	26%		14%	42%	18%
New York	6%	1%	33%	55%	5%
London	25%	3%	35%	37%	
Istanbul	45%	1%	25%	23%	6%
Hong Kong	3%	2%	88%	7%	
Singapore	10%	8%	58%	24%	
Madrid	22%	1%	31%	44%	3%
Seoul	17%	1%	54%	25%	3%
Barcelona	42%	2%	17%	39%	

Price Comparison for Gasoline 95

The prevalence of car journeys in Dubai can be attributed to a number of factors including a low price for gasoline compared to other countries, as shown in Figure 5 below[205]. The average fuel price in the benchmarked countries is AED 5.37 as of November 2023 for Gasoline 95, compared to 2.92 AED in the UAE.

Figure 5: Price Comparison for Gasoline 95[206]



Note: Converted to AED based on Exchange Rates as of November 2023.

Average Speed and Average Time in Rush Hour

Car journeys in Dubai are also facilitated by high quality road efficiency and traffic management which leads to a faster average speed and shorter travel time per 10 Km in the rush hour when compared to the other global cities benchmarked.

[204] Deloitte, 2020; Urbanmobilityindex, 2021.
[205] Globalpetrolprices, 2023.
[206] Globalpetrolprices.com, 2023.

The analysis of average road journey speed shown in Table 16 below incorporates data on both average speed and average time during rush hours. This analysis highlights that Dubai outperforms other major cities, as reported in the TomTom Traffic Index 2022.[207] This superior road efficiency in Dubai leads to increased demand for road-based transportation compared to other urban centres where alternative transportation modes, such as metros, may be faster for commuting across the city.

Table 16: Average speed and average time in rush hour

City	Average speed	Average travel time 10km
Dubai	45km/h	12 minutes 10 seconds
Riyadh	29km/h	16 minutes 20 seconds
Singapore	31km/h	16 minutes 30 seconds
Madrid	29km/h	18 minutes
Berlin	26km/h	22 minutes 10 seconds
New York	20km/h	24 minutes 30 seconds
Paris	19km/h	26 minutes 10 seconds
London	14km/h	36 minutes 20 seconds

Sources: TomTom Traffic Index 2022.

Parking tariff and capabilities benchmarking

UAE and GCC parking capabilities

The tables below compare the maturity of parking infrastructure across the UAE and fellow GCC countries.

Table 17: UAE parking infrastructure

Emirate	Paid Public Parking	Public Parking App	Digital Permit Issuance	Digital surveillance
Dubai	✓	✓	✓	✓
Abu Dhabi	✓	✓	✓	✓
Sharjah	✓	✓	✓	✓
Ajman	✓	✓	✓	✘
UAQ	✘	✘	✘	✘
RAK	✘	✘	✘	✘
Fujairah	✘	✘	✘	✘

Table 18: GCC parking infrastructure

Emirate	Paid Public Parking	Public Parking App	Digital Permit Issuance	Digital surveillance
KSA	✓	✓	✘	✘
Kuwait	✘	✘	✘	✘
Qatar	✘	✓	✘	✘
Oman	✓	✓	✓	✘
Bahrain	✓	✓	✘	✘

Global cities parking prices growth 2019-2022

Benchmarking of parking tariffs for some of the world's most expensive cities for 2-hours parking on-street and off-street revealed a trend to adjust tariffs upwards, with on-street parking tariffs exhibiting a notably higher increase than off-street parking as is evidenced in the below tables.

[207] TomTom, 2022.

Table 19: Evolution of Average 2-hour off-street parking tariff for global cities (2019-2022)

City	2019	2022	% Change
New York	AED 128.23	AED 158.18	23.35%
London	AED 62.10	AED 61.07	-7.23%
Paris	AED 37.07	AED 41.58	11.09%
Amsterdam	AED 40.77	AED 45.58	10.71%
Dubai (Zone B)	AED 6.00	AED 6.00	No change

Notes: (1) Prices were calculated as the mean of corresponding parking rates for all publicly available paid and free off-street and on-street parking locations in a city centre (2) Exchange rate applied for tariff conversion to dirhams: 0.27 USD/AED (3) Percentage changes are calculated after the exclusion of increases associated with exchange rate fluctuations. 2019 rates were converted from monthly-average exchange rates between May 2019 and July 2019, while 2022 rates are based on monthly-average exchange rates between November 2021 and January 2022.
Sources: Parkopedia, Global Parking Indices 2019, 2022.

Table 20: Evolution of Average 2-hour on-street parking tariff for global cities (2019-2022)

City	2019	2022	% Change
Amsterdam	AED 53.62	AED 48.85	-9.78%
London	AED 42.24	AED 45.65	1.95%
Paris	AED 28.00	AED 44.77	58.35%
New York	AED 25.32	AED 39.45	55.80%
Barcelona	AED 21.54	AED 22.94	5.44%
Dubai (Zone A)	AED 8.00	AED 8.00	No change

Notes: (1) Prices were calculated as the mean of corresponding parking rates for all publicly available paid and free off-street and on-street parking locations in a city centre (2) Exchange rate applied for tariff conversion to dirhams: 0.27 USD/AED (3) Percentage changes are calculated after the exclusion of increases associated with exchange rate fluctuations. 2019 rates were converted from monthly-average exchange rates between May 2019 and July 2019, while 2022 rates are based on monthly-average exchange rates between November 2021 and January 2022.
Sources: Parkopedia, Global Parking Indices 2019, 2022.

Individual cities parking tariff adjustment

Benchmarking of tariff adjustments was conducted through a review of the last ten years' experience in New York, London, Paris, Hong Kong and Madrid.

New York adjusts tariffs every 5 years.[208] The City of London adjusts tariffs every 5 years, other London boroughs have their own policies.[209] Paris adjusts tariffs every 6 years.[210] Hong Kong has not changed tariffs since 1994, although a planned 100% increase in 2018 was postponed due to economic and COVID-19 crises.[211] In Madrid, the base fare has remained unchanged for over a decade, with additional zones introduced for low emissions and high rotation, as detailed below.[212]

New York implemented a tariff adjustment ranging from between 21% to 25% across zones in 2023.[213] In the 2023 adjustment for the City of London, parking charges for electric/hydrogen/hybrid vehicles increased by 25% while charges for petrol or diesel cars increased by 38%. Higher increases, observed in cities like Paris or London for non-hybrid/older vehicles, are typically associated with policies aiming to penalise or disincentivise high-emission vehicles or to reduce traffic in city centres.[214]

[208] NYCGov, 2023.
[209] CityofLondon, 2023.
[210] Coursdescomptes, 2017.
[211] legco.gov, 2021.
[212] Munimadrid, n.d.
[213] (NYCGov, 2023); (NewYorkPost, 2020).
[214] leparisien.fr.

Rationale for Tariff Increase

Parking tariffs have increased in global metropolises for a number of reasons including environmental considerations, supply reduction, traffic management and commercial purposes:

- Traffic Management—cities are aiming to improve the traffic in the cities, promote public transport and reduce congestion and use of private vehicles. Increasing parking tariffs helps discourage car usage and serve this objective.

- Improved urban planning and reduction of parking supply: The reduction of parking supply as part of a broader urban planning strategy to prioritise pedestrians, cyclists, and public spaces over private vehicle usage, including plans for vacated parking spaces to add more trees, children's playgrounds and bike lock-up areas. This aligns with efforts to create more liveable and walkable cities. With a shortage of supply, cities tend to increase their parking tariffs.

- Environmental Considerations—cities are striving to reduce CO2 emissions by limiting the use of private vehicles. Cities also tend to promote eco-friendly transports such as bicycles and scooters. Increasing parking tariffs helps discourage car usage and serve this objective.

- Commercial Increases: Tariff increases typically aligned with inflation carried out periodically. This not only helps adjust to economic changes but also serves to increase revenue (e.g. higher tariff increases in high demand zones with commercial potential, as done in New York).

Several major cities, mostly European ones, are reducing parking supply to transform the city into an eco-friendly one with less vehicles, traffic and improved pedestrianisation:

Paris: Paris is implementing drastic reduction in on-street parking spaces. By 2024, the city aims to eliminate a staggering 72% of these spaces, which accounts for approximately 60,000 out of the existing 83,500 on-street parking spots. This move is geared towards accommodating and prioritising cyclists, intending to reclaim the streets that were previously dominated by vehicles. The city's vision aims to decrease the allocation of public space for cars, acknowledging that although cars constitute only 13% of people's journeys, they occupy 50% of the capital's area.

London: In alignment with its sustainability goals, London is taking comprehensive measures to curb car usage within the city. The plan involves strict restrictions on car parking, anticipated to slash 3 million car journeys daily in the city. As part of its transport strategy, London is committed to reducing the required number of vehicle parking spaces for residential developments by half. Additionally, the city aims to discourage private vehicle use by not providing any further on-street car and motorcycle parking. London continues to enforce car-free mandates for all new developments and actively explores opportunities to curtail parking provisions to promote alternative modes of transportation.

Madrid: Madrid has undergone changes in its urban landscape by eliminating public parking spaces Over the course of just one year, the city eliminated 5,629 public parking spaces, constituting a 3.7% reduction from the 153,317 spaces available in the Regulated Parking Service in 2020. The reduction was mostly linked to pedestrianisation and urban renovation initiatives, including widening sidewalks and infrastructural enhancements, and an overall policy strategy to reduce the dominance of vehicles in public spaces.

Table 21: Evolution of Metered Parking Tariffs in New York City 2013-2023

	2013		Q3 2018 (2020)(1)			Q4 2023(2)				Days
	Hourly Rate Flat(3)	**2 Hours Price**	1st Hour	2nd Hour	**2 Hours Price**	1st Hour	2nd Hour	**2 Hours Price**	Time limit (hours)	
Zone M1—Midtown Core and Lower Manhattan (Premium Zone)	AED 12.96	**AED 25.93**	AED 16.67	AED 27.78	**AED 44.44**	AED 20.37	AED 33.33	**AED 53.70**	6	Mon-Sat 6 PM-12 AM
Zone M2—Manhattan South of 96th Street (Premium Zone)	AED 12.96	**AED 25.93**	AED 14.81	AED 25.00	**AED 39.81**	AED 18.52	AED 30.56	**AED 49.07**	2	Mon-Fri 10 AM-7 PM, Sat 9 AM-7 PM
Zone M3—Manhattan 96th St to 110th St (Mid-Range Zone)	AED 5.56	**AED 11.11**	AED 9.26	AED 14.81(1)	**AED 24.07**	AED 11.11	AED 18.52	**AED 29.63**	2	Mon-Sat 8 AM-7 PM
Zone 1—Business Districts outside of Manhattan (Mid-Range Zone)	AED 3.70	**AED 7.41**	AED 7.41	AED 14.81(1)	**AED 22.22**	AED 9.26	AED 18.52	**AED 27.78**	2	Mon-Sat 8:30 AM-7 PM
Zone 2—Neighbourhood Retail Districts (Other Zones)	AED 3.70	**AED 7.41**	AED 5.56	AED 9.26(1)	**AED 14.81**	AED 7.41	AED 11.11	**AED 18.52**	2	Mon-Sat 8:30 AM-7 PM
Zone 3—All Other Metered Locations (Other Zone)	AED 3.70	**AED 7.41**	AED 4.63	AED 7.41(1)	**AED 12.04**	AED 5.56	AED 9.26	**AED 14.81**	2	Mon-Sat 9 AM-7 PM

Notes: (1) Differential Rate for the 2nd hour was introduced in 2018 for Zones M1 and M2, and in 2020 for all other zones (2) New Rates Effective October 16, 2023, with Tariff Introductions on Different Dates by Borough. Full Increase to be Completed by November 28, 2023. (3) Exchange rate applied for tariff conversion to dirhams: 0.27 USD/AED.

Table 22: Percentage Increases of Metered Parking Tariffs in New York City

	Q3 2018 Increase			Q4 2023 Increase		
	1st Hour Rate	**2nd Hour Rate**	**2 Hours Price**	**1st Hour Rate**	**2nd Hour Rate**	**2 Hours Price**
Zone M1 (Premium Zone)	29%	N/A	71%	22%	20%	21%
Zone M2 (Premium Zone)	14%	N/A	54%	25%	22%	23%
Zone M3 (Mid-Range Zone)	67%	N/A	117%	20%	25%	23%
Zone 1 (Mid-Range Zone)	100%	N/A	200%	25%	25%	25%
Zone 2 (Other Zones)	50%	N/A	100%	33%	20%	25%
Zone 3 (Other Zones)	25%	N/A	63%	20%	25%	23%

Notes: (1) Differential Rate for the 2nd hour was introduced in 2018 for Zones M1 and M2, and in 2020 for all other zones (2) New Rates Effective October 16, 2023, with Tariff Introductions on Different Dates by Borough. Full Increase to be Completed by November 28, 2023. (3) Exchange rate applied for tariff conversion to dirhams: 0.27 USD/AED.

Paris

Table 23: Evolution of on-street public parking tariff in Paris

	2002	2009	2015	2021 (current)	Time limit (hours)	2009 Increase	2015 Increase	2021 Increase
Zone 1 (Premium Zone)	AED 11.81	AED 14.17	AED 15.75	AED 23.62	AED 23.62	20%	11%	50%
Zone 2 (Mid-Range Zone)	AED 7.87	AED 9.45	AED 9.45	AED 15.75	AED 23.62	20%	0%	67%
Zone 3 (eliminated in 2015)	AED 3.94	AED 4.72				20%	Zone eliminated	

Note: Exchange Rate as of 10.11.2023 (0.25 EUR/AED).

London, City of London

Table 24: Evolution of on-street public parking tariff in London—City of London

	2016*		2018		2023		2018 increase	2023 Increase
Vehicle Type	per 15 minutes	per hour	per 15 minutes	per hour	per 15 minutes	per hour	%	%
Electric or hydrogen or hybrid	AED 5.39	AED 21.55	AED 4.49	AED 17.96	AED 5.61	AED 22.45	-17%	25%
Petrol vehicles registered from 2005			AED 5.84	AED 23.35	AED 8.08	AED 32.32	8%	38%
Diesel vehicles registered from 2015			AED 5.84	AED 23.35	AED 8.08	AED 32.32	8%	38%
Other vehicles			AED 7.63	AED 30.53	AED 11.22	AED 44.90	42%	47%

Note: Exchange Rate as of 10.11.2023 (0.22 GBP/AED).

The parking schedule in the City of London is as follows: from Monday to Friday, parking hours are 8 am to 7 pm. On Saturdays, when demand is low, parking charges apply from 8 am to 11 am at a rate of £2 for any duration within that time frame. After 11 am on Saturdays, parking is free. Sundays and bank holidays have free parking all day. There is a maximum stay limit of 4 hours during the hours of operation.

Hong Kong

The maximum fee for metered parking in Hong Kong has remained unchanged since 1994. In 2018 the Legislative Council Panel on Transport considered increasing the fee from HK$2 to HK$4 (per 15 minutes). In the light of the economic context in Hong Kong, the Government decided not to implement the previously proposed fee adjustment, and as of 2023 it has not been implemented.

Table 25: Evolution of on-street public parking tariff in Hong Kong

Meter Parking On-Street	1994 - 2023 (current fare)		Proposed Adjustment in 2018 (not implemented)		
	per 15 minutes	per hour	per 15 minutes	per hour	% increase
	AED 0.94	AED 3.76	AED 1.88	AED 7.51	100%

Note: Exchange Rate as of 10.11.2023 (2.13 HK$/AED).

Madrid

Madrid's on-street public parking system features a dynamic fare structure that includes additional charges based on the vehicle's technology and emissions. The base parking fare for on-street parking in blue zones has remained constant at 1.10 Euros per hour since 2015. Before that, a rate of 1.10 Euros was applied during

Peak Hours, and 1.05 Euros during Non-Peak Hours. In 2013, Low Emission Zones were introduced, incorporating higher fares. Subsequently, in 2022, High Rotation Zones were implemented, featuring elevated fares and a time limitation of 45 minutes.

Table 26: Evolution of on-street public parking tariff in Madrid

	On-Street Public Parking—1 Hour Fare in Blue Zones					
Peak Hour	AED 4.33	AED 4.33	AED 4.33			
Non-Peak Hour	AED 4.13	AED 4.13	AED 4.13			
Any Hour				AED 4.33	AED 4.33	AED 4.33
Low Emission Zones—Peak Hour		AED 4.72	AED 4.72			
Low Emission Zones—Non-Peak Hour		AED 4.53	AED 4.53			
Low Emission Zones—All Hours				AED 4.72		
High Rotation Zones (max. 45 minutes)					AED 8.07 (45 minutes)	AED 8.07 (45 minutes)

The Company's business model in comparison to international peers

Table 27: Comparison with international peers[215]

	Parking spaces	Business model	Payment channels	On-street	Off-street	MSCPs	Public Parking operator	Fines Enforcement (1)
Parkin	197k	Concession	SMS, App, Parking meters, WhatsApp, AppClip, Parking cards	Yes	Yes	Yes	Yes	Yes
SP+	2,000k	Management Contract, Lease	SMS, App, Website, Parking meters	Yes	Yes	Yes	Yes	Yes
PARK 24 Co Ltd	1,300k	Management contract, Lease	Parking Meters, Website	No	Yes	Yes	No	No (2)
APCOA Parking	1,800k	Management contract, Lease, Concessions	App, Website, Parking Meters	Yes	Yes	Yes	Yes	Yes
INDIGO	1,400k	Ownership, Concession, Lease	App, Website, Parking Meters	Yes	Yes	Yes	Yes	Yes
Qpark	680k	Ownership, Concession, Lease	App, Website, Parking Meters	Yes	Yes	Yes	Yes	Yes
Interparking	430k	Ownership, Concession, Lease	App, Website, Parking Meters	Yes	Yes	Yes	Yes	Yes
Telpark	370k	Concession, Management Contract	App, Website, Parking Meters	Yes	Yes	Yes	Yes	Yes
Saba	330k	Concession, Management Contract, Ownership	App, Website, Parking Meters	No	Yes	Yes	Yes	No

[215] (Apcoa, n.d.; QPark, n.d.); (Indigo, n.d.); (Contipark, n.d.); (Empark, n.d.); (SabaGroup, n.d.); (SPPlusCorp, n.d.); (Park24 , n.d.).

<u>Parking Growth Forecast For The Next 10 Years</u>

The model produces forecasts and estimates for:

- Public Parking Revenue and occupancy both at aggregate and at zone level (A, B, C, D).
- Developer Parking Revenue and occupancy at aggregate level.
- MSCPs Parking Revenue and occupancy at aggregate level.
- Revenue arising from Fines; Revenue arising from Permits.
- Total Revenue from Parking Services (excluding 'Other Services).

Public Parking and Developer Parking Revenue and Occupancy

Public Parking and Developer Parking Revenue

Regression analysis for the forecast model

Dependent variable:

Parking revenue data was available and used for the regressions. As parking tariff charges have remained flat historically, pricing effects have not been assumed in the regressions. In order to control for the effects of parking supply on parking demand, regressions have been run using revenue per parking space as the dependent variable.

Historical data on Public Parking revenue and Developer Parking revenue was sourced from RTA for the years 2017-2022. A longer dataset containing parking revenue from all zones (both public and developer) was available from RTA, covering 2010-2022. Historical data on parking spaces by zone was sourced from RTA, while at the aggregate level it was aligned with RTA´s Business Plan.

Independent variables: Relationships to real GDP in the UAE, Daytime (Active) Population in Dubai, and Registered vehicles in Dubai were tested. Real UAE GDP was sourced from the Economist Intelligence Unit (EIU) spanning 2010 to 2022. Daytime population in Dubai refers to resident plus daytime migrant population in Dubai and was sourced from the Dubai Statistics Centre covering 2010-2022. Registered vehicles between 2010 and 2022 in Dubai were sourced from the RTA.

Regression Method:

An initial analysis was carried out at zone level, with the aim of testing whether each parking zone and Developer parking reacted differently to the socioeconomic variables. To achieve this, a panel data approach was chosen, using a pooled OLS model with an individual effect dummy variable for each zone (A, B, C, D and Developer). The dummy variables for the zones control for and test zone-specific effects. In addition, because zone level and Developer data was only available from 2017 to 2022, much of which was impacted by the COVID-19 pandemic, running separate linear regressions on each zone results in short datasets and potential overfitting of the models. Instead, combining the individual zones in a panel dataset allows for more observations and greater robustness of the model.

The relationships between the variables were tested by running log-log regressions. The log-log formulation allows for a straightforward interpretation of the resulting coefficients—they represent the elasticity of growth of the dependent variable to the growth of the independent variable. The modelled log-log panel formulation is:

$$\log(\text{Independent Variable}) = \alpha + \beta \log(\text{Dependent Variable}) + ID + \varepsilon$$

Where:

α is the intercept

β is the coefficient

ID is the zone-specific effect

ε is the residual

The panel regression results are as follows:

Table 28: Regression results based on 2017-2022, with Covid impact

Reg. #	Regression Dependent Variable	Regression Independent variables	Coefficient	Adjusted R^2
1.1	Parking Revenue per parking space	UAE GDP	5.28***	0.80
		Registered Vehicles	-3.05***	
		B (id)	-0.06	
		C (id)	-0.06	
		D (id)	-0.01	
		Developer (id)	0.35***	

* Signif. codes: 0 ‘***’ 0.001 ‘**’ 0.01 ‘*’ 0.05 ‘.’ 0.1 ‘ ‘ 1

The results show that the effects of real UAE GDP and registered vehicles in Dubai are statistically significant with a high statistical fit (adj. R^2: 0.80). Importantly, the zone effects for public parking Zones B, C and D are not statistically significant from the baseline Zone A, while the one for Developer zone is. This implies that public parking zones behave in a similar way to the socioeconomic drivers, while Developer parking has an additional zone-specific effect.

Despite the statistically significant results, this first correlation seems distorted by the effects of COVID, given the short timeframe of the tested data (2017-2022). This period experienced declines in revenue, most likely due to COVID, while registered vehicles continued growing.

To address this issue, a second regression was run using total public and developer parking revenue per space. This data was available for a longer period (2010-2022) but was not separated into zones. Thus, a simple log-log linear regression was run, with the following formulation and results:

$$\log(\text{Independent Variable}) = \alpha + \beta \log(\text{Dependent Variable}) + \varepsilon$$

Where:

α is the intercept

β is the coefficient

ε is the residual

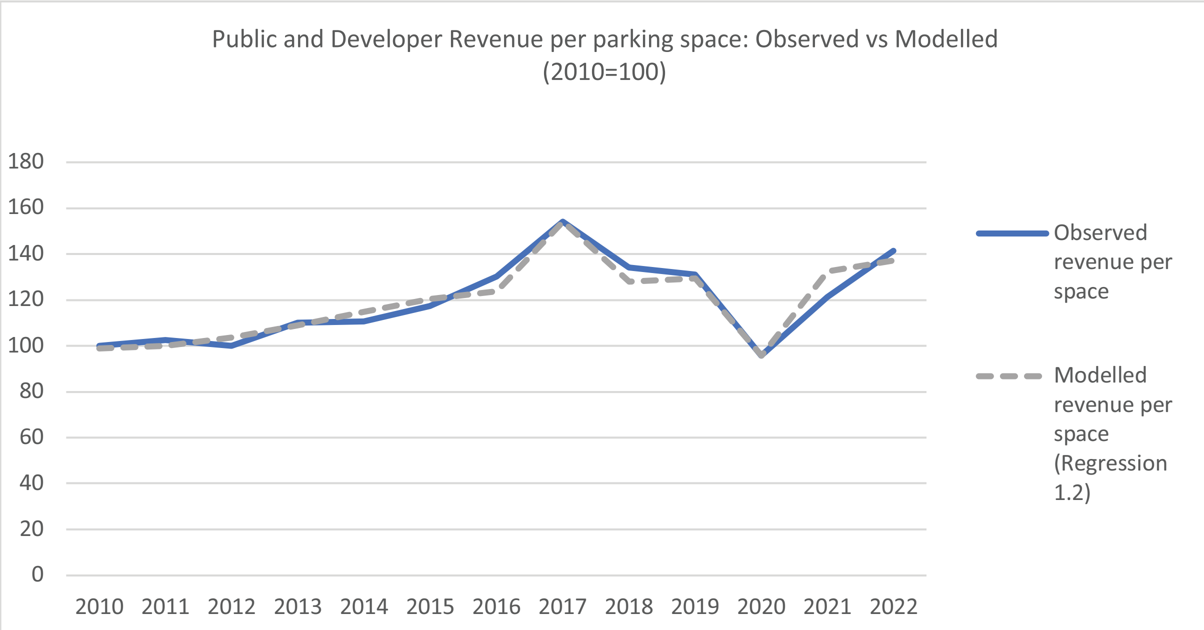
Table 29: Regression results based on 2010-2022 data

Reg. #	Regression Dependent Variable	Regression Independent variables	Coefficient	Adjusted R^2
1.2	Parking Revenue per parking space	Registered vehicles	0.47***	0.91
		Dummy2017	0.20**	
		Dummy2022	-0.31***	

The resulting coefficient to registered vehicles is positive and with intuitive magnitudes. The coefficient is also statistically significant and the statistical fit of the model is strong with an adjusted R^2 of 0.91.

The regression model's predicted values can be compared to the observed ones in a "backcast", which visually confirms the high fit of the model.

Figure 6: Public and Developer Revenue per parking space: Observed vs Modelled



Projected parking supply

The supply of parking spaces is based on RTA´s business plan assumptions on paving existing areas, expanding to new areas, conversion of unpaid to paid parking, and changing of parking types.

- Paving existing areas and expanding to new areas: For Zones A, B and D parking, 2023 and 2024 additions are sourced from Parkin. Growth from 2025 onwards is taken as the average of 2019-2024 additions. Zone B parking is reduced by 200 spaces in 2025 as a result of the opening of new MSCPs parking (PPP Al Souk Al Kabir) on existing off-street parking lot. For Zone C parking, 2023 to 2027 additions are based on the five-year pavement plan. From 2028 onwards, new additions are based on the average of 2019 to 2027 additions.

- Conversion of unpaid to paid parking: 2023 numbers were based on the Parking Department Plan for 2023. Future growth was assumed at 5% of new additions, based on analysis of historical unpaid to paid parking conversions and Parkin inputs.

- Conversion from Zone C to Zone A parking assumptions: 5,000 spaces converted in 2024; 5,500 spaces converted in 2025, and 500 converted each following year.

Developer Parking spaces are assumed to increase by 3,000 spaces every 3 years starting from 2025 based on Parkin inputs.

The summary schedule of forecasted parking supply is as follows:

Table 30: Projected public and developer parking supply

Zone	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
A	31,780	37,294	37,809	38,323	38,837	39,352	39,866	40,380	40,895	41,409
B	2,997	2,797	2,797	2,797	2,797	2,797	2,797	2,797	2,797	2,797
C	113,305	112,398	117,841	122,380	125,616	128,853	132,090	135,327	138,563	141,800
D	38,089	38,365	38,641	38,916	39,192	39,468	39,744	40,020	40,295	40,571
Total Public Parking	186,171	190,854	197,087	202,416	206,443	210,470	214,497	218,523	222,550	226,577
Developer Parking	9,995	12,995	12,995	12,995	15,995	15,995	15,995	18,995	18,995	18,995

Total public parking spaces are forecast to grow at a CAGR of 2.3%, from 2023 to 2033 reaching 226,577. Total developer parking spaces are forecast to grow at a CAGR of 0.7% from 2023 to 2033 reaching 18,995.

Revenue Forecasting

Revenue per space was forecast starting from 2023, using 2023 estimates from RTA's Business Plan.

To arrive at the percentage growth for Revenue per space, the coefficient of registered vehicles from regression 1.2 was applied to the forecast Registered vehicles growth. The resulting revenue per space growth rate was used to grow equally each of the public parking zones—A, B, C, and D.

Registered vehicles were tested with two separate regressions, both producing significant results (regression 1.3 & 1.4) as shown in the table below.

Table 31: Regression results for vehicles' forecasting

Reg. #	Regression Dependent Variable	Regression Independent variables	Coefficient	Adjusted R^2
1.3	Registered Vehicles	Dubai Population	0.37*	0.98
		UAE GDP	1.28***	
1.4	Registered Vehicles	Dubai Population	1.00***	0.93

* Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Each regression was used to produce a forecast line for registered vehicles using UAE GDP forecasts and Dubai population forecasts. Dubai Population has been assumed to grow at a compound annual growth rate (CAGR) of 2.76%—deduced from the Dubai Government target of 5.8 million population by 2040 and current population levels. UAE GDP forecasts have been sourced from the Economist Intelligence Unit (EIU).

The average of both regressions' forecast growth rate was taken as the registered vehicles forecast growth rate. The resulting growth was sense-checked by comparing the implied modelled motorisation rate in the table below to international benchmarks.

Table 32: Expected Dubai Motorisation Rate in 2033

Year	Dubai Motorisation Rate (vehicles per 1000 people)
2022	580
2033 (modelled)	697

To build the forecast for Developer parking revenue per space, the established Developer-specific effect from the panel regression (regression 1.1) was used. Its coefficient was applied to the growth rate which was used for forecasting public parking revenue per space.

After revenue per space was forecast for each zone, it was multiplied by each zone's expected parking spaces in the future years (sourced from RTA's Business Plan) to achieve each zone's forecast revenue.

As a result of the forecasting model:

- Total nominal Public Parking revenue is forecast to grow at a CAGR of 4.8%, for the period 2023-2033.

- Total nominal Developer Parking revenue is forecast to grow at a CAGR of 3.4% for the period 2023-2033.

Occupancy Rate—Public Parking and Developer Parking

To estimate an occupancy rate of the available parking spaces, the total forecast revenue in each zone was divided by the hypothesised maximum revenue that can be achieved in each zone.

The hypothetical maximum revenue per zone was calculated by multiplying an assumed constant maximum parking charge at each zone (see the table below; sourced from RTA's Business Plan) with the total parking spaces available in a given year at each zone. This hourly maximum revenue was then multiplied by an assumed 14 chargeable hours per day and 298 chargeable days per year at each of the car parks to get annual maximum revenue.

Table 33: Maximum revenue assumptions

Maximum charge	AED
A (per hour)	4.0
B (per day)	20.0
C (per hour)	2.0
D (per day)	10.0
Developer*	3.0

* Weighted average of individual developer maximum charges.

The total public parking occupancy rate was calculated as a weighted average of the zones A, B, C and D occupancy rates, based on their maximum revenue price, in order to control for variability in maximum pricing between zones. This allows for the total occupancy rate to grow, on average, at the same rate as the individual zone occupancy rates (each at a CAGR of 2.0%).

As a result of the model, the total public parking occupancy rate is expected to grow at a CAGR of 2.0% for the period 2023-2033. The parking occupancy rate for developer parking is expected to grow at a CAGR of 2.6% for the period 2023-2033.

MSCPs Parking Revenue and Occupancy rate

MSCPs Parking Revenue

Regression analysis for the forecast model

Dependent variable: MSCPs parking revenue data was available from RTA data covering 2010 to 2022. Data on MSCPs parking spaces was only available annually from 2015-2022.

Independent variable: The main socioeconomic independent variables tested in the regressions are real UAE GDP, Daytime Dubai Population and Registered Vehicle in Dubai.

Regression method: MSCPs parking was tested at an aggregate level, as independent MSCPs were not assumed to react differently to socioeconomic variables. Thus, a log-log linear regression formulation was chosen.

Regression results: Initially, two regressions were run attempting to capture the effects of parking supply on MSCPs parking revenue (regressions 2.1 and 2.2) covering the period 2015-2022 for which parking spaces data was available. However, the former resulted in a very low statistical fit, while the latter resulted in negative coefficients to parking space, which is not intuitively expected.

These results prompted an additional attempt at establishing a significant relationship, this time using the longer available dataset on MSCPs revenue (2010-2022). However, this regression did not explicitly capture the effects of parking supply (spaces), as that data was only available in the shorter dataset.

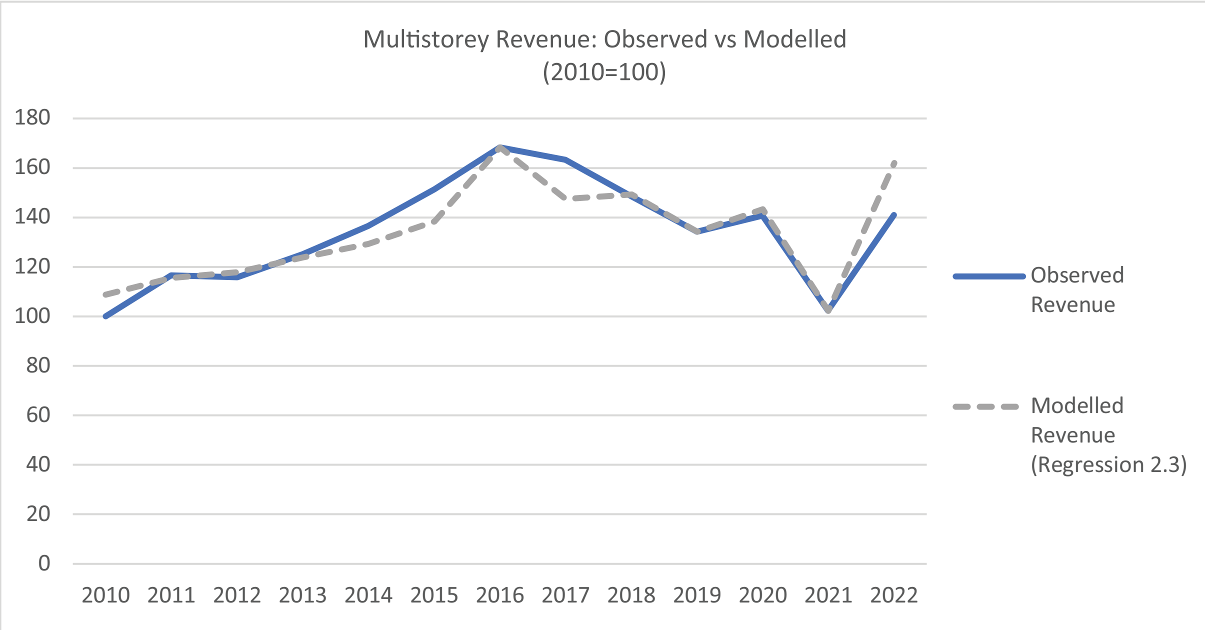
The results of regression 2.3 are a statistically significant coefficient to real UAE GDP, and a high statistical fit (adj. R^2: 0.77). The fit of the model is exemplified in the model back cast versus observed values in the Table and Figure below:

Table 34: Regression results for MSCPs parking

Reg. #	Regression Dependent Variable	Regression Independent variables	Coefficient	Adjusted R^2
2.1	MSCPs Parking Revenue per space	UAE GDP	3.96	0.48
		Registered Vehicles	-4.96	
		Daytime Dubai Population	0.38	
2.2	MSCPs Parking Revenue	UAE GDP	2.42*	0.78
		Parking Spaces	-1.2**	
2.3	MSCPs Parking Revenue	UAE GDP	1.03**	0.77
		Dummy2021	-0.38**	
		Dummy2019	-0.12	
		Dummy2016	0.14	

* Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Figure 2: MSCPs revenue: observed vs modelled



Projected supply for MSCPs parking

Parking spaces for MSCPs parking in 2023 were provided by the Parkin Team. MSCPs spaces are expected to increase by 350 in 2025 when PPP project Al Souk Al Kabir opens, and no increases are expected following that. The assumed parking supply for multi-story car parks is as follows:

Table 35: Forecast MSCPs Parking Supply

Zone	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Multi-Story Parking Spaces	4,123	4,473	4,473	4,473	4,473	4,473	4,473	4,473	4,473	4,473

Total MSCPs parking supply is projected to grow at a CAGR of 0.8% for the period 2023-2033.

Forecasting:

The growth elasticity of 1.03 from regression 2.3 was applied to the forecast growth in real UAE GDP (sourced from the Economist Intelligence Unit) to establish the growth rate of revenue per space. The results from regression 2.3 were assumed to apply to revenue per space, in order to account for the impact of forecasted parking supply changes on total revenue. The resulting growth rate of revenue was used to grow the estimated 2023 MSCPs revenue per space. Estimated revenue per space in 2023 was sourced from RTA's Business Plan.

The forecast revenue per space was then multiplied by the forecast parking spaces (sourced from RTA's Business Plan) to get the total forecast revenue.

Based on the results of the model, total nominal MSCPs revenue is forecast to grow at a CAGR of 4.5% for the period 2023-2033 Occupancy Rate—MSCPs.

The occupancy rate for MSCPs was calculated by dividing average utilised spaces by total MSCPs spaces. Data on the average number of utilised spaces per year for 2020-2022 was available from RTA's Business Plan. Average utilised spaces were divided by total MSCPs spaces to arrive at the occupancy rate for MSCPs parking. Average utilised spaces were forecast to grow at the 4.5% CAGR of total MSCPs revenue growth resulting from the model.

Based on the results of the model, the MSCPs occupancy rate is forecast to grow at a CAGR of 3.7% for the period 2023-2033.

Revenue from Fines

Dependent variable: The dependent variable chosen for the regressions was the value in AED of issued fines, as sourced from RTA's Business Plan, spanning 2010-2022.

Independent variable: The main socioeconomic independent variables tested in the regressions are real UAE GDP, Daytime Dubai Population and Registered Vehicle in Dubai.

Regression method: A log-log linear regression formulation was chosen.

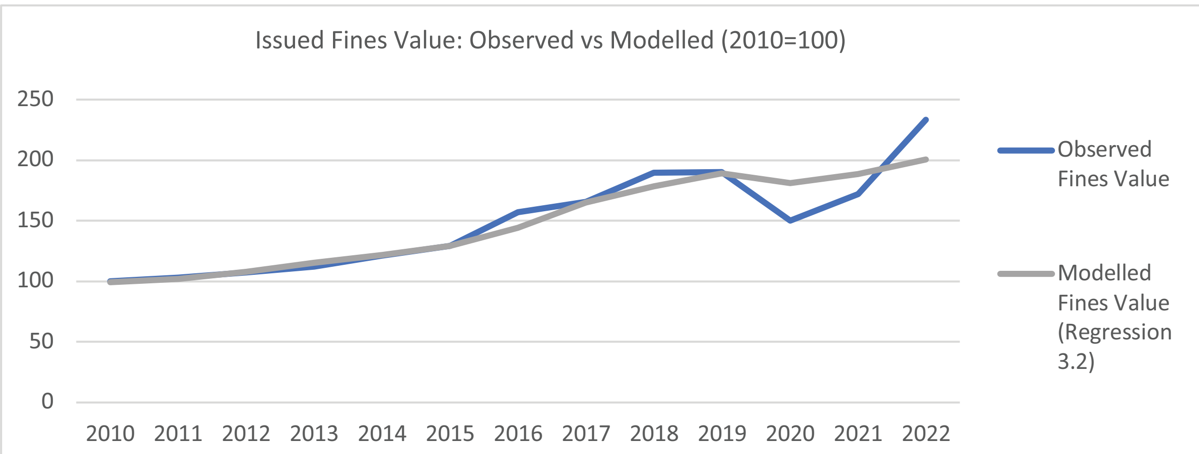
Regression results: Out of the two tested regressions, regression 3.2 was chosen due to its strong statistical fit (adj. R^2: 0.90), significant coefficient, and absence of coefficients with negative signs in the table and figure below.

Table 36: Regression results for revenue from fines

Reg. #	Regression Dependent Variable	Regression Independent variables	Coefficient	Adjusted R^2
3.1	Value of Issued fines	UAE GDP	2.99**	0.95
		Registered Vehicles	-1.37*	
		Daytime Dubai Population	1.36**	
3.2	Value of Issued fines	Daytime Dubai Population	1.52***	0.90

* Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Figure 3: Issued fines value: observed vs modelled



Forecasting: The growth elasticity of 1.52 from regression 3.2 was applied to the forecast growth in Dubai Daytime Population to arrive at the forecast growth of total revenue from fines. Dubai Daytime Population was assumed to grow at a CAGR of 2.8%, derived from Dubai Government's plan of 7.8 million Daytime Population in Dubai by 2040.

The resulting revenue growth was used to grow the estimated 2023 total fines revenue. Total revenue from fines in 2023 was sourced from RTA's Business Plan estimates.

Impact of Digitalisation: Upon arriving at the forecast fines revenue, an additional impact of digitalisation on fine collection was estimated as part of the base case scenario. Digitalisation in parking spaces is assumed to occur along the schedule in the table below, as sourced from Parkin´s business plan:

Table 37: Digitalisation schedule

Parking category	2023	2024	2025	2026
On-street	126,111	5,907	5,907	5,907
Off-street		10,601	10,601	10,601
Developer	6,637			

As most of the digitalisation in 2023 is estimated to be towards the second half of the year, it is assumed that 70% of the digitalisation in 2023 will impact 2024 fine collection. In 2024 and 2025, a much lower number of available spaces are expected to be digitalised and following that the number is expected to be zero.

The proportion of digitalised spaces to total available spaces was calculated for each of on-street, off-street and developer parking categories. Each of the resulting ratios was then discounted based on its relative importance in fines revenue: 75% for on-street parking, 12% for off-street parking and 13% for developer parking.

Finally, the proportion of digitalised spaces for each parking category was multiplied by the expected magnitude of the impact on fines revenue. The impact on on-street and developer parking fines revenue was assumed to be 30%. Conversely, for off-street parking, the impact was conservatively estimated to be -15%, reflecting the implementation of smart parking lots and the expected reduced frequency of fines due to more controlled and monitored environments. These assumptions align with industry observations and patterns in digitalisation impact on enforcement.

The resulting final impact of digitalisation on revenue from fines was applied to the results of the forecast model for the applicable years, as shown in the table below:

Table 38: Impact of digitalisation on fines revenue

	Impact of digitalisation on fines revenue
2024	+15.8%
2025	+0.4%
2026	+0.4%

Forecast results:

Based on the results of the model and the estimated digital impact on fine collection, total nominal fines revenue is forecast to grow at a CAGR of 5.9% for the period 2023-2033.

Revenue from Permits

Forecasting: To forecast revenue from permits, the results from regression 1.2 of public parking revenue per space were used to forecast the growth in permit revenue per public parking space. This was then multiplied by the projected parking space (sourced from RTA's Business Plan) to arrive at the total permit revenue. This methodology was chosen due to the assumption that permit revenue grows at the same rate as public parking revenue, as it is driven by the same users of public parking.

Based on the results of the model, total nominal revenue from permits (seasonal cards) is forecast to grow at a CAGR of 4.4% for the period 2023-2033.

Total Revenue (excluding 'Other Services')

Total Parking Revenue, excluding revenue from 'Other services', is the sum of Public Parking Revenue, Developer Parking Revenue, Multi-Storey Parking Revenue, Fines Revenue and Permit Revenue.

Based on the model results, total nominal parking revenue (excluding 'Other Services') is forecast to grow at a CAGR of 4.9% for the period 2023-2033 Scenarios.

Following the results of the Base Case forecast, a set of scenarios has been run to account for possible risks to the model forecasts and their assumptions, as shown in the table below.

Table 39: Scenarios Key assumptions

Scenario	Key Assumptions
Low Case	-20% on growth of socioeconomic variables
High Case	+20% on growth of socioeconomic variables
Inflation-adjusted Parking Charge	An annual 2% increase in parking charges, assumed to cover annual inflation growth. An elasticity of -0.48 to charge increases has been applied to demand. This elasticity is the average of the upper bounds of commuter and non-commuter elasticities from a meta-analysis conducted by Lehner & Peer (2019) using revealed preference data from multiple studies covering a wide variety of geographies.
5-year Parking Charge increases	Starting form 2026, every 5 years parking tariff charges are assumed to increase by a 25% jump. The same elasticity as in the "Inflation-adjusted Parking Charge" scenario has been assumed.

Source: Lehner, S., Peer, S. (2019). 'The price elasticity of parking: A meta-analysis'. Vienna University of Economics and Business.

The table below summarises the total nominal parking revenue (excluding 'Other services') CAGRs resulting from each scenario:

Table 40: Total nominal parking revenue

Scenario	Total Nominal Parking Revenue (excluding 'Other services') CAGR
Base Case	**4.9%**
Low Case	4.4%
High Case	5.5%
Inflation-adjusted Parking Charge	5.7%
5-year Parking Charge increases	6.4%

PART 10

BUSINESS DESCRIPTION

This "Business Description" should be read in conjunction with the more detailed information contained in this Offering Memorandum including the financial and other information appearing in "Management's Discussion and Analysis". Where stated, financial information in this section has been extracted or derived from the Carve-out Financial Statements included in this Offering Memorandum.

Overview

Parkin is the largest provider of paid parking facilities and services in Dubai, accounting for more than 90% of Dubai's on- and off-street paid parking market and has the exclusive right to operate all public on-street parking, public off-street parking and public MSCPs in Dubai. Parkin also operates certain privately-owned parking facilities under contract with property developers. The Company operates across six operating verticals: (i) public on-street and off-street parking, (ii) public MSCPs, (iii) Developer-owned Parking Lots, (iv) permits and seasonal parking subscriptions, (v) parking reservations, and (vi) other services. As at 31 December 2023, Parkin operated approximately 175,000 public on- and off-street parking spaces across 85 locations, approximately 4,000 parking spaces across nine MSCPs[216] and approximately 18,000 parking spaces across seven Developer-owned Parking Lot locations. For the year ended 31 December 2023, Parkin issued approximately 139,000 seasonal parking subscriptions and permits for all parking facilities. For the year ended 31 December 2023, Parkin conducted approximately 118 million parking transactions.[217] As at the date of this Offering Memorandum, Parkin is also responsible for parking enforcement at its parking facilities (including approximately 300 parking inspectors and 19 smart scanning vehicles) and certain other parking lot-related operations in Dubai.

The Company's revenue for the years ended 31 December 2021, 2022 and 2023 was AED 590.6 million, AED 686.2 million and AED 779.4 million, respectively. The Company's EBITDA for the years ended 31 December 2021, 2022 and 2023 was AED 240.3 million, AED 336.5 million and AED 414.4 million, respectively.

In the years ended 31 December 2021, 2022 and 2023, the RTA invested an average of AED 6 million per year in improvements to its systems to create smart and autonomous parking facilities and services. Its development plans are in line with the Dubai Government's Smart City, Paperless Strategy and Digital Transformation goals and objectives, with all parking services being provided electronically via digital channels since 2020. In addition, Parkin has deployed state of the art intelligent parking management systems that utilise advanced technologies, artificial intelligence and big data analysis to provide high quality service to its customers. For instance, Parkin allows customers to pay via six payment channels: parking meters, phone applications (e.g. Dubai NOW App and Dubai Drive App), AppClip (via QR code), WhatsApp, seasonal parking subscriptions and SMS, with four different payment methods: ApplePay, cash, Nol public transport card and debit/credit cards. The RTA was among the first in the world to accept SMS parking payments in 2008 and accept payments via AppClip and WhatsApp. Further, it was the first in the Middle East to digitalise the parking experience by implementing smart inspection with artificial intelligence features. As a result of its investments and digitalisation efforts, the RTA won the Middle East Technology Excellence Awards in 2023 and achieved a customer satisfaction rate of more than 95% for the year ended 31 December 2023.

The resident population of Dubai is expected to grow by 63% between 2022 and 2040 and demand for paid public parking is expected to increase by 60% by 2033.[218] The Company's growth strategy entails using its technology and operational expertise to expand its business and meet the expected demand from the population growth. In addition to operating new parking facilities in other areas of Dubai to accommodate the population growth and new area developments, the primary growth initiatives the Company intends to pursue include: (i) with approval from the RTA, converting a portion of unpaid parking spaces (of which there are approximately 392,000 spaces)[219] into paid parking spaces, (ii) establishing new agreements with property developers, (iii) with approval from the TEC, adjusting zoning of highly demanded parking spaces in dense areas to increase revenue potential and (iv) investing in more digital initiatives to increase the efficiency

[216] This includes the Khansaheb MSCP, which is managed and operated by a third-party private operator, and excludes the Al Souk Al Kabir MSCP, which is being developed through a 25-year concession agreement between the RTA and a private sector entity.
[217] Excluding fine transactions.
[218] Industry Report.
[219] As of January 2024.

of its parking facilities, such as a unified parking platform app to allow customers to make reservations for any parking facility. Additional potential growth initiatives include: (i) offering new commercial activities such as new payment channels and renting space to food trucks and companies that build mechanical car parks, provide car washes and provide car tinting services, (ii) providing advertisement space in the parking facilities, (iii) developing electrical vehicles related activities and (iv) leveraging the Company's operational expertise to expand geographically.

The Company's principal asset is the Concession Agreement with the RTA, which will maintain the Company's exclusive rights to operate all current and future public paid parking facilities and services in the Emirate of Dubai. The Concession Agreement is long-dated and includes a tariff uplift mechanism that can be used to offset inflation. In case tariff increases are not approved by TEC, there is a further mechanism to offset inflation by way of a reduction in the concession fee payable to the RTA by the Company—however the concession fee cannot be reduced below the floor of 12.5% of the parking revenue for any given year. Conversely, in case tariff increases approved by TEC surpass the cumulative inflation rate, then the Company and the RTA will equally share the excess revenue, subject to the concession fee rate not going above 27.5%. The Concession Agreement's maturity year is 2072.

The following table sets out certain Non-IFRS Measures of the Company for the periods indicated. For a reconciliation of these Non-IFRS measures to the nearest corresponding IFRS financial measure, see "*Selected Financial Information—Certain Non-IFRS Measures*".

	For Year ended 31 December		
	2021	**2022**	**2023**
EBITDA (AED'000)(1)	240,291	336,534	414,365
EBITDA Margin(2)	41%	49%	53%
Adjusted EBITDA (AED'000)(3)	346,032	447,333	535,522
Adjusted EBITDA Margin(4)	59%	65%	69%
Cash Conversion(5)	95%	99%	99%
Capital Expenditure (AED'000)(6)	11,928	2,418	4,422

Notes:
(1) EBITDA is defined as profit for the year excluding depreciation and amortisation, tax and finance expense. During the periods presented, there were no corporate taxes incurred.
(2) EBITDA Margin is EBITDA divided by revenue.
(3) Adjusted EBITDA is defined as profit for the year excluding depreciation and amortisation, tax, finance expense and corporate allocation expense. During the periods presented, there were no corporate taxes incurred.
(4) Adjusted EBITDA Margin is Adjusted EBITDA divided by revenue.
(5) Cash Conversion is defined as EBITDA less Capital Expenditure, divided by EBITDA.
(6) Capital Expenditure is defined as the purchases of property, equipment and intangibles assets.

For more information on the Non-IFRS measures listed in the table above, see "*Presentation of Financial and Other Information*", "*Summary Financial and other Information*" and "*Selected Financial Information—Certain Non-IFRS Measures*" in Part 5 of this Offering Memorandum.

Competitive Strengths

The Company is a market leader with the exclusive right to operate on- and off-street paid public parking in Dubai

The Company is the largest provider of parking facilities and services in Dubai, with a 100% share of Dubai's on- and off-street paid public parking and a 91% share of Dubai's total on- and off-street paid parking market.[220] Pursuant to the 49-year Concession Agreement with the RTA, the Company has the exclusive right to operate all public on- and off-street paid parking and public MSCPs in Dubai and collect fines in public parking areas. Parkin also operates and manages certain Developer-owned Parking Lots under management contracts with property developers. Further, Parkin is the only company that has enforcement rights for paid public parking. For the years ended 31 December 2021, 2022 and 2023, the Company operated and managed approximately 175,000, 177,000 and 179,000 paid public parking spaces and for the years ended 31 December 2021, 2022 and 2023, the Company operated and managed approximately 26,000, 17,000 and

[220] Industry Report.

18,000 Developer-owned Parking Lot spaces. The following table sets out the number of parking spaces under management by the Parking Business since 2006.

Year	Approximate Total Paid Public Parking Spaces (excluding Developer-owned Parking Lot spaces)	Approximate Developer-owned Parking Lot spaces	Approximate Total Number of Paid Parking Spaces
2006	49,000	-	49,000
2007	60,000	-	60,000
2008	71,000	-	71,000
2009	83,000	-	83,000
2010	92,000	-	92,000
2011	99,000	-	99,000
2012	106,000	9,000	115,000
2013	116,000	9,000	125,000
2014	127,000	9,000	136,000
2015	132,000	9,000	141,000
2016	147,000	12,000	159,000
2017	152,000	16,000	168,000
2018	156,000	26,000	182,000
2019	164,000	26,000	190,000
2020	169,000	26,000	195,000
2021	175,000	26,000	201,000
2022	177,000	17,000(1)	194,000
2023	179,000	18,000	197,000

Note: Number of Developer-owned Parking Lot spaces decreased due to Al Khail contract not being renewed, which was mutually decided between the RTA and the developer due to low occupancy rates.

Private cars remain the most preferred mode of transportation in Dubai, with 61% of people in Dubai preferring to use private cars, compared with 14% that prefer to use public transportation, 13% that prefer to walk and cycle and 12% that prefer other modes.[221] A number of Dubai's structural features render it conducive to private cars, including: (i) neighbourhoods that are spread out with indirect connections to public transport routes (e.g. Dubai Metro), (ii) low fuel and energy prices, (iii) low cost of purchasing and maintaining a car, (iv) a hot climate that discourages commuters from walking, including walking from public transportation to their final destination, (v) a relatively mild rush hour compared to other jurisdictions and (vi) high-quality infrastructure.[222] As a result of these factors, vehicle penetration in Dubai is among the highest in the world, with 580 vehicles per 1,000 inhabitants.[223] The following table sets out vehicle penetration in Dubai as compared to certain other comparable jurisdictions.

City	Vehicle per 1,000 inhabitants
Dubai	580
Madrid	431
Paris	357
Riyadh	304
Berlin	288
London	283
Amsterdam	251
New York City	249
Singapore	116

Source: FTI.

Note: Data as of 2020, except for Dubai (2022), London (2018), Amsterdam (2022), New York City (2021), and Singapore (2022).

[221] Industry Report.

[222] Industry Report.

[223] Industry Report.

The Company currently operates and manages parking facilities located in high density areas of Dubai, such as Deira, Business Bay and Jumeirah. With multiple parking facilities located in strategic locations, the Company serviced 3 million, 3 million, and 4 million customers for the years ended 31 December 2021, 2022 and 2023,[224] and has a customer satisfaction rate of more than 95% for the year ended 31 December 2023.

The Company benefits from well-invested core infrastructure assets with advanced digital capabilities allowing superior customer experience and seamless operations

Dubai's road network is the backbone of its economic development with an average of 2.2 million Dubai-registered vehicles and 1.1 million vehicles using Dubai's roads every day as of 2023.[225] The Government of Dubai is committed to continue maintaining high standards for its transportation infrastructure assets, having invested approximately AED 140 billion on Dubai's road infrastructure between 2006 and 2021.[226]

Between 2006-2021, the RTA invested AED 90 billion on road and transportation infrastructure, approximately 50% of which was on roads.[227] The RTA intends to continue developing the Emirate's infrastructure to ensure that it is able to sustain the economic and population growth expected in Dubai.[228] The RTA is also incentivised to support the growth of Parkin; the concession fee will contribute to the RTA's and the Government of Dubai's budget that is earmarked for the development of the overall infrastructure of Dubai. Hence, it is expected that the Government of Dubai will continue maintaining and growing Dubai's roads and other key infrastructure.

In parallel, the Company is focused on expanding its digital infrastructure to continue to offer customers a fully digitised parking experience. It provides advanced digital solutions to its customers and offers the most payment options to customers[229] and between 2019 and 2022, there has been a 14% increase in the use of the Company's smart payment channels. The Company offers six payment channels: parking meters, phone applications (e.g. Dubai NOW App and Dubai Drive App), AppClip (via QR code), WhatsApp, seasonal parking subscriptions and SMS and four different payment methods: ApplePay, cash, Nol public transport card and debit/credit cards. Currently, only approximately 9% of transactions use cash.[230] Between 2019 and the first six months of 2023, cashbox collection costs reduced by 47%. Seasonal subscriptions and permit transactions are also completed via the RTA's website or the RTA App. The average monthly RTA app users for the years ended 31 December 2021, 2022, and 2023 were 69,362, 131,715 and 222,756, respectively.[231] Customers are issued e-permits and are no longer required to display permits on their cars; any relevant notifications can be received via telephone. The RTA also has a loyalty program, which the Company participates in, where customers are incentivised to pay their Parking Fees and Parking User Charges via the Company's digital platforms to receive loyalty points, instead of using traditional payments. The Company's digital infrastructure has created an optimal customer experience. Between 2019 and Q3 2022, parking meter touchpoints have decreased from five to three and the average customers' walking time from the area where they parked their vehicle to the parking meter has decreased from four to two minutes. Between 2019 and 2022, the turnaround in permits and seasonal subscriptions issuances has decreased from five days to one day, and between 2019 and 2023, there has been a 30% reduction in fine disputes.

Further, the Company has digital infrastructure in place to provide efficient parking enforcement. In addition to approximately 300 inspectors, the Company has 19 smart scanning vehicles which cover 70% of parking spaces. Due to the Company's investment in its digital parking enforcement infrastructure, fine collection increased at a CAGR of 3% between 2018 and 2023.

The Company benefits from a favourable regulatory framework with a well-defined concession agreement

Under the terms of the 49-year Concession Agreement, the Company will pay to the RTA a quarterly concession fee equal to 20% of the Company's revenue, subject to adjustments, generated from public on- and

[224] This data is calculated and received through payment channels and inspections. The margin of error is around 3-5%.
[225] Source: RTA.
[226] Industry Report.
[227] Industry Report.
[228] Industry Report.
[229] Source: RTA. Compared to parking facilities in other major cities: Amsterdam, Zurich, Madrid, London, New York, Singapore, and Riyadh.
[230] In 2022, cash was used in 11% of transactions, SMS was used in 68% of transactions, Whatsapp, Mobile app, and App Clips were used in 13% of transactions.
[231] For the year ended 31 December 2020, the average monthly users was 45,581.

off-street paid parking and MSCPs, as adjusted to reflect cumulative inflation. Pursuant to the Concession Agreement, the Company will have the exclusive right to operate public on- and off-street paid parking. As a result, the Company is the largest provider of parking facilities and services in Dubai, with a 91% share of Dubai's total on- and off-street paid parking market. The Company will also have the exclusive right to operate and manage any new parking facilities built or acquired by the RTA. Further, the Company is the only parking provider in Dubai with the right to enforce public parking fines to customers for non-compliance.

All parking tariffs charged by the Company are determined by the TEC. However, the Company is required to request a tariff increase every two years for an amount that is at least reflective of the cumulative inflation rate, and if such increase is not approved to an extent sufficient to match the cumulative inflation rate, then there is a downward adjustment to the concession fee payable to the RTA. In the event that the tariff increase is approved for an amount that exceeds the cumulative inflation rate, the Company and the RTA will equally share the excess revenue, subject to the concession fee rate not going above 27.5%.

The RTA will be responsible for maintenance of the parking facilities, and all costs in relation to any new parking facilities will be borne by the RTA. The RTA will also aid the Company in enforcing fines from internationally- and UAE-registered vehicles. In the event that the RTA or any other relevant authority commits any adverse governmental action during the concession, the Company will be compensated through an extension of time and/or monetary relief.

The Company has superior operating margins and a capital expenditure-light business model resulting in high Cash Conversion

The Company's business model is capital expenditure-light as the majority of capital expenditure commitments remain with the RTA pursuant to the Concession Agreement. Specifically, the RTA will be responsible for the maintenance of the Company's parking facilities and the building of new parking facilities. As a result, for the years ended 31 December 2021, 2022 and 2023, the Company's Capital Expenditure was AED 11.9 million, AED 2.4 million, AED 4.4 million respectively.

As a result of the RTA being responsible for expansionary and maintenance capital expenditure, the Company has low capital expenditures commitments and therefore has high margins, with EBITDA margins of 41%, 49% and 53% for the years ended 31 December 2021, 2022 and 2023, respectively. Further, the Company expects to save AED 42.0 million for future parking expansion by using its existing spare parking meters at its disposal, which have an annual maintenance cost of AED 3,000 per meter. The Company also had high Cash Conversion of 95%, 99% and 99% for the years ended 31 December 2021, 2022 and 2023, respectively.

The Company's capital structure has been optimised to be fit-for-purpose, providing the Company with the financial flexibility to optimise debt servicing costs and maintain a stable dividend stream. Further, due to its capital expenditure-light business model, the Company has limited working capital requirements, which also contributes to the Company's high free cash flow and the Company's attractive dividend policy.

The Company has strong growth momentum supported by Dubai's ambitious expansion plans and its own growth initiatives

In the mid-1990s, following a decline in oil production, Dubai sought to diversify its economy. Today, Dubai is recognised as a hub for real-estate, tourism, and trade.[232] It is the centre for Middle Eastern trade flows, one of the premier financial capitals in the Middle East and a significant tourist destination.[233] In the first six months of 2023, Dubai's real GDP grew 3.2%, year on year, to AED 223.8 billion.[234] Growth in the first two quarters of 2023 surpassed average global growth rates for the same period.[235] Dubai is implementing multiple economic initiatives, including a USD 8.7 trillion economic plan to boost trade, investment and achieve global hub status, with an aim to increase foreign direct investment to over USD 177 billion over the next decade.[236]

To attract expats to reside in the UAE, the Government of Dubai has undertaken various initiatives including (i) the creation of several new visa schemes to attract and retain expatriate talents, improve the competitiveness

[232] Industry Report.
[233] Industry Report.
[234] Industry Report.
[235] Industry Report.
[236] Industry Report.

and flexibility of the job market, and increase investment opportunities within the UAE (such as the "Golden Visas," long-term stay visa, freelance visa and remote work visa) and (ii) introduction of a form of social security, which offers financial support to individuals during their unemployment, with the support continuing until they secure new employment.[237]

Dubai has achieved a unique fast-tracked development over a span of 50 years with approximately 3.5 million Dubai residents and 4.7 million active daytime population[238] as of 31 December 2022 and is expected to achieve 63% resident population growth from 2022 through 2040.[239] Even through the COVID-19 pandemic, tourists continued to choose Dubai as a destination, with Dubai International airport retaining its title as the busiest international airport in the world for international passengers for the ninth year in a row in 2022.[240]

Dubai is also undertaking various initiatives to increase its population, including the Dubai 2040 Urban Master Plan where it is focusing on developing and investing in five main urban centres to support economic growth and increase job opportunities.[241] The Dubai 2040 Urban Master Plan is also expected to increase land areas for hotels and tourism by 134%, a 400% increase in public beach spaces, a 168 square kilometers increase in commercial land, as well as an increase in residents and daytime population to 5.8 million and 7.8 million respectively by 2040.[242] In addition to infrastructure development, there is an extensive roster of events to further drive tourism with plans to host 400 global events per annum by 2025, backed by the evident success of the World Expo 2020, where over 24 million visitors were recorded throughout the six-month long event.[243] In 2022, Dubai won 232 bids for business events, which is twice as many as in 2021, and which are expected to bring in 135,000 visitors over the coming years.[244]

Dubai lifted its COVID-19 lockdown earlier than the other Emirates and other countries in the region, and it was successful in implementing tangible measures to drive economic recovery of tourism and other key sectors. [245] Dubai contained the impact of the COVID-19 pandemic on its economy with a range of measures, including a mass vaccination programme and economic support initiatives.[246] This boosted market sentiment and recovery, with nearly 70% of workers returning to in-person work post the COVID-19 pandemic by around June 2022.[247]

After a fall in 2020, Dubai's real GDP grew steadily, with year-on-year real GDP growth of 5.7% and 4.4% for 2021 and 2022 respectively. The strong and steady growth of Dubai's economy in the years prior to the impact of COVID-19, is expected to continue further with real GDP predicted to grow at a rate close to 3.5% for 2023. Tourism has also rebounded since the COVID-19 pandemic, increasing by 20%, year-on-year, in the first six months of 2023 and exceeded pre-COVID-19 levels.

Given multiple growth factors, such as Dubai's evident robust economic growth, the increase in population and number of visitors is expected to increase the number of registered vehicles to 2.5 million by 2025, an increase of 32% from 2020.[248] As a result, between 2023 and 2033, demand for public parking is expected to increase by 60% (which represents a CAGR of 4.8%).[249] This increased demand is also expected to result in occupancy of existing public parking increasing at a CAGR of 2.0%, whilst supply of public parking is expected to increase at a CAGR of 2.4% within the same period.[250]

Parkin is an attractive platform for further expansion with additional levers. Most notably, the Company has the exclusive right to operate and manage new parking facilities built and acquired by the RTA in other areas of Dubai. The primary growth initiatives the Company intends to pursue include: (i) with approval from the RTA, converting a portion of unpaid parking spaces (of which there are approximately 392,000 spaces[251] into paid parking spaces, (ii) establishing new agreements with property developers, (iii) with approval from the

[237] Industry Report.
[238] Daytime population includes permanent residents of Dubai and workers residing outside the Emirate of Dubai.
[239] Industry Report.
[240] Industry Report.
[241] Industry Report.
[242] Industry Report.
[243] Industry Report.
[244] Industry Report.
[245] Industry Report.
[246] Industry Report.
[247] Industry Report.
[248] Industry Report.
[249] Industry Report.
[250] Industry Report.
[251] As of January 2024.

TEC, adjusting zoning of highly demanded parking spaces in dense areas to increase revenue potential and (iv) investing in more digital initiatives to increase the efficiency of its parking facilities, such as a unified parking platform app to allow customers to make reservations for any parking facility. Additional potential growth initiatives include: (i) offering new commercial activities such as new payment channels and renting space to food trucks and companies that build mechanical car parks, provide car washes and provide car tinting services, (ii) providing advertisement space in the parking facilities, (iii) developing electrical vehicles related activities and (iv) leveraging the Company's operational expertise to expand geographically.

The Company is forward-thinking with a sustainable agenda aligned with the RTA's and Dubai's goals

The UAE has publicly committed its support to the Paris Agreement to combat climate change and submitted its first National Declared Contributions ("**NDC**") in 2015.[252] Pursuant to its most recent NDC declaration in 2023, the UAE (i) confirmed its absolute emission reduction targets and (ii) is aiming for 2030 net greenhouse gas emissions to be reduced from an expected 208 MtCO2e to 182 MtCO2e.[253]

The UAE has been an active champion in supporting the deployment of clean energy solutions globally with a particular focus on developing countries.[254] By December 2020, the UAE had invested USD 16.8 billion across 70 countries in renewable energy ventures and pledged USD 400 million in aid and concessional loans/ financings for clean energy projects.[255] In 2021, the UAE also announced its intention to invest over USD 163 billion in clean and renewable energy over the coming few years and play its global role in combatting climate change as confirmed by Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister, and Ruler of Dubai.[256]

The Company is aligned with Dubai's green energy transition as an asset-light business with a minimal environmental footprint and is committed to minimising the Company's operational emissions where possible by implementing 100% solar powered parking meters, 100% paperless metering tickets and fines, hybrid fleet transition and smart parking inspection. Since 2022, the Company also offers 100% digital options and as of 31 December 2023, approximately only 10% of transactions are completed with cash. Between 2019 and the first six months of 2023, there has been a 49% reduction in parking meters, responsible for printing tickets, which has saved the Company AED 5.7 million in parking meter maintenance. The Company also promotes the transition to sustainable mobility by incentivising EV adoption with 100 toll-free parking spaces for eco-friendly vehicles and has the capacity to double this as demand increases. Further initiatives that the Company has put in place to support the Company's net zero operations by 2050 commitment include greening its energy consumption, minimising waste and reducing tailpipe emissions from company cars, as well as reducing the overall number of inspection cars required. The Company's senior management also consists of long-tenured, experienced, and skilled individuals, who are dedicated to support the Company's 2050 net zero target.

In line with its commitment to contribute to the broader community, by leveraging its position and asset base, the Company has exempted various key groups from paying Parking Fees. These groups include (i) individuals who work for government entities, (ii) individuals with mental, physical, visual or other disabilities and impairments ("**People of Determination**"), (iii) individuals with chronic diseases, (iv) individuals who attend centres for people with disabilities, (v) senior UAE nationals citizens, (vi) daily hospital patients and (vii) UAE nationals and citizens of the GCC countries.[257] As of 31 December 2023, the Company has issued approximately 7,500 permits to People of Determination, approximately 5,300 permits to senior UAE national citizens, and approximately 600 permits to other exempted groups.

For more information on the Company's ESG strategies and policies, see "*Strategies—ESG focus: Implement green practices, provide socially beneficial incentives and ensure strong corporate governance*" and the *ESG* section in this part of the Offering Memorandum.

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[252] Industry Report.
[253] Industry Report.
[254] Industry Report.
[255] Industry Report.
[256] Industry Report.
[257] UAE nationals and citizens of GCC countries are exempted from paying parking fees only at parking facilities that are located in front of their residences.

Strategies

Leverage existing capacity: absorb the expected increase in Dubai population and implied increase in vehicle density and demand for parking

By 2040, Dubai's resident population is expected to grow by 63% to 5.8 million and Dubai's daytime population[258] is expected to grow by 66% to 7.8 million and registered vehicles in Dubai are expected to reach 3.3 million vehicles by 2033.[259] As a result, demand for public parking is expected to grow by 60% (which represents a CAGR of 4.8%) and occupancy of public parking is expected to grow from approximately 24% in the first six months of 2023 to approximately 29% by 2033 (which represents a CAGR of 2%).[260] The Company has an occupancy buffer that can be saturated, and average occupancy of the parking spaces is expected to grow at a CAGR of 2.0% between 2023 to 2033.[261] This is in line with the RTA's Dubai Master Plan, which is focused on adding new parking spaces to account for (i) the expansion of Dubai road infrastructure and (ii) the growth of new business areas across Dubai. In response, the Company and the RTA have implemented a five-year pavement plan, which sets out the strategy for the pavement of parking spaces across various locations in Dubai, such as Al Quoz, Umm Ramool and Ras Al Khor. A portion of these new parking spaces will be converted to paid parking on an annual basis.

Expand capacity: strategically add new parking facilities to address increasing demand for parking

As Dubai's population and economy expand, the supply of public parking between 2023 and 2033, is expected to grow at a CAGR of 2.4% and the number of registered vehicles is expected to grow at a CAGR of 4%.[262] The RTA plans to construct new parking facilities, which Parkin will have the exclusive right to operate and manage. Pursuant to the Concession Agreement, the RTA will be responsible for all costs to construct and maintain any new parking facility. Further, to accommodate the demand for parking, the Company has the right to submit requests to the RTA to accelerate the launch of new parking facilities within existing and developing areas with increased activity in Dubai. As of January 2024, there are approximately 392,000 unpaid parking spaces that could be converted to paid parking spaces. By 2028, the Company expects to convert approximately 4,000 unpaid parking spaces to paid parking spaces, and pave approximately 23,000 new parking spaces. As the largest provider of paid parking facilities and services in Dubai, the Company is a critical infrastructure asset that will benefit from the Emirate's continued growth and dependence on private car usage.

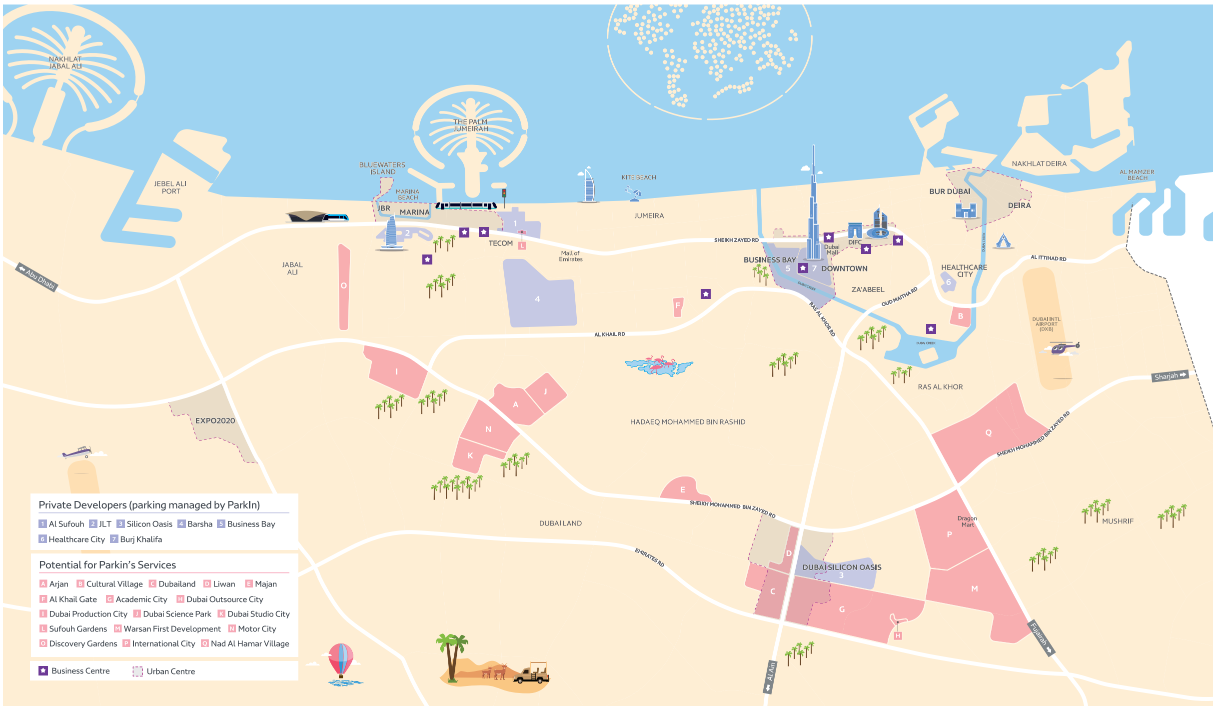
Revenue diversification: Establish new agreements with third parties (including private developers) and diversify into new activities such as advertisements or parking spaces rental

The Company plans to leverage its technology and operational expertise to expand in areas that complement its existing service offering and pursue other revenue streams which are not in competition with the RTA. Subject to technical and commercial feasibility, the Company is considering the following complementary revenue streams:

New agreements with third parties

The Company is currently under contract with seven private developers to operate and manage their private facilities. Pursuant to the Concession Agreement, the Company may enter into additional similar agreements with other private developers and private businesses, such as shopping malls, apartment buildings, hospitals, office buildings and other high-traffic facilities. Currently, there are approximately 17 additional developer-owned communities that could benefit from the Company's services. Any revenue collected from such agreements will not be included in the concession fee payable by the Company to the RTA. The below map shows the locations of the communities that the Company could supply its services to.

[258] Daytime population includes permanent residents of Dubai and workers residing outside the Emirate of Dubai.
[259] Industry Report.
[260] Industry Report.
[261] Industry Report.
[262] Industry Report.



Additional commercial activities

Pursuant to the Concession Agreement, the Company will have the right to sell advertising space in its parking facilities and retain all revenue generated from such arrangements. The parking facilities offer various high occupancy areas for advertisement use. Commercial activities that the Company may pursue include providing long term permits to companies to carry out their businesses, such as food trucks and companies that provide car washes, car tinting services, valet parking, and car auctions. Further, other activities include implementing premium and VIP parking in high demand areas and a smart parking reservation system, which will have a pre-booking system that charges customers higher tariffs.

Tariff optimisation

The Company is constantly reviewing its tariff framework, specifically in the zones where its various parking facilities sit. With the approval of TEC and the RTA, the Company plans to move parking facilities that have high occupancy into zoning categories that charge higher tariffs. Approximately 12,000 parking spaces are expected to be reclassified into zones that charge higher tariffs over the next five years, the majority of which are expected to come into effect in the next two years.

Geographical expansion

The Company aims to leverage its operational expertise and potentially expand its business in other parts of the UAE and broader GCC region. Expansion in other Emirates may include partnering with the government and private developers to provide parking services, and expansion in the GCC region may include leveraging existing relationships with private developers to offer parking services in other countries and extending technological support to improve parking services in those countries. Currently, there are multiple Emirates and GCC countries that could benefit from the Company's services such as implementing paid parking facilities in public and private areas, and implementing digital public parking applications, digital permits, and digital surveillance.

Technological innovation: Consolidate and further develop digital capabilities to ensure customer satisfaction and seamless operation

The Company believes that its current technology is cutting edge in the parking industry, and it will continue to prioritise investing in technology to ensure it is a pioneer of tech-enabled innovation in the sector. Investing in technology materially helps improve the reliability of the Company's operations, such as acquiring additional information on customer's behaviour. This could provide additional potential future revenue streams, such as selling such customer data to other businesses. The Company will also strive to continue offering a superior parking experience for its customers by, for example, creating an independent superapp, which will also include a unified parking platform application that allows customers to make reservations for any parking facility. Further, the Company intends to incentivise customers to pay via digital channels, other than SMS, to create a more efficient payment structure and also lower the amount of commission that the Company must pay to the third-party provider who facilitates such service.[263] The Company will also use its digital initiatives to improve its operations; it has currently placed an order for 200 cameras to implement a smart parking lot project, which will aid with parking inspection and facilitate automatic payments. The 200 cameras will cover approximately 50 out of 281 off-street parking lots by the end of 2024. With increased inspection coverage from the Company's technology, the Company expects more customer compliance, more revenue from fines and parking payments, and will rely less on inspectors.

ESG focus: Implement green practices, provide socially beneficial incentives and ensure strong corporate governance

The Company is committed to net zero operations by 2050. The Company's initiatives to reduce greenhouse gas emissions and waste include 100% solar powered parking meters, 100% paperless metering tickets and fines and transitioning to a hybrid fleet and smart parking inspections. A component of the Company's ESG strategy is supporting green mobility initiatives. The Company provides 100 toll free parking spaces for eco-friendly vehicles, which is in line with Dubai's green mobility strategy to increase the demand and supply of EVs in Dubai. Further, the Company is planning a Parking AI Occupancy Prediction initiative with the aim to help motorists plan their journey to avoid highly condensed parking zones, which the Company believes will reduce the carbon footprint from vehicles using its parking facilities. The RTA is also working on developing a feasible structure for EV charging infrastructure across multiple sites in Dubai and given that paid public parking spaces will be required to implement the overall EV infrastructure, the Company will be involved in this initiative.

Further, the Company's Board of Directors has included ESG as a board agenda item and will oversee the Executive-level ESG Management Committee responsible for executing the ESG strategy and annual reporting on ESG performance. The Company intends to disclose its ESG ambitions and performance on an annual basis in line with the Global Reporting Initiative standards.

For more information on the Company's ESG strategies and policies, see the "*ESG*" section in this part of the Offering Memorandum.

History of the Company

The RTA was established in the Emirate of Dubai, UAE under decree no. 17/2005 issued by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, the Ruler of Dubai, on 1 November 2005. The RTA was formed to develop solutions for Dubai's transportation needs and to manage the roads and traffic systems. Pursuant to the Parking Resolution, the RTA became responsible for the design, establishment, management and supervision of public parking in Dubai.

On 4 January 2024, the Company was incorporated in the Emirate of Dubai, under the laws of the UAE pursuant to Dubai Law No.30 of 2023 concerning the establishment of Parkin Company P.J.S.C. On 5 February 2024, the RTA entered into a 49-year Concession Agreement with the Company, whereby the Company was granted the exclusive right to operate and collect the revenue generated by Dubai's paid parking facilities and services.

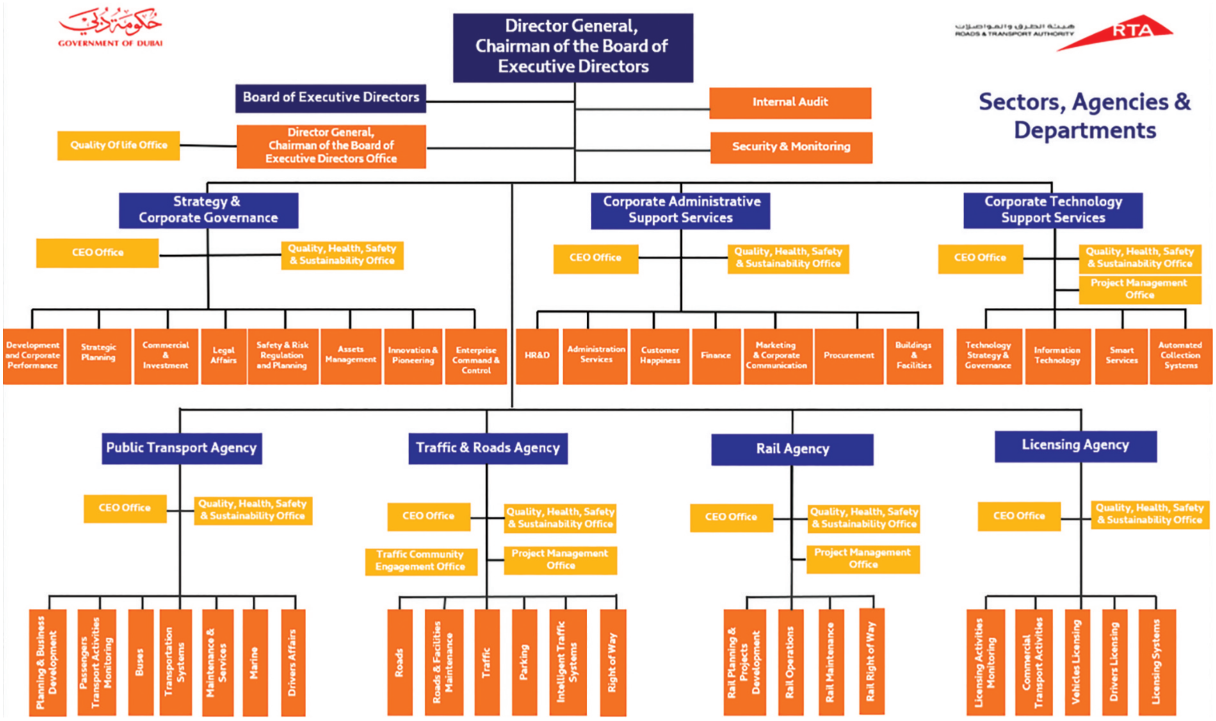
[263] As at 31 December 2023, the Company pays 10% commission to telecom operators. Going forward, given the Company will no longer be a government entity, a cost of 0.9% on each credit card based transaction is expected to be incurred.

The Carve-Out

The Carve-out consisted of several steps as set out in the table below.

No.	Action	Date
1.	Issuance of the Parkin Incorporation Law.	29 December 2023
2.	Approval by the TEC of the board composition of the Company.	30 December 2023
3.	Approval by the TEC of the Articles.	30 December 2023
4	Novation of RTA contracts with certain counterparties to the Company / Amendments of RTA contracts with certain counterparties extending the scope of existing services to include the Company.[264]	Effective 1 January 2024
5.	Issuance of incorporation documents and certificates.	04 January 2024—Issuance of Trade License
6.	Appointment of management team.	Early January 2024
7.	Availing a multi-tranche Murabaha financing from Emirates NBD Bank P.J.S.C.	26 January 2024
8	Transfer of employees.	Early February 2024
9.	Entry into the Concession Agreement and the TSA.	5 February 2024, with an effective date of 1 January 2024
10.	Receipt of Company exemptions from certain provisions of the Companies Law by the Cabinet of Ministers.	26 February 2024

The chart below sets out the sectors, agencies and departments of the Government of Dubai, including the RTA.



Parkin Business

Parkin is the largest provider of paid parking facilities and services in Dubai, accounting for more than 90% of Dubai's on- and off-street paid parking market,[265] and has the exclusive right to operate all public on-street parking, public off-street parking and public MSCPs in Dubai. Parkin also operates certain privately-owned parking facilities under contract with property developers. For the years ended 31 December 2019, 2020, 2021, 2022 and 2023, the average number of parking transactions per month was 8.2 million, 6.2 million,

[264] Including the novation of the Developer-owned Parking Lot agreements.
[265] Industry Report.

7.6 million, 8.4 million and 9.8 million, respectively.[266] Under the Concession Agreement, the Company has the exclusive right to operate and collect the revenue generated by such parking facilities and services, collect fines in such parking facilities and collect revenue from other activities offered. The Company will pay a quarterly concession fee of 20% of the revenue generated from the RTA's parking facilities[267] to the RTA. For more information on the Concession Agreement, see "*Concession, Litigation and Regulatory Matters—The Concession Arrangement*" in Part 11 of this Offering Memorandum.

Under the Concession Agreement, the RTA is responsible for the maintenance and upkeep of the public parking facilities, and where the Company operates the Developer-owned Parking Lots, the developers are responsible for the maintenance and upkeep of the privately-owned parking lots.

In addition, pursuant to the Concession Agreement, the Company will have the right to engage with owners of private garages and plots of land in and outside Dubai to develop and operate additional parking facilities. The Company will also have the right to develop new consumer products, such as: (i) loyalty programmes; (ii) premium services and value-added services and (iii) new features on the parking application.

Operating Verticals

The Company organises its business across six operating verticals: (i) public on-street and off-street paid parking, (ii) public MSCPs, (iii) Developer-owned Parking Lots, (iv) seasonal parking subscriptions, (v) parking reservations, and (vi) other services. Each of these operating verticals is described in more detail below.

<u>Public On- and Off-Street Paid Parking</u>[268]

For the years ended 31 December 2021, 2022 and 2023, the Company operated and managed approximately 171,000, 173,000 and 175,000[269] on- and off-street paid parking spaces, respectively across 85, 85 and 85 communities, respectively. On- and off-street parking spaces are categorised in four different zones: Zone A, Zone B, Zone C and Zone D. Zone A and Zone B are classified as premium, high demand locations for on-street parking and off-street parking, respectively, and charge higher tariffs. Zone A parking facilities are located in areas such as Al Murar, Nife, Trade Centre 1, Zaabeel , Marsa Dubai, Al Wasl and Trade Centre 2. Zone B parking facilities are located in areas such as Al Rigga, Al Souk Al Kabir, Umm Hurair, Al Raffa and Trade Centre 1. As of 31 December 2023, Zone A parking accounts for 15% and Zone B accounts for 2% of total paid public on- and off-street parking. Zone C and Zone D are classified as standard parking locations for on-street parking and off-street parking, respectively and charge lower parking tariffs than Zone A and Zone B. Zone C parking facilities are located in areas such as Al Garhoud, Al Qusais, Al Karama, Al Nahada, Al Barsha-1, Al Quoz Industrial , Hor Al Anz, Business Bay and Burj Khalifa. Zone D parking facilities are located in areas such as Al Qusais, Al Karama, Al Nahada, Port Saeed, Al Garhoud, Al Wasl and Oud Metha.[270] As of 31 December 2023, Zone C parking accounts for 61% and Zone D accounts for 21% of total paid public on- and off-street parking. For the years ended 31 December 2021, 2022 and 2023, on- and off-street parking revenue accounted for 45%, 44% and 46% of the Company's revenue, respectively. On- and off-street parking had an average occupancy rate of 19%, 21%, and 24% for the years ended 31 December 2021, 2022 and 2023, respectively.[271]

[266] A parking transaction occurs when a customer makes a new parking transaction or extends a parking ticket.
[267] Includes only parking payments, permits and seasonal subscriptions, and parking reservation fees for on- and off-street paid parking and MSCPs. Revenue from commercial activities in on- and off-street parking and MSCPs, Developer-owned Parking Lots and enforcement of fines are not included in the Concession Fee.
[268] Public on- and off-street' paid parking revenue corresponds to the 'On-street/off-street parking revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.
[269] For the years ended 31 December 2018, 2019, and 2020, the Company operated and managed approximately 153,000, 161,000 and 166,000 on- and off-street paid parking spaces.
[270] Areas may be classified in multiple zones.
[271] Occupancy based on maximum revenue. For the years ended 31 December 2018, 2019 and 2020, on- and off-street parking had an average occupancy rate of 23%, 21% and 16%. The drop in occupancy in 2019 was driven by a higher increase in number of spots relative to the increase in registered vehicles in Dubai.

The below table shows the occupancy rates for Zones A, B, C and D from 2018 – 2023:

Occupancy across Public Parking

	2018	2019	2020	2021	2022	2023
Zone A	20%	20%	15%	19%	20%	22%
Zone B	41%	39%	28%	29%	34%	33%
Zone C	20%	18%	13%	16%	18%	22%
Zone D	50%	48%	34%	37%	42%	51%
Total Parking Spaces	23%	21%	16%	19%	21%	24%

Notes: (1) Occupancy based on maximum revenue. Tariffs for Zones A and C are hourly tariffs (AED/hr) while Zones B and D are daily tariffs (AED/day). (2) The Company calculates occupancy rates for Zones A and C as: actual revenue from the zone divided by the product of the number of spaces times the tariff per hour times 298 chargeable days times the number of chargeable hours per day. The Company calculates occupancy rates for Zones B and D as actual revenue from the zone divided by the product of the number of spaces times tariff per day times 298 chargeable days. During leap years, the number of chargeable days increases to 299.

The below table shows the amount of public parking spaces in Zones A, B, C and D from 2018 – 2023.

Public Parking # of spaces (in '000)

	2018	2019	2020	2021	2022	2023
Zone A	26	26	26	26	26	27
Zone B	3	3	3	3	3	3
Zone C	90	97	101	105	106	108
Zone D	34	35	36	37	38	38
Total Parking Spaces	153	161	166	171	173	175

Note: (1): >+3% average increase in number of paid public parking spaces across 2018-2023.

Under the Concession Agreement, the RTA has granted the Company the right to use all assets needed for the operation and management of on- and off-street parking, whilst the RTA will remain responsible for the construction of new on- and off-street parking, as well as the upkeep and maintenance of on- and off-street parking spaces and facilities.

On-Street Parking

On-street parking consists of parking spaces on public roads, highways and in public areas under the jurisdiction of the RTA with such parking generally located near retail and commercial locations without dedicated parking. For the years ended 31 December 2021, 2022 and 2023, on-street parking spaces accounted for 76%, 77% and 77% of all public on- and off-street paid parking spaces. Motorists may only use an on-street parking space for a maximum duration of four consecutive hours. On-street parking is charged starting from 08:00 a.m. until 10:00 p.m. daily, except for Sundays and public holidays. For Zone A, parking rates start from AED 2 for half-hour, AED 4 for an hour, AED 8 for two hours, AED 12 for three hours and AED 16 for four hours. For Zone C, parking rates start from AED 2 for an hour, AED 5 for two hours, AED 8 for three hours and AED 11 for four hours. Customers can pay via any of the Company's six payment channels and four payment methods described in "*Business Description—Information Technology*". For on-street parking, enforcement of parking payment is generally undertaken by inspectors who patrol on-street parking locations and by smart scanning vehicles that inspect approximately 70% of on-street paid public parking.

Off-Street Parking

Off-street parking consists of parking lots which are owned by the Government of Dubai and are generally located near densely populated public areas such as beaches, plazas and centres. For the years ended 31 December 2021, 2022 and 2023, off-street parking spaces accounted for 24%, 23% and 23% of all public on- and off-street paid parking spaces.

Motorists may only use an off-street parking space for a maximum duration of 24 consecutive hours. Off-street parking is charged from 08:00 a.m. until 10:00 p.m. daily, except for Sundays and public holidays. For Zone B, parking rates start from AED 3 for an hour, AED 6 for two hours, AED 9 for three hours, AED 12 for four hours, AED 15 for five hours and AED 20 for 24 hours. For Zone D, parking rates start from AED 2 for an hour, AED 4 for two hours, AED 5 for three hours, and AED 7 hours for four hours and AED 10 for all day parking. Customers can pay via any of the Company's six payment channels and four payment methods described in "*Business Description—Information Technology*". The Company's off-street parking locations are generally not staffed by parking attendants and enforcement of parking payment is generally undertaken by inspectors who patrol such locations. However, the Company plans to install automated systems to enforce payment in all eligible off-street parking locations by 2026, which will cover approximately 75% of all off-street parking.

The following map shows the Company's on- and off-street parking facilities as at 31 December 2023:

<u>Public MSCPs"</u>[272]

Public MSCPs are parking garages owned by the Government of Dubai and are generally located next to high-traffic areas and commuter destinations, including Ghubaiba, Al Rigga[273], Sabkha[274], Naif, Baniyas, Al Kifaf, Satwa and Oud Maitha. The Company operated and managed approximately 4,000 MSCPs parking spaces across nine MSCPs in each of the years ended 31 December 2021, 2022 and 2023.[275] This includes the Khansaheb MSCP, which holds approximately 450 parking spaces, and is managed and operated by a third-party private operator pursuant to a concession agreement with the Company. In addition to operating managing, and maintaining the MSCP, the third-party also has the right to issue permits and accept parking reservations. However, this does not include the Al Souk Al Kabir MSCP, which is being developed through a build, operate and transfer contract between the Company and a private entity. The private entity is responsible for constructing, financing, operating, and maintaining the MSCP on the RTA's land for the duration of 25 years. The MSCP is currently in the construction phase and is expected to become operational in November 2025. The Company will obtain a revenue share of 2% for the first nine years, after which the revenue share will increase to 10% for the sixteen remaining years of the agreement, and an annual additional Musataha fee from the third-party—a fee for the right to develop land and occupy it for the specified period, which will total approximately AED 39 million by the end of the agreement.

[272] 'MSCPs revenue corresponds to the 'Multistorey parking building fees' revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.
[273] The Al Rigga MSCP is currently under maintenance and expected to resume operations in January 2025.
[274] The Sabkha MSCP has been demolished and reinstated under a build, operate and transfer agreement.
[275] For the years ended 31 December 2018, 2019 and 2020, Company operated and managed approximately 3,000 MSCPs.

The following table details the Company's nine MSCPs as at 31 December 2023:

#	Location	Start year[(1)]	# of spaces (2023)
1	Ghubaiba	2005	1,012
2	Al Rigga[(2)]	2005	532
3	Baniyas	2005	437
4	Oud Maitha	2021	387
5	Naif	2005	381
6	Sabkha[(3)]	2005	0
7	Al Kifaf	2021	312
8	Satwa	2021	224
9	Khansaheb[(4)]	2005	444
	Total		**3,739**

Notes:
(1) Assets transferred to the RTA in 2005.
(2) Under maintenance and expected to resume operations in January 2025.
(3) Has been demolished and will be rebuilt under a build, operate, and transfer agreement.
(4) Currently operated by a third-party private operator pursuant to a concession agreement. Revenue is allocated to the 'Other Services' revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.

The following map shows the Company's MSCPs as at the date 31 December 2023:

For the years ended 31 December 2021, 2022 and 2023, public MSCPs revenue accounted for 2%, 2% and 2% of the Company's revenue, respectively.

The parking rate for MSCPs is AED 5 per hour or AED 40 per day, and is charged daily, with the exception of public holidays. Motorists may only use a MSCP parking space for a maximum duration of 30 consecutive days. Customers can pay using cash and debit/credit cards. While parking inspectors do not patrol MSCPs, they are called by MSCP staff to issue fines in the event of any violations. MSCPs had an occupancy rate of 28%, and 38% for the years ended 31 December 2022, and 31 December 2023, respectively.[276]

Under the Concession Agreement, the RTA has granted the Company the right to use all assets needed for the operation and management of the MSCPs, whilst the RTA will remain responsible for their upkeep and maintenance (save for the Khansaheb and Al Souk Al Kabir MSCPs discussed above).

[276] Occupancy rate for MSCPs is defined as actual number of cars entering the buildings each day. 2021 occupancy rate for MSCPs is not available.

Developer-owned Parking Lots[277]

Since 2012, the RTA has entered into exclusive revenue-sharing or fixed fee agreements, with private developers and landowners to operate parking facilities ("**Developer-owned Parking Lots**"). Five agreements have a duration of 10 years, one agreement has a duration of three years, and one agreement is for an unspecified period of time. These agreements are expected to be novated from the RTA to the Company such that the Company will operate these facilities and receive the revenue under the specific arrangements per each agreement. For the years ended 31 December 2021, 2022 and 2023, the Developer-owned Parking Lots revenue accounted for 7%, 7% and 8% of the Company's revenue, respectively.

For the years ended 31 December 2021, 2022 and 2023, the Company operated and managed approximately 26,000, 17,000[278] and 18,000 Developer-owned Parking Lot parking spaces, respectively across eight, eight, and seven locations, respectively, on behalf of developers: Dubai Community Management, Dubai Holding Asset Management, Dubai Multi Commodities Centre, Dubai Silicon Oasis Authority, Dubai Healthcare City, Emaar Properties P.J.S.C and TECOM Investments FZ LLC, located in the following areas: Business Bay, Barsha Heights, Jumeriah Lake Towers, Dubai Healthcare City, Burj Khalifa, Al Sufouh and Silicon Oasis.

Developer-owned Parking Lots are charged from Monday to Saturday from 8:00 a.m. to 10:00 p.m. daily, with the exception of public holidays. Parking tariffs are governed by the individual agreements with the private developers and landowners and are generally charged at AED 4 per hour.[279] Similar to on- and off-street paid parking, enforcement of parking payment is generally undertaken by inspectors who patrol such locations. Developer-owned Parking Lots had an occupancy rate of 16%, 23% and 26% for the years ended 31 December 2021, 2022 and 2023, respectively.[280]

The agreements are either structured as revenue sharing or require an annual fee to be paid to the private developer with the Company keeping 100% of the revenue, and do not require the Company to pay an upfront fee. For the Dubai Healthcare City and Burj Khalifa contracts, the Company is entitled to 100% of the revenue and does not need to pay any annual fee as it is the only entity licensed to operate the parking facilities. Save for the Dubai Healthcare City agreement, under the agreements, the private developer or landowner is responsible for the upkeep and maintenance of the facilities. Further, majority of the agreements automatically renew upon expiration.

[277] 'Developer-owned Parking Lots' revenue corresponds to the 'Developer parking fee' revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.

[278] Number of Developer-owned Parking Lot spaces decreased due to Al Khail contract not being renewed, which was mutually decided between the RTA and the developer due to low occupancy rates.

[279] Rates charged at AED 4 per hour at the exception of Al Sufouh, which is charged at AED 2 per hour and Jumeirah Lake Towers, which is charged either AED 4 or AED 10 per hour.

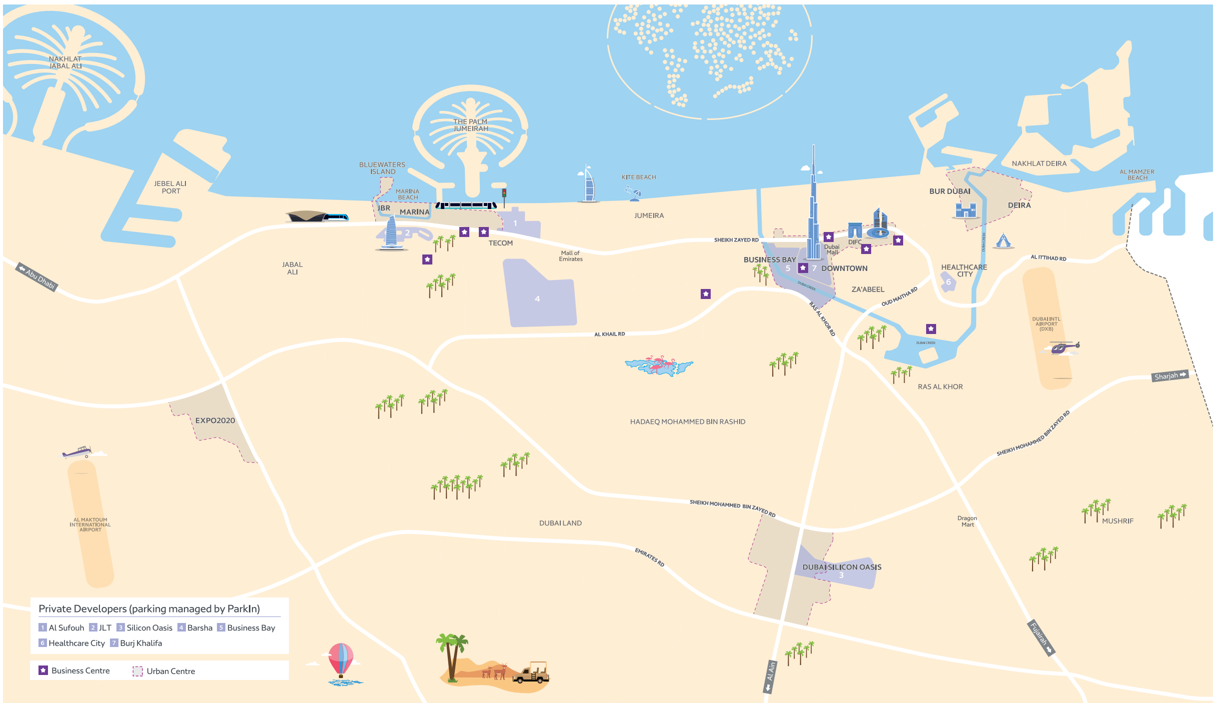
[280] The Company calculates occupancy rates for Developer-owned Parking Lots as: actual revenue of Developer-owned Parking Lot divided by the product of the number of spaces times tariff per hour times 298 chargeable days times chargeable hours per day. During leap years, the number of chargeable days increases to 299. For the years ended 31 December 2018, 2019 and 2020, Developer-owned Parking Lots had an occupancy rate of 18%, 21% and 14%.

The below table provides a summary of the Developer-owned Parking Lots operated and managed by the Company as at 31 December 2023:

Seven communities' parking managed by Parkin					
#	**Location**	**# of spaces** *(As at 31 December 2023)*	**Rate per hour**	**Expiry**	**Terms**
1	Al Sufouh.	9,028(1)	AED2	2024	100% of revenue for a fixed fee of AED 4.5 million(2)
2	JLT.	2,545	AED4 / 10	2027	50% of revenue
3	Silicon Oasis	2,522	AED4	2026 (automatic renewal)	100% of revenue for a fixed fee of AED 3.0 million
4	Barsha Heights	1,751	AED4	2028 (automatic renewal)	100% of revenue for a fixed fee of AED 1.0 million
5	Business Bay	1,077	AED4	2026 (automatic renewal)	100% of revenue for a fixed fee of AED 1.0 million
6	Dubai Healthcare City. . . .	534	AED4	2026 (automatic renewal)	100% of revenue without paying fee
7	Burj Khalifa	296	AED4	2026	100% of revenue without paying fee

Notes:
(1) Upon renewal following expiration of the current contract in April 2024, the Company will only operate 1,300 parking spaces. The remaining 7,728 parking spaces will not be available for public use and negotiations are undergoing to introduce more on-street parking for public use in the same developer area.
(2) Revenue sharing policy is not fixed and terms could be amended.

The following map shows the Developer-owned Parking Lots as at 31 December 2023:



Under the Concession Agreement, the Company has the right to engage with additional private developers and landowners to operate additional parking facilities. The Company will not have to pay a concession fee to the RTA on any revenue generated from these facilities.

Permits and Seasonal Parking Subscriptions[281]

The Company offers paid seasonal parking subscriptions for on- and off-street parking, MSCPs, and Developer-owned Parking Lots, and free seasonal parking subscriptions to select government officials, individuals with chronic diseases, individuals who attend centres for persons with disabilities, UAE nationals and citizens of the GCC countries[282], People of Determination, senior UAE citizens, individuals with medical needs and mosque attendees. The Company has also recently introduced a service issuing permits to third-parties to conduct their business in the Company's parking facilities, such as car washes, car rentals, temporary events, food trucks, auctions and valet parking.

For the years ended 31 December 2021, 2022 and 2023, there were approximately 60,000, 80,000 and 139,000 paid seasonal parking subscriptions in issue, respectively and 13,200, 15,100 and 13,400 free seasonal parking subscriptions in issue, respectively.[283] As at 31 December 2023, the Company issued 121,000, 1,000 and 12,500 seasonal parking subscriptions for on- and off-street parking, MSCPs, and Developer-owned Parking Lots, respectively.[284]

The below table shows the amount of seasonal parking subscriptions provided based on the parking facility and specific individuals.

	Applications, k			
Type	2020	2021	2022	2023
General (Zones A, B, C, D)	30	32	45	78
Area (Zones B, D)	16	17	26	43
TECOM	5	4	4	12
Education staff	<1	2	2	4
Silicon Oasis (Zone H)	<1	<1	<1	<1
Silicon Oasis (limited areas)	<1	<1	<1	<1
Student	<1	<1	<1	<1
MSCPs	<1	<1	<1	1

For the years ended 31 December 2021, 2022 and 2023, permits and seasonal parking subscriptions revenue accounted for 18%, 17% and 17% of the Company's revenue, respectively.

The following chart describes the tariffs for one-month, three-month, six-month, and annual seasonal parking subscriptions for on- and off-street parking, MSCPs, and Developer-owned Parking Lots as at the date of this Offering Memorandum.

	Seasonal Parking Subscription Tariffs (AED)			
Operating Vertical	One-month seasonal parking subscription	Three-month seasonal parking subscription	Six-month seasonal parking subscription	Annual seasonal parking subscription
On-street parking	500	1,400	2,500	4,500
Off-street parking	250 - 500	700	1,300	2,400
MSCPs	700	2,000	4,000	8,000
Developer-owned Parking Lots(1)	n/a	700	1,300	2,500

Note: (1) Only reflects tariffs for the Al Barsha Heights parking facility.

Parking Reservations

The Company provides reservation services for on- and off-street parking and MSCPs, where customers are able to reserve a particular parking space for a period of up to 1 year. Reservation fees for on- and off-street parking are AED 100, AED 2,800, AED 5,000 and AED 9,000 for one day, three months, six months and one

281 'Permits and Seasonal parking subscriptions' revenue corresponds to the 'Permits and seasonal cards' revenue stream in Note 6 of the 2022/2021 Carve-out Financial Statements and Note 6 of the 2023 Carve-out Financial Statements.
282 UAE nationals and citizens of the GCC countries are provided free parking permits to park in on- and off-street paid parking, and MSCPs located in front of their residences.
283 In addition, there are approximately 25,000 exempted government official vehicles.
284 The Company also issued approximately 4,000 permits to education staff.

year, respectively. Reservation fees for MSCPs are AED 4,000, AED 8,000 and AED 16,000 for three months, six months and one year, respectively. However, government officials, Masjid Imams (prayer leaders), and UAE nationals[285] are provided free parking reservations. Currently, the Company offers approximately 1,300 dedicated spaces for People of Determination.

For the years ended 31 December 2021, 2022 and 2023, Parking Reservations revenue accounted for 3%, 3% and 3% of the Company's revenue, respectively.

Other Services[286]

The Company provides rental services, where businesses have the right to use parking spaces for a specified period of time in the Company's MSCPs.

For the years ended 31 December 2021, 2022 and 2023, Other Services revenue accounted for 1%, 1% and 1% of the Company's revenue, respectively.

Tariff Framework

The following table shows the tariff framework with a differentiation by zone depending on the location (on-street, off-street, MSCPs or Developer Parking Lots) and type (premium vs. standard areas) of parking as at 31 December 2023.

			Cumulative Tariffs, AED				Spaces		Transactions	
Zone	**Location**	**Type**	***1st hr***	***2nd hr***	***3rd hr***	***4th hr***	***#, k***	***% of total***	***#, m***	***% of total***
A	On-street / Barsha Heights	Premium	4	8	12	16	28	14%	26	22%
B	Off-street	Premium	3	6	9	12	3	2%	1	1%
C	On-street	Standard	2	5	8	11	108	55%	68	58%
D	Off-street	Standard	2	4	5	7	38	19%	13	11%
F	Al Sufouh		2	5	8	11	9	5%	3	3%
G	Business Bay, Burj Khalifa, Dubai Healthcare City		4	8	12	16	2	1%	2	2%
H	Silicon Oasis		4	8	12	16	3	1%	1	1%
E			10	20	30	40			3	3%
I			10	20	30	40				
J	JLT		4	8	12	22(1)	3	1%		
K			4	8	12	16				
L			4	8	12	22				
MSCPs			5	10	15	20	4	2%	<1	<0%

Note: Daily (24-hour tariff).

Enforcement of Tariffs and Fines

Pursuant to the Concession Agreement, the Company is responsible for collecting all parking tariffs[287]. The Company will also be responsible for enforcing and collecting fines and penalties from Dubai-registered vehicles. However, the RTA, at its own cost and expense is required to use its best efforts to take all necessary civil or criminal legal measures to support the Company in the collection and enforcement of fines and penalties in relation to unpaid tariffs from all vehicles. The RTA then pays the Company the revenue from collection of such unpaid tariffs and fines from internationally-and UAE- registered vehicles. Further, if the

[285] UAE nationals may reserve parking spaces in front of their residences for free.
[286] Payments received from the Khansaheb MSCP are included in 'Other Services' revenue stream.
[287] Fine revenue collected from the Company is not included in the Concession Fee.

RTA fails to perform its enforcement obligations, the Company is entitled to take all necessary civil and criminal legal measures to enforce such payment by the violator. However, both the Company and the RTA have limited capacity to enforce fines resulting from violations by vehicles from other Emirates that are not licensed through the RTA. By paying a commission for each collected fine, the RTA incentivises other Emirates to collect fines on behalf of the RTA, however, the RTA and the Company have little direct ability to enforce such violations. As a result, the Company and the RTA are unable to collect fines from certain vehicles. For the years ended 31 December 2021, 2022 and 2023, the number of UAE vehicles using the Company's parking facilities and services was approximately 2.5 million , 3.1 million and 3.5 million and for the years ended 31 December 2021, 2022 and 2023, the number of non-UAE vehicles using the Company's parking facilities was 44,000, 116,000 and 136,000.[288] Given the low collection rate of fines from non-UAE registered vehicles, the Company does not include revenue related to such fines in its financial statements. For more information, see *"Risk Factors—The Company's parking revenues are dependent on tariffs and/or fines being received from customers following the use of its parking locations"* in Part 1 of this Offering Memorandum.

The Company relies on approximately 300 inspectors, to patrol on- and off-street parking locations. The inspectors have the capacity of law enforcement officers. The Company has implemented technology for inspectors to efficiently inspect vehicles with an average time of 10 seconds, compared to 30 seconds when done manually. In addition to those inspectors, the Company also utilises 19 smart scanning vehicles at some of its locations to increase the number of daily vehicles inspected. In the year ended 31 December 2023, inspectors inspected approximately 131,000 parking spots per day, with smart scanning vehicles responsible for approximately 66,000 parking spots per day. The Company has also placed an order for 200 cameras to implement a smart parking lot project, where cameras are placed at the entry and exit of the parking plots and will aid with parking inspection. The smart parking lot project will cover about approximately 50 out of 281 off-street parking lots by the end of this year. The Company believes that its ongoing investments in its parking enforcement infrastructure will increase the amount of fines from non-compliant customers and in parallel increase the amount of compliant customers, which the Company expects to result in less violations overall. Given that an increased number of non-compliant customers will be fined, the Company does not expect a decrease in revenue from fines. However, it does expect to earn more revenue from parking payments as customers become more compliant.

For the years ended 31 December 2021, 2022 and 2023, the Company issued 1.0 million, 1.3 million and 1.3 million fines, respectively. For the years ended 31 December 2021, 2022 and 2023, the Company recorded revenue from fines of AED 135.9 million, AED 179.0 million and AED 181.3 million, respectively and for the years ended 31 December 2021, 2022 and 2023, revenue from the enforcement of fines accounted for 23%, 26% and 23% of the Company's revenue, respectively.

The following chart describes the potential violations, applicable fines, and percentages of the number of total fines issued for the year ended 31 December 2022.

Violation	Fine (AED)	% of Total Fines in 2022
Parking without paying	150	54%
Parking after expiry of ticket	100	37%
Disruption of parking	200	4%
Parking in no-parking area	200	3%
Parking on a pavement	200	2%
Exceeding max duration of parking	100	<1%
Parking without designated permit	1,000	<1%
Displaying vehicles for rent/sale without permit	1,000	<1%
Parking in a space reserved for others	1,000	<1%
Vehicle without number plate	1,000	<1%

Information Technology

The Company aims to provide a customer-centric experience, with fully digitalised operations. Customers are able to pay for parking facilities and services via six payment channels: parking meters, phone applications (e.g. Dubai NOW App and Dubai Drive App), AppClip (via QR code), WhatsApp, seasonal parking subscriptions and SMS, with four different payment methods: ApplePay, cash, Nol public transport card and

[288] This is based on calculating the amount of vehicles either (i) paying public fees or (ii) being fined.

debit/credit cards. In addition, the Company is digitising fine enforcement by implementing smart scanning vehicles and smart parking cameras.

Under the Concession Agreement and the TSA, the RTA will transfer its proprietary and licensed IT systems to the Company. The RTA can seek parking related data for public parking upon which the Company will need to provide the data pursuant to the Concession Agreement. The RTA is responsible for implementing, at its own expense, any updates and upgrades to IT systems, which are connected to or integrated with other systems, portals and/or interfaces which are used and/or operated by the Dubai Government.

Key IT systems used by the Company are described in the table below. The systems described below have been combined into a unified platform, which could also be extended to other Emirates and globally. Maintenance of these systems has been outsourced by the Company.

System Name	**Description**
Parking Account System	Operational since 2014, this system allows customers to manage all their transactions through mobile applications provided by the Company. As at 31 December 2023, this system is licensed to the Company and facilitated by a third-party company, Infocomm. Any new modules added to this system will be owned by the Company.
Parking Nol System (PFAC)	Operational since 2009, this system manages and enables Nol public transport card transactions for the parking meters with Nol master system. This system is licensed to the Company.
Parking Control Management System (PCMS)	Operational since 1998, this system connects all on-street parking payment machines into a single platform used for monitoring their status, reporting and integration with other systems. As at 31 December 2023, this system is licensed to the Company and facilitated by a third-party company, Energy International.
Parking Fines System	Operational since 2003, this system is used by inspectors to help record, process and report parking fines and fine disputes. This system is owned by the Company.
Parking Services System	Operational since 2003, this system manages parking services such as parking reservations, seasonal parking subscription issuances, renewals and exemptions. This system is owned by the Company.
Multi-storey Car Parks System	Operational since 2013, this system manages and monitors parking operations at eight MSCPs.[289] As at 31 December 2023, this system is licensed to the Company and facilitated by a third-party company, Skidata.
mParking System	Operational since 2009, this system processes all SMS parking requests from telecom operators, Etisalat and DU, to determine the value and deduct the value from user accounts. As at 31 December 2023, this system is licensed to the Company and facilitated by a third-party company: Infocomm. Any new modules added to this system will be owned by the Company.
AI Occupancy Model	Artificial intelligence model to provide parking estimated occupancy for off-street parking and MSCPs by 2025. Estimated occupancy will reflect whether demand for the parking facilities is "High", "Medium", or "Low".
Smart Parking Inspection	Operational since 2020, this system deploys 19 vehicles (and 2 spare) (as at the date of this Offering Memorandum) for smart, fully-automated parking enforcement and inspection using digital cameras powered by artificial intelligence and machine-learning to scan the license plates of the parked vehicles and issue fines in case of a violation. Phase one of this system had 9 operational vehicles, with the smart parking inspection system installed, and is based on the SaaS system. Phase two of this system added ten additional vehicles to the Company's fleet in December 2023, which became operational in February 2024.

[289] Not including the Khansaheb MSCP.

ESG

The Company is forward-thinking with a sustainable agenda and strategies to implement green practices, provide socially beneficial incentives and ensure strong corporate governance. The key areas of focus for the Company are:

- ***Environment***: green mobility, air quality, energy and emissions management and innovation and digitalisation;

- ***Social***: employee engagement, diversity and inclusion, health and safety and local community; and

- ***Governance***: customer privacy, procurement practices and business ethics.

For more information on the Company's ESG strategies, see "*Strategies—ESG focus: Implement green practices, provide socially beneficial incentives and ensure strong corporate governance*" in this part of the Offering Memorandum.

ESG and CSR Policy

In order to achieve its ESG initiatives and strategies, the Company has adopted an ESG and CSR policy that serves as a guiding framework. The Company's policy applies to all company operations, employees, suppliers, service providers, and business partners that are directly linked to its business operations. The objective of the Company's policy is to underpin its commitment to sustainable development by incorporating ESG principles and promoting social accountability across all business operations. It is an integral part of the Company's core decision-making and business strategy, aiming to mitigate negative impacts, generate value for its stakeholders and drive measurable change in the community.

The Company intends to integrate ESG and CSR issues throughout its business lifecycle for positive impacts on customers, communities, environments and economies, which includes defining internal roles and responsibilities to effectively manage, monitor and report ESG and CSR performance, aligning with global leading practices. The Company will proactively seek stakeholder inputs through a structured process by assessing and prioritising significant ESG and CSR impacts relevant to the business. The Company is committed to collaborating with the industry and partners to drive collective action, share best practices, and accelerate progress towards sustainable development.

ESG and CSR Commitments

The Company is committed to net zero operations by 2050 and aims to understand, address and mitigate direct and indirect GHG emissions. To facilitate this aim, the Company will actively support green modes of transportation, invest in EV charging infrastructure, reduce emissions within its parking facilities and operations and engage stakeholders to raise awareness of the environmental benefits of sustainable mobility. Also, the Company intends to engage collaboratively with local communities through open feedback channels, contribute to local initiatives, prioritise accessibility, inclusivity and heritage preservation, and actively support philanthropic initiatives for community well-being and development. The Company expects to conduct its business with the utmost integrity and transparency, making ethical decisions in all aspects of the Company's operations and maintaining zero tolerance for corruption in any form. It will strive to protect the privacy and security of data entrusted to the Company through the implementation of robust security measures, adhering to all relevant data protection laws and regulations. Further, Company will also ensure that its third-party service providers meet the high ESG, data protection, fair labour practices and privacy standards it maintains internally. The Company intends to integrate its ESG practices into the implementation of smart parking solutions that optimise space utilisation, reduce congestion and enhance the overall efficiency of the Company's parking facilities. It will continue to prioritise the digitalisation of the Company's services, providing digital payment options for enhanced convenience and leveraging digital platforms to actively engage with its customers. The Company will consider the environmental and social impact of any new technologies and is committed towards addressing pressing environmental and social challenges through sustainable and ethical solutions.

Implementation of ESG and CSR Commitments

The implementation of the principles outlined in the policy and any related ESG and CSR strategies will be monitored and reviewed on an annual basis. The policy and principles will be updated when deemed necessary as a result of ESG performance reviews, changes to the regulatory landscape and shifts in stakeholder expectation. Further, the ESG and CSR policy requires appropriate internal controls to provide evidence of compliance. The Company is obliged to maintain detailed records, documents, data and statistics for all efforts and due diligence related to ESG and CSR commitments. Further, such records are required to be available for internal or external audit purposes.

ESG and CSR Oversight and Governance

The oversight and governance of the Company's ESG and CSR policy is handled by the Board of Directors, the Executive ESG Committee and ESG Champions.

The Board aims to embody the Company's ESG vision and will establish a consistent practice of incorporating ESG-related topics into the agenda for Board meetings, ensuring ongoing attention and strategic consideration of ESG matters. The Board will appoint and delegate responsibility to an Executive ESG Committee that will oversee the implementation of the Company's ESG strategic direction and policies and ensure the relevant disclosures and practices are being implemented in various departments.

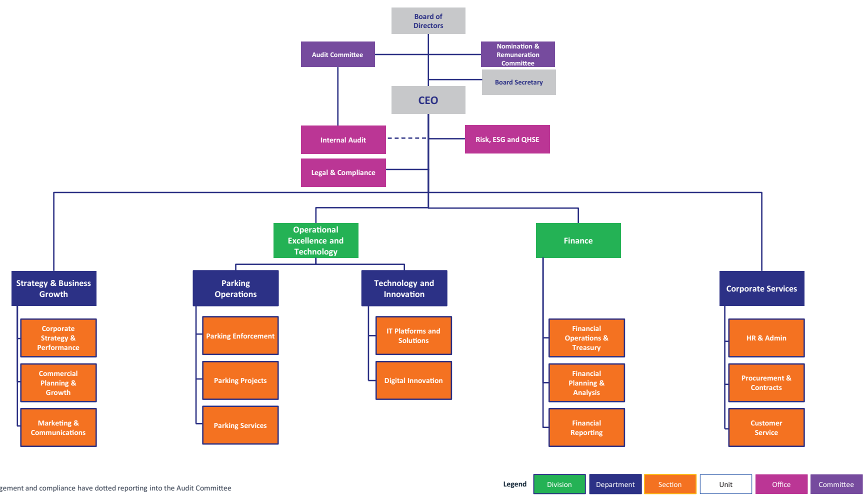
The Executive ESG Committee will establish, implement and maintain the Company's ESG and CSR policy and assess the performance of the policy on an annual basis. The committee will report to the Board regarding the Company's progress toward ESG metrics and targets. Further, the committee will be responsible for publishing ESG disclosures publicly and engage with key stakeholders and investors on ESG-related matters, when appropriate, in line with the Company's ESG reporting procedures and globally recognised reporting standards and frameworks.

The ESG Champions is a group of Company managers who will assist the Executive ESG Committee in the day-to-day implementation of the ESG and CSR policy and ensure that the implementation of the policy across the Company is aligned with leading standards and stakeholder expectations.

Corporate and Operational Functions

Prior to the Carve-out, the Company received several shared services from the RTA for core support services for executive oversight, legal, finance, marketing, customer services, information technology, human resources and financial reporting. Following the Carve-out, the Company has the following independent corporate functions: internal audit, compliance, enterprise risk management, internal control, control environment, risk assessment, control activities, information and communication and monitoring activities.

The chart below shows the internal organisation structure for the Company as at the date of this Offering Memorandum.



Note:

- Risk management and compliance have dotted reporting into the Audit Committee

Independent Corporate and Legal Functions

Prior to the Carve-out, there were no RTA corporate or legal department employees fully dedicated to Parkin, with support being provided on an ad hoc basis whenever the need arose. Following the Carve-out, the Company will have independent internal audit, compliance, enterprise risk management, internal control, control environment, risk assessment, control activities, information and communication and monitoring activities functions.

Internal Audit

Following the Carve-out, the Company's internal audit function will be served by two representatives, both hired externally. The purpose of Company's internal audit is to provide independent, objective assurance and consulting services designed to add value and improve Company's operations and systems of internal controls. The mission of the internal audit is to enhance and protect Company's values by providing risk-based and objective assurance, advice and insight. It assists Company in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The internal audit function will operate according to a comprehensive audit plan approved by the Audit Committee. Such plan is updated annually, or as needed. The internal audit function also conducts special investigations as approved by the Audit Committee. The internal audit function is responsible for preparing a report to be submitted to the Directors and to the Audit Committee regarding its audit activities during the financial year compared to the approved plan.

Compliance

The compliance function is responsible to comply with all applicable laws and regulations and maintain the highest standard of ethical behaviour in all business activities consistent with the UAE regulatory framework, industry leading practices and international standards. Compliance function is responsible to identify, measure and assess compliance risks at the Company and provide guidance with respect to compliance related matters. The key elements of the Company's compliance framework are as follows: governance; compliance culture; compliance obligations; compliance risk assessment; people and skills; compliance programme (policies, procedures and controls); training, awareness and communication; monitoring, testing and reporting; record-keeping; non-compliance detection, investigation and reporting; and third-party due diligence.

Enterprise Risk Management

The enterprise risk management ("**ERM**") function looks at risk management strategically from the perspective of the entire company. The ERM function identifies, assesses and prepares for potential losses, dangers and other potentials for harm that may interfere with Company's operations and objectives and/or lead to losses.

Internal Control

The Directors are ultimately responsible for organising and monitoring adequate internal control within the Company. The internal control framework defines the key elements of internal control in the Company, and related roles and responsibilities.

Internal control at the Company is accomplished through a defined and communicated internal control framework, which provides structure and discipline for internal control.

Control Environment

The Company's control environment consists of policies, standard operating procedures, processes, controls, systems and activities implemented within the Company to support identification and adherence to regulatory requirements. The Board has assigned authorisations for decision making throughout the Company. The Board monitors the effectiveness of the internal control in accordance with its annual cycle and has delegated its monitoring activities to the Audit Committee.

Risk Assessment

The Company's risk management process is defined in the enterprise risk management policy. In accordance with the annual cycle, business units, functions, management and the enterprise risk management section assess risks, and define appropriate mitigating actions, and related roles and responsibilities. Risk assessments are frequently reviewed by the enterprise risk management section and reported to the Audit Committee.

Control Activities

The Company's control activities are defined and documented in the process specific internal control procedures, which detail the behaviours, responsibilities and documentation of internal control. Control activities are risk-based and include all main Company business and financial reporting processes. Control activities include, e.g., authorisations, approvals, reconciliations, specifications, segregation of duties and business performance reviews.

Information and Communication

The Company communicates internal control related matters internally with the organisation in order to ensure that every employee and manager in the Company behaves and carries out internal control activities as expected. Communication also facilitates understanding of the internal control objectives within the organisation. The Company communicates internal control topics with its stakeholders through its web pages and annual reports.

Monitoring Activities

Monitoring activities include both ongoing day-to-day monitoring and separate evaluations. The objective of the monitoring activities is to obtain reasonable assurance for the Board and Management that the internal control procedures are present and functioning. Observations and corrective actions are evaluated, mitigated and addressed in a timely manner.

Overview of Policy Framework

The Company is implementing various policies aimed at ensuring (i) business-wide compliance with the relevant laws, regulations and business rules and (ii) that standards and processes for ensuring compliance are set in established form. These policies, which are expected to be approved by the Board prior to listing, include:

Board Charter: The board charter sets out the overall roles, responsibilities and mandate of the Board of Directors in line with the establishment decree, Articles of Association, as well as requirements of the SCA.

Audit Committee Terms of Reference: These terms of reference set out the basis for the creation and functioning of the committee and the limits of the committee's mandate and authority as a committee of the Board. The purpose of the committee is to review the Company's financial and accounting policies and procedures, monitoring the integrity of, and reviewing, the Company's financial statements, appointing and engaging the Company's statutory auditor, reviewing and evaluating the internal control and risk management systems of the Company and assisting the Board on the Company's financial reporting process and integrity of the financial statements. The Terms of Reference further set out the authority of the committee, the parameters for committee membership, the process for conducting committee meetings and the specific responsibilities of the committee, including the committee's reporting requirements to the Board.

Nomination and Remuneration Committee Terms of Reference: These terms of reference set out the basis for the creation and functioning of the committee and the limits of the committee's mandate and authority as a committee of the Board. The mandate of the committee is to (i) assist the Company's Board of Directors in overseeing nomination, selection, and succession planning of the Board of Directors and Senior Management, (ii) recommend the company-wide remuneration framework and policies approved by the Board, (iii) discuss the people, culture, and performance framework and practices, (iv) discuss compliance with applicable human capital related regulatory requirements and (v) discuss the code of conduct/business ethics and the Company's internal policies and procedures.

Board Remuneration Policy: The Board Remuneration Policy sets the framework, guidelines and considerations for a fair and transparent process of remuneration for Company's Directors in line with requirements set out as per the Company's Articles of Association and SCA regulations.

Code of Conduct: This code sets out the Company's expected standards of ethical and personal conduct of Company employees. It outlines the core values of the Company aimed at enhancing the spirit of responsibility and promoting adherence to high ethical standards. The code encourages contractors, consultants, business partners, suppliers and any other persons who work with or represent the Company to follow similar standards.

Anti-Money Laundering Policy: This policy establishes the core principles and procedures relating to the prevention, identification, and management of the organisation's money laundering, terrorism financing and sanctions risks in line with the applicable regulations. The policy contributes to the stability, integrity and strength of the global financial system and aims to protect the Company from reputational damage and any potential action from non-compliance with relevant laws.

Whistleblowing Policy: The whistleblowing policy sets the framework for detecting unethical, corrupt or illegal conduct within the Company. The policy is established to openly communicate the Company's promise and process for managing concerns submitted by all stakeholders. The Company is committed to establishing a healthy speak-up culture that encourages all stakeholders to report perceived corruption or improper business practices or regarding third parties doing business with the Company.

Insider Trading Policy: This policy sets the guidelines for those who have access to inside information of the Company, including members of the Board, employees, and other persons performing tasks for the Company such as independent contractors. The policy strictly prohibits the trading of the Company's securities based on non-public information. For the purposes of this policy, insider information refers to any information, event, decision or fact that may directly or indirectly affect the price or trading movement or volume of the security or may have an effect on an investor's decision. To ensure transparency and disclosure, the Policy requires the Company to develop and regularly update an insider's register to be disclosed to SCA and the DFM. The Company will also observe blackout and silent periods wherein the Company will refrain from answering questions or commenting on insider information and directors and employees will be prohibited from dealing in the Company's share during pre-identified price-sensitive periods.

Conflict of Interest Policy: This policy sets out the responsibilities of the Company, and of those working for and with it, in managing conflict of interest. The Conflict of Interest Policy also sets out the manner in which the Company will monitor conflicts. For the purposes of the policy, a conflict of interest arises when a director, employee or any person performing tasks for the Company has a personal, business or financial interest in a third party that is to do business with the Company or might benefit in any way from the selection of a third party to do business with the Company.

Corporate Governance Framework: The corporate governance framework manual encompasses the corporate governance standards of the Company and provides a structure within which the Directors and Senior Management can effectively pursue the Company's objectives. The corporate governance framework has been developed taking into consideration the Articles, the terms of reference of the committees of the Board and applicable laws and regulations.

Human Resources Policies: The human resources policies provide essential guidelines to the human resource staff in performing the human resource activities namely, HR and organisation, talent acquisition, talent development, rewards and recognition and employee services.

Finance Policy: The finance policy provides essential guidelines to the Company's finance staff related to performing finance and accounting activities such as payroll, project accounting, fixed assets, accounts receivable, accounts payable, annual planning, budgeting and reporting, general ledger, treasury and VAT returns in line with SCA and IFRS requirements.

Procurement Policy: This policy sets out a standardised and efficient approach to all contracting and procurement activities such as development of procurement plan, supplier management, request for information and quotations, single source purchasing and credit card purchases.

ESG Policy: This policy outlines the Company's commitments to operating as a responsible and sustainable business by managing its operations in a manner that balances its social, environmental and economic impacts and generates value for stakeholders in line with the overall strategic objectives. For more information on the Company's ESG policies, see the "*ESG*" section in this part of the Offering Memorandum.

Investor Relations Policy: This policy defines standard conformance of the various investor relations processes to the applicable laws and regulations. This policy provides clarity on the interactions and nature of communication required between various stakeholders within and/or outside the Company. This policy promotes transparency, communication, accountability, efficiency and controls in executing investor relations processes.

Enterprise Risk Management (ERM) Policy and Framework: This policy defines the overall ERM governance practices of the Company in line with SCA regulations and forms the foundation for the relevant stakeholders to manage day-to-day decision-making and risk management capability. The policy also sets out the risk appetite, which is the amount of risk that the Company is willing to accept to achieve its objectives, along with the risk tolerance that defines the acceptable deviation from the risk appetite.

Internal Audit Charter and Manual: This charter defines the roles and responsibilities of the internal audit function, in line with the expectations from the Audit Committee as delegated by the Board of Directors in line with the institute of internal auditors standards.

This charter sets out procedures and provide essential guidelines to the internal audit staff in performing the internal auditing activities, covering internal audit planning, execution and follow up activities at the Company.

Compliance Policy and Procedures: This policy equips the Company with guidance on leading practices and methodologies that help the compliance function conduct its duties efficiently and effectively in line with SCA regulations. This policy defines the principles, framework, program and related roles and responsibilities within the Company in relation to compliance related matters.

The Company will also consider introducing additional policies and/or updating existing policies as required by law, regulation or business practice.

Independent Operational Functions

Following the Carve-out, the Company will employ a variety of parking business experts, including a Chief Operations Officer and a Director of Technology. The majority of these employees were previously employed by the RTA and have significant experience working with Parkin.

Shared Corporate and Operational Functions

Following the Carve-out, the Company will continue to receive a variety of corporate and operational functions from the RTA. As at the date of this Offering Memorandum, the Company receives the following services from the RTA under the Concession Agreement and the TSA, respectively.

Concession Agreement

TRA services include:

- planning and design of roads including recommending an implementation schedule for proposed locations, preparing technical and engineering plans for approved areas and coordinating with the Company in relation to projects and the financial budget required;

- construction of roads including designing and establishing public car parks, updating the parking layer of GIS to add new car parks and ensuring the continuation of work on all open service requests;

- the maintenance of roads and road facilities including the preventative and corrective maintenance of parking infrastructure, the provision of access to roads furniture and infrastructure, the estimation of the costs of the work required and the continuation of work on all open service requests;

- the installation and maintenance of traffic signs and road markings;

- the maintenance of lighting and traffic systems including providing assistance with the installation and removal of any internet-of-things devices related to parking operations and the provision of power to the devices if required;

- providing specialised studies on the impact of traffic on temporary events;

- reviewing the integration of proposed paid parking locations based on soft mobility services availability and developing the standards for signages and road marking as well as providing input into any new design specifications; and

- providing right of way services for the inspection and issuance of fines for violations in private parking and in unpaid public parking in all areas of the Emirate.

Licensing Agency services include:

- providing for the design, execution and support of licensing systems relating to the registration and renewal of licenses and car registrations.

Corporate Administrative Support Services include:

- providing services and maintenance to buildings and facilities including monitoring the implementation of maintenance requests, addressing breakdown complaints, preparing and implementing preventive maintenance programs, conducting technical surveys evaluating operational status and existing malfunctions, coordinating with internal and external entities regarding the provision of services, managing insurance contract and providing approval to conduct any new commercial activities in the MSCPs;

- providing services and maintenance to buildings and facilities including technical services such as cleaning, gardening and public health and pest control as well as supervising the proper disposal of general and hazardous waste; and

- providing treasury services including billing services and allowing for the transfer of revenue to the Company's bank account for collections done by the Licensing Department and Automated Collection Systems Department.

Strategy and Corporate Governance services include:

- providing transportation policies and strategic planning around the introduction of new paid parking zones/locations;

- providing for the planning and monitoring of roads and transportation rights of way including verifying and providing the ownership and land use data of the proposed lands and coordinating with the Dubai Municipality to provide the available data to measure the density of urban development;

- providing commercial and investment services in relation to new public private partnership projects including the handover of parking operations, the approval of feasibility studies relating to the new projects and the identification of investors for the public private partnership contracts;

- providing legal assistance relating to any amendments to parking laws;

- monitoring, coordinating and providing governances over enterprise command and control operations including supervising the crisis management centre and identifying and managing potential incidents and emergencies;

- providing statistics and data analysis of the utilisation of car parks;

- managing the acquisition, utilisation and disposal of assets relating to the Company owned by the RTA;

- providing corporate quality assurance services by supervising the performance and quality of services; and

- monitoring the Company's compliance with legislation, administrative circulars and relevant agreements.

Corporate Technology Support Services include:

- developing, executing and managing geographic information systems, ensuring compliance and regular reporting on risks, integration of relevant authority systems and services as well as providing technical support for various geographic activities;
- providing information technology and infrastructure services;
- providing automated collection systems to enable loyalty points on using Nol cards as well as providing certain card services including ensuring the proper functioning and testing of card system devices and software; and
- managing clearing and settlement operations for collected revenues paid through Nol cards.

Security and Monitoring services include:

- providing security and monitoring services such as video surveillance as well as providing access to the various RTA applications.

TSA

Under the TSA, the RTA will provide the following transitional services to the Company:

- smart services for 24 months;
- customer support for 24 months;
- human resources and development support for 6-12 months;
- administration services support for 12 months;
- warehouse access for 24 months;
- cash collection support for 6 months;
- commercial and investment support for 12 months;
- legal support for 12 months;
- security and monitoring support for 24 months;
- IT and application support for 24 months; and
- marketing support for 6-12 months.

The Company will pay an additional fee to the RTA for the provision of transitional services, however, will not pay for the provision of permanent services. For more information on the Concession Agreement and the TSA, see "*Concession, Litigation and Regulatory Matters*" in Part 11 of this Offering Memorandum and "*Material Contracts*" in Part 14 of this Offering Memorandum.

Intellectual Property

Pursuant to the Concession Agreement, the RTA is expected to novate to the Company contracts with the third-party companies relating to intellectual property rights that help facilitate the operations for the parking facilities, including Infocomm, MDX Technology, and Techvista, all relevant internet domain names and all licenses for the software applications used for the parking facilities and services.

The Parkin trademark is registered in the UAE under Parkin.

There are five domain names that will be transferred to the Company under the Concession Agreement: Parkinuae.com, Parkinuae.ae, Parkin.ae, Dubaiparkin.com and Dubaiparkin.ae, which are owned by the RTA.

Insurance

The Company maintains a general insurance policy that covers a wide range of risks related to its business, including, but not limited to, health, directors' liabilities and workmen compensation. The Company maintains the types and amounts of insurance coverage that the Directors believe are consistent with customary industry practices in the UAE.

Properties

All of the parking facilities (save for the Developer-owned Parking Lots) that the Company manages and operates under the Concession Agreement are owned by the RTA and located on land that is owned by the Government of Dubai. The Developer-owned Parking Lots are located on land owned by the relevant developer or landowner and the use of the land is governed by the agreements between the Company and each developer or landowner.

Pursuant to the Lease Agreement, the Company leases office space from the RTA and is expected to continue to do so for one year.

Culture and Employees

Prior to the Carve-out, all of the Company's dedicated employees sat within the RTA's G+2 Old Headquarters at Umm Al Ramool, Marrakech Street, Plot Limit 215-246, Dubai, United Arab Emirates. Following the Carve-out, the Company's employees will remain at the RTA's G+2 Old Headquarters.

As at the date of this Offering Memorandum, the Company has 328 full-time employees, all located in the UAE. By function, the Company employs 33 people within its corporate function and approximately 295 people within its core operations function. At the date of this Offering Memorandum, the Company has no collective bargaining agreements in place. To date, the Company has not experienced any critical labour-related work stoppage. The Company provides retirement benefits to certain of its current and former employees through a number of pension arrangements.

In addition to its own employees and those employed by the RTA, the Company expects to utilise the services of certain third-party service providers. In particular, for parking meter support the Company expects to engage Etisalat, Energy International, and Transguard Group pursuant to agreements expected to be novated from the RTA to the Company.

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PART 11

CONCESSION, LITIGATION AND REGULATORY MATTERS

Concession Arrangement

The Concession Agreement

Background

Established in 2005, the RTA is the government authority responsible for planning and providing Dubai's transport, roads and traffic requirements. Pursuant to the 2016 Parking Law, and all implementing regulations enacted by the Dubai Executive Council or the RTA in respect of it, the RTA is currently responsible for the design, establishment, management and supervision of public parking in Dubai.

Dubai Law No. 30 of 2023 concerning the establishment of Parkin Company P.J.S.C. established the Company and authorised the RTA to grant the Company a concession in respect of all or some of the RTA's competencies relating to the operation and administration of the public parking operations in Dubai. The RTA and the Company entered into the Concession Agreement for such concession to take effect.

Scope of Concession

The RTA entered into the Concession Agreement with the Company with the effective date of 1 January 2024. Pursuant to the Concession Agreement, the Company was granted certain exclusive concession rights including the exclusive right primarily to (a) assess, propose, charge, collect, enforce and retain the public parking revenues, (b) use the public parking assets, (c) collect, enforce and retain fines and penalties in connection with unpaid public Parking Fees or any other public Parking User Charges, or in connection with the use of (or entitlement to use) all or any part of the public parking assets, (d) charge, collect, enforce and retain deposits, prepayments, required account balance or other similar prepayments in connection with the use of, or entitlement to use, all or any part of the public parking assets, (e) use over all the real assets used in the public parking operations, (f) ownership right over all the movable tangible assets used in the public parking operations, (g) ownership right over all the intangible assets and software which is exclusively used by the parking department of the RTA (including the transferred intellectual property rights) and (h) carry out advertisement and other commercial activities within the public parking areas (in compliance with applicable legislation and after obtaining all requisite approvals from the relevant authorities).

The Company also has the right to (a) carry out commercial activities in compliance with applicable legislation within any unpaid parking areas from time to time, (b) engage with property developers in Dubai to operate parking areas within their developments, (c) negotiate with third-party service providers (including telecom operators in respect of SMS charges) and determine fees and/or price for value-add services, including without limitation, usage charges for parking platforms, text messages or electronic vehicle charging services, (d) monetise the parking data by utilising such data commercially in any manner that the Company sees fit and (e) set fees in respect of commercial use of the parking facilities, with the prior written consent of the RTA, including without limitation: (i) issuing temporary permits for commercial activities, such as, food trucks, (ii) premium services, such as rental of certain parking areas for use as VIP parking and/or the offering of valet parking services, (iii) EV charging services, (iv) advertising and (v) any other products or value-added services which the Company seeks to offer and the RTA approves to be offered to the public.

The RTA remains the owner of and will continue to maintain the public parking facilities used and operated by the Company. All regulatory powers of the RTA shall remain with the RTA and none of those powers shall be delegated to the Company.

For the avoidance of doubt, the concession rights are granted in respect of (a) all sideroad parking facilities, (b) all open areas parking facilities, (c) all MSCPs and (d) all Developer-owned Parking Lots operated by the RTA as at the date of the Concession Agreement. The concession rights do not extend to cover unpaid parking areas (unless otherwise agreed by the RTA).

The Company is responsible for operating, maintaining, developing and/or upgrading the parking systems (comprising computer systems and software of on- and off-street paid parking facilities and MSCPs facilities such as, the geographical information system and other directly integrated systems and/or smart applications).

The RTA still remains responsible for implementing all updates and upgrades to relevant aspects of the parking system which are connected to, or integrated with, other systems, portals and/or interfaces which are used and/or operated by the Dubai Government in order to ensure that they remain functional. In order to manage the orderly transition of the current operations, the Concession Agreement includes an appendix which addresses certain transitional services to be exchanged between the RTA and the Company. For more information, see "*Material Contracts—The Transitional Services Agreement*" in Part 14 of this Offering Memorandum.

For the duration of the Concession Agreement, the RTA will provide the Company with certain permanent services to enable the operation of the public parking facilities. Those services will be provided as part of the consideration for the concession fees, and no additional amounts will be charged to the Company for the provision of such permanent services.

Duration of the Concession

Pursuant to the Concession Agreement, the concession term is 49 years. On and from the 1 January 2071, the Company and the RTA have given an undertaking to negotiate in good faith the extension of the concession term.

On termination of the concession for any reason all concession rights shall terminate and the Company shall take all actions to enable the RTA (or its nominee, if any) to run the public parking operations from the date of such termination.

Upon expiration of the concession, it is expected that the Company will continue to carry out the objectives for which the Company was established in accordance with its Articles of Association, including carrying out parking operations which are not related to public parking.

Concession Fees

In consideration for the grant of the concession rights, the Company has paid an upfront concession payment (the "**Upfront Concession Payment**") of AED 1.1 billion to the RTA on 14 February 2024. The Company also expects to pay AED 55 million in VAT (5% of the Upfront Concession Payment) in relation to the Upfront Concession Payment at a later date, for which it will be fully reimbursed. A deferred payment component of AED 300 million will also become payable to the RTA, on determination of the Concession Agreement when it results from insolvency of the Company.

In addition to the Upfront Concession Payment, the Company shall also make a quarterly payment equal to 20% of the public parking revenue during the relevant quarter ("**Quarterly Payment**"). The rate of the Quarterly Payment shall be subject to periodic revisions to adjust for inflation. In particular, starting from year 2026, the Company shall submit a tariff revision proposal every other year for the tariff to be increased to at least match the cumulative inflation. If the tariff is increased such that the revised tariff matches inflation, the Quarterly Payment shall remain unchanged. Otherwise, the Quarterly Payment shall be adjusted as follows:

(i) Downward adjustment: in case the actual public parking revenue during the relevant quarter period is less than the hypothetical public parking revenue for that relevant quarter period calculated using the tariff reflecting inflation, the Quarterly Payment shall be reduced by an amount that compensates for the inflation (or the part of inflation which is not adjusted for). Pursuant to the Concession Agreement, inflation is defined as the inflation general index measure published by the Dubai Statistics Centre. Any adjustment will only apply from the quarter after the tariff determination, for example a tariff determination decision on 15 August 2026 will not apply until Q4 2026. Further, the relevant cumulative inflation will be calculated up to the year prior to the latest relevant tariff determination, for example, cumulative inflation for 2023-2025 will be calculated for Q4 2026 until Q3 2028. The Quarterly Payment adjusted by any downward adjustments shall always be subject to the floor mentioned in paragraph (iii).

(ii) Upward adjustment: in case the actual public parking revenue during the relevant quarter period is in excess of the hypothetical public parking revenue for that relevant quarter period calculated using the tariff reflecting inflation, the Quarterly Payment shall be increased by a revenue share amount equal to 50% of the excess revenue. Pursuant to the Concession Agreement, inflation is defined as the inflation general index measure published by the Dubai Statistics Centre. Any adjustment will only apply from the quarter after the tariff determination, for example a tariff determination decision on 15 August 2026 will not apply until Q4 2026. Further, the relevant cumulative inflation will be calculated up to the previous year, for example cumulative inflation for 2023-2025 will be calculated for Q4 2026. The Quarterly Payment adjusted by any upward adjustments shall always be subject to the cap mentioned in paragraph (iii).

(iii) Cap and floor: notwithstanding the foregoing, the Quarterly Payment shall not exceed 27.5% or be less than 12.5% of the public parking revenue during that relevant quarter period.

Quarterly Payments will be due on or before the later of: (a) seven business days after the date on which the Company announces its financial results for the relevant quarter period, and (b) 30 calendar days after the end of the relevant quarter period. For more information on tariffs and the Parking Fee policy, see "*Business description—Parkin Business*" in Part 10 of this Offering Memorandum.

In the calculation of the concession fee, only the following components of the revenue shall count towards public parking revenue:

- the Parking Fees and Parking User Charges in respect of:
  - sideroad parking facilities;
  - open areas parking facilities; and
  - self-operated MSCPs; and
- the consideration payable by third-party operators to the Company in respect of third-party operated MSCPs.

Enforcement of Fines and Penalties

The Company, or its representative, shall, at its sole cost and expense, take all necessary civil or criminal legal measures to collect and pursue the payment of the fines and penalties in connection with any unpaid Parking Fees or any other Parking User Charges in accordance with applicable legislation.

The RTA, or its representative, shall use its best efforts and take all necessary civil or criminal legal measures (including procuring the assistance of its other authorities) to support the Company in the collection and enforcement of such fines and penalties from owners of UAE-registered and internationally registered vehicles in accordance with applicable legislation.

Service Level Standards

The RTA and the Company shall each comply with its respective service level standards specified in the Concession Agreement, as amended from time to time. Failure to comply with the service level standards will trigger the compensation regime described in the Concession Agreement.

RTA's operating KPI's include:

- availability of parking spaces;
- collection rate of fines;
- availability of integrated systems and critical data;
- amount of free parking days and 3% cap percentage of exempted vehicles; and
- compensation for removal of parking spaces, conversions to unpaid parking spaces, and reclassification to lower tariff zones.

The Company's operating KPI's include:

- ensuring availability ratio of in-station equipment; and[290]

- providing financial statements and quarterly reports.

New Parking Facilities

New public parking facilities are facilities which are built by or on behalf of the RTA or the Company in Dubai from time to time for the purposes of offering paid vehicle parking services to any member of the general public.

The RTA will retain the power to allocate, conduct the zoning, plan and develop new parking facilities. However, the operation of any new paid public parking facilities shall be vested with the Company.

In respect of sideroad new parking facilities and new open area parking facilities, the RTA shall have the right to determine:

- when any such new parking facility will be paved;

- how the Parking Fee will be applied to any such new parking facility; and

- the relevant Parking Fee zone in accordance with Parking Fee Policy under the Concession Agreement for any such new parking facility,

provided that in each case the Company is consulted prior to making such determination.

In respect of new MSCPs, the RTA shall have the right to mandate the Company to develop and/or operate (or procure the development and/or operation of) any new MSCPs. Upon being mandated to develop a new MSCP, the Company shall have the right (subject to the prior written consent of the RTA) to either:

- make an offer to the RTA to develop a new MSCP, in which case the RTA shall study the offer and:

  - if such an offer is approved by the RTA, the RTA shall grant the Company a *musataha* or a similar right from the RTA over the relevant land plot, and the Company shall arrange for the development of such MSCP new parking facility, and recover from the RTA costs associated with its development plus 10% of such costs and operate such new MSCP in the same way that self-operated MSCPs are operated; or

  - if such an offer is rejected, the Company shall assign the project, or assign the development of such new MSCP to a third-party operator to build, operate and transfer back to the Company (or if the contract with the third party expires or terminates after the termination of the Concession Agreement, to the RTA), provided that the RTA shall provide a *musataha* to the third-party operator during the term of the relevant contract.

The Company may, at any time issue a parking works acceleration request to the RTA for the parking works. Such parking works acceleration request shall be accompanied by any documentation or information required in reasonably sufficient detail in respect of the economic feasibility and financial projections associated with the request parking works (as requested by the RTA).

Adverse Governmental Actions

The Concession Agreement provides that the Company shall be compensated for any adverse governmental action through an extension of time and/or monetary relief. Generally, adverse governmental action should include actions or omissions of the RTA or any other relevant authority (including the TEC) which materially and adversely affect the Company's performance of its obligations under the Concession Agreement, or the economic model of the public parking operations.

[290] In-station equipment includes the Parking Control Management System, Parking Fines System, Parking Services System, MSCP System, mPark, Parking Nol System, Parking Account Systems, and Smart Parking Inspection Phases one and two.

The scope of the adverse governmental action provisions includes:

- the RTA or any relevant authority takes any action of any nature whatsoever, including without limitation, any action or failure that results in any approval:
  - ceasing to remain in full force and effect; or
  - not being issued or renewed in a timely manner upon due application having been made, provided that the proper exercise of any material rights of a relevant authority in response to (i) the Company default under, or breach of the terms of, any approval or (ii) any breach of any applicable legislation by the Company, shall not constitute an adverse governmental action; or
- any of the following is effected:
  - the introduction, adoption, enactment or promulgation of any new law or any change in interpretation or application of any applicable legislation;
  - the change or repeal of any applicable legislation; and
  - the introduction, adoption, change or repeal by any relevant authority of any material condition in any approval or in connection with the issuance, renewal or modification of any approval;

    that, in each case, results in:

    - any material change in taxes payable by the Company which discriminates against (1) the Company; (2) against the Company and other parking operators in the UAE; or (3) against the Company and any other persons holding concessions from the Dubai Government or any other government of any Emirate in the UAE; or
    - any change that materially and adversely affects the economic model of the public parking operations or the agreed costs of any parking works; or
  - any change in or repeal of any of any material requirements for carrying out the public parking operations; or
  - the RTA or any relevant authority fails to carry out its obligations as prescribed by law, and such action or failure materially and adversely affects the Company (or any of its subcontractors in performing their function under the relevant sub-contracts); or
  - any relevant authority takes or omits to take any action of any nature whatsoever, which, if such action had been taken or omitted by the authority, would have constituted a material breach of the Concession Agreement, and such action, failure or omission, as the case may be, materially and adversely affects or is likely to materially and adversely affect the economic model of the public parking operations or the agreed costs of any parking works; or
  - the RTA or any relevant authority takes or omits to take any action of any nature whatsoever (if such action had been taken or omitted by the RTA) which would have constituted a failure or omission in the RTA's compliance with the service levels as set out in the Concession Agreement, and such action, failure or omission, as the case may be, materially and adversely affects, or is likely to materially and adversely affect, the economic model of the public parking operations; or
  - the RTA or any relevant authority taking any action or imposing any resolution which results in the reduction of the number of hours during which Parking Fees can be charged in any public parking facility; or
  - the reclassification of any public parking facility such that it becomes free-of-charge or becomes subject to lower Parking Fees; or

- the RTA or any relevant authority unilaterally adjusts the Parking Fees other than in accordance with the Concession Agreement and/or introduces a new regime or policy for Parking Fees and such adjustment materially and adversely affects the economic model of the Company; or

- the RTA or any relevant authority unilaterally decides to change the discount regime applicable to Parking Fees as set out in the Concession Agreement and/or the list of exempted persons as set out in the Concession Agreement and such a change materially and adversely affects the economic model of the Company; or

- the RTA or any relevant authority grants any concession right or economic benefit to a person to undertake the operation of the public parking operations in breach of the concession rights exclusively granted to the Company; or

- the RTA or any relevant authority effects a unilateral decision to permanently cancel a parking facility and such a cancellation materially and adversely affects the economic model of the Company.

Where an adverse governmental action has occurred, then the Company is entitled to an extension of time and/or monetary relief as would place the Company in the same economic position had the adverse governmental action not taken place. If an adverse decision results in the cancellation of a parking facility or designates a parking facility as not being subject to a Parking Fee, the Company shall be entitled to compensation of (i) 130% of the fair market value[291] of the relevant parking facility as determined by an independent expert (if the RTA and the Company are unable to agree on the compensation amount) or (ii) providing by the RTA of an alternative parking facility allotted with the same parking area code as the relevant parking facility reclassified or cancelled (as the case may be).

Termination by the RTA due to the Company's Default

The RTA has the right to terminate the Concession Agreement upon the occurrence of any of the following events: (i) the Company undergoes an insolvency event; (ii) the Company commits a prohibited act (e.g. commits bribery offences, an anti-corruption offence, criminal offence under the applicable legislation, defrauds the RTA or another relevant authority either in connection with the Concession Agreement or otherwise etc.); or (iii) the Company commits a material breach (i.e. the Company fails to pay the concession fee for two consecutive quarters, intentionally manipulates the calculation of the concession fee, fails to rectify the consequences of any misrepresentation, gross negligence or willful misconduct which results in material loss, fails to rectify any non-compliance with service level standards applicable to the Company within the remedy period, or repeatedly fails to materially comply with the health and safety standards requirements in relation to public parking operations).

If the RTA terminates the Concession Agreement the RTA will pay the Company an amount equal to the aggregate of: (1) 70% of the fair market value; *less* (2) the RTA's termination costs (defined below), together with any other amounts (including damages or indemnity payments) due and payable by the Company to the RTA under the Concession Agreement that are outstanding as at the termination date. The Company has the right to challenge the RTA's termination costs. If the RTA's termination costs are so challenged and the Company and the RTA fail to agree on the quantum of such costs, then the RTA's termination costs shall be audited and determined by an independent expert.

For reference, the RTA's termination costs are:

(i) all costs, losses, expenses and damages incurred by the RTA as a result of termination of the Concession Agreement, including any costs incurred by the RTA in respect of the determination of fair market value, and the transfer by the concessionaire of its right, title and interest to the public parking operations to the RTA; and

[291] Fair market value is determined by allowing each party to appoint an advisor of appropriate international standing that will provide its valuation (calculated on the basis of generally accepted methodologies), if the two valuations are less than 5% apart, the average between the two is used, if the difference is more than 5%, a third independent expert is appointed and the fair market value will be the average between the valuation of the independent expert and the valuation of the party that is closest to the valuation of the independent expert.

(ii) the costs of all works to the parking assets or the parking system undertaken by the RTA or on its behalf by third parties that will be incurred by the RTA to ensure that the parking system and the parking assets are handed back in good working condition and any other hand back requirements are duly completed (provided in each case that such costs would not have arisen but for the termination of the Concession Agreement).

Termination by the RTA for convenience

The RTA has the right to terminate the Concession Agreement for convenience by providing the Company with six months' notice. If the RTA terminates the Concession Agreement for convenience, the RTA is under an obligation to pay the Company an amount equal to the aggregate of: (i) 130% of the fair market value; *plus* (ii) the Company's termination costs; *less* (iii) any other amounts (including damages or indemnity payments) due and payable by the Company to the RTA under the Concession Agreement and that are outstanding as at the termination date. The RTA has the right to challenge the Company's termination costs. If the Company's termination costs are challenged and the Company and the RTA fail to agree on the quantum of such costs, then the Company's termination costs shall be audited and determined by an independent expert.

For reference, the Company's termination costs are:

- all costs incurred by the Company as a result of the termination of the Concession Agreement, including any costs incurred by the Company in respect of the independent valuation, and the transfer by the Company of its right, title and interest to the public parking operations to the RTA;

- any hand back costs incurred by the Company to ensure the parking system and the parking assets are handed back to the RTA in good working condition and any other hand-back requirements are duly completed pursuant to the termination of the Concession Agreement;

- all taxes (excluding VAT) and other costs imposed on the Company by a relevant authority as a result of the termination of the Concession Agreement, payment by the RTA of any termination compensation and the transfer by the Company of its right, title and interest to the public parking operations to the RTA and/or a substituted entity (which is any person selected by the RTA to replace the Company in the Concession Agreement and who has entered into the requisite agreements);

- the amounts payable by the Company to any of its subcontractors or concessionaires for the termination of subcontracts or concessions granted by the Company in connection with the public parking operations;

- redundancy payments for employees of the Company that have been or will be incurred by the Company as a result of termination of the Concession Agreement; and

- the cost of satisfying all other obligations, commitments and claims that the Company may in good faith have undertaken with third parties in connection with the Concession Agreement and that are not covered by the paragraphs above (provided in each case that such costs would not have arisen but from the termination of the Concession Agreement).

Termination by the Company for the RTA's Default

The Company has the right to terminate the Concession Agreement in the event:

- the RTA commits a material breach (i.e. the RTA fails to comply with the service levels, and subsequently fails to rectify such non-compliance within the relevant remedy period);

- the assets or rights or a major portion thereof of the Company are nationalised or expropriated; or

- of any adverse governmental action which would either render the exercise by the Company of any of its material rights under the Concession Agreement illegal, void or unenforceable, or renders performance by the RTA of any of its material obligations under the Concession Agreement illegal, void or unenforceable.

If the Company terminates the Concession Agreement due to a default by the RTA, the RTA is under an obligation to pay the Company an amount equal to the aggregate of (i) 130% of the fair market value; *plus* (ii) the Company's termination costs; *less* (iii) any other amounts (including damages or indemnity payments) due and payable by the Company to the RTA under the Concession Agreement and that are outstanding as at the termination date. The Company shall arrange for the Company termination costs to be audited by an independent expert, and the RTA shall have the right to review and challenge such costs. The RTA has the right to challenge the Company's termination costs. If the Company's termination costs are so challenged and the Company and the RTA fail to agree on the quantum of such costs, then the Company's termination costs shall be audited and determined by an independent expert.

Relationship with the RTA, the Government of Dubai and Regulators

Relationship with the RTA

RTA as Regulator

The Company works alongside the TEC and the RTA, and each stakeholder has aligned interests. The TEC has a mandate to spearhead the execution of the Dubai economic development agenda. The TEC oversees the RTA, which itself oversees the full spectrum of Dubai's mobility infrastructure and is responsible for developing it in line with the city's growth. The RTA initially created and oversaw the Parking Business to promote a seamless mobility experience.

The Company was incorporated pursuant to the Parkin Incorporation Law.

The Company is a public joint stock company and an independent legal entity. The Government of Dubai and the RTA assume no liability for any obligations or debts of the Company arising in the course of its business operations.

Its objectives are to:

- creating, planning, designing, developing, and managing parking lots and supervising them, and applying the legislation regulating them, including the Parking Resolution, and in accordance with the Concession Agreement.

- issuing permits for the participation in, and use, operation, and reservation of, public parking lots in accordance with the Concession Agreement.

- managing, creating, developing, and designing private parking lots, investing in them, and related commercial activities, and concluding contracts with the relevant authorities concerning these parking lots inside and outside the Emirate in accordance with applicable regulations.

- conducting the necessary studies and research related to public and private parking lots, and providing consultations and advisory services in their regard.

- any other objectives specified by the Articles of Association.

The TEC, acting as the legislative government body, is the final decision maker concerning changes in tariffs. The TEC takes into consideration the review and recommendations of the RTA and/or the Department of Finance of the Government of Dubai, but ultimately makes the final decision independently.

Litigation

The Company has not been involved in any material governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had, a significant effect on its financial position or profitability.

Other Regulatory Matters

The Company is subject to the laws and regulations of the jurisdictions in which it operates covering a wide variety of areas affecting general consumer protection and product safety, including health and safety, environmental, product quality and safety, competition, data protection and privacy, anti-corruption legislation, trade sanctions and labour laws.

RTA Laws

The Company will be subject to the RTA Law and the Parking Resolution. These laws govern the RTA, and its oversight and administration of the parking system. The Parkin Incorporation Law gives RTA the specific right to delegate some or all of its mandates and powers regarding the operation and management of the Parking Business to the Company. The RTA will, however, regulate the operations of the Company. The Parkin Incorporation Law also forms the basis for the RTA and the Company entering into the Concession Agreement.

Environmental law compliance

Federal Environmental Law (No. 24 of 1999, as amended) applies to 'Establishments', defined as industrial, tourism establishments and establishments for production and generation of electricity and establishments for explorations, production, transportation and use of oil and infrastructure projects and any other establishments, in the Emirate of Dubai.

The Company would be regarded as an 'Establishment' under this law, and also carries out an activity in the transport sector.

The Company would also be subject to Local Order No. 11 of 2003 as it applies to a 'Person' defined as 'a public or private natural or corporate person', and as such would be required to undertake activities in such a manner as not to cause environmental harm.

ESG compliance

The Company, once listed, must prepare a sustainability report reflecting its long-term strategy, and the impact of the Company's operations and decisions on the environment and the communities in which the Company operates. The Company must appoint a risk manager, one of whose functions is to ensure that the Company is in full compliance with internal operational policies and procedures, and any external legal or regulatory requirements, including ESG obligations.

Furthermore, the Company will be required to comply with the GRI standards and also any sustainability standards and requirements that are issued by the DFM.

The Company will be required to submit its annual sustainability report to the SCA within 90 days from each financial year-end or before the date of the annual general assembly meeting, whichever is earlier.

Employment

The Company is subject to its own HR regulations which can stipulate that the Labour Law applies, which governs employment relations in the private sector in the UAE. The Company is subject to the Immigration Law, which regulates the entry of non-nationals into the UAE; it is a requirement that all non-national employees in the UAE have a residency visa.

The Company is subject to the Dubai Health Insurance Law which makes it mandatory for employers to provide health insurance to their employees.

The Parkin Incorporation Law mandates that Law No. 8 of 2018 applies to the Company and previous service of UAE national employees of the Company with the RTA prior to the Parkin Incorporation Law will count as service for the purpose of calculating said employees' pension and gratuity in accordance with the Pensions Law which mandates that the employer remits pension contributions on behalf of its UAE national employees to the GPPSA. Per the Pensions Law those remittances are 15% of salary in respect of the employer contribution and 5% in respect of the employee contribution. Similarly, in respect of employees from any of the other five GCC countries, there is a requirement to make pension contributions of varying amounts depending on the country; this is pursuant to Federal Cabinet Resolution 18 of 2007. From October 2023, newly hired UAE national employees are subject to Federal Decree-Law No. 57 of 2023 whereby the employer contribution remains the same but the employee contribution has risen to 11%. This law is not retroactive in respect of existing employees.

For non-national existing employees, the Company will be responsible for discharging their end of service gratuity entitlements calculated from the commencement of their employment with the RTA until their termination of employment with the Company.

Data Protection and Privacy

The RTA is subject, as a "Local Government Entity", to the Dubai Data Law (including Resolution No. (2) of 2017 Approving the Policies Document on Classification, Dissemination, Exchange, and Protection of Data in the Emirate of Dubai (2017 Resolution)). Article 15 of the Dubai Data Law sets out that "Dubai Data" (i.e. Data relating to the Emirate of Dubai) is an asset owned by the Government of Dubai which can only be disposed of in accordance with the provisions of the Dubai Data Law, the resolutions issued pursuant thereof (including the 2017 Resolution) and the legislation in force. The Dubai Data Law also applies to "Persons" determined by the "Competent Entity" who produce, own, disseminate or exchange any Dubai Data. The Government of Dubai owns the Parking Data. By way of the Concession Agreement the RTA (pursuant to the Parkin Incorporation Law,) will be able to transfer the ownership rights in the Parking Data to the Company.

The UAE Data Protection Law came into force on 2 January 2022. Under the UAE Data Protection Law, "government data" is excluded from the UAE Data Protection Law. To the extent that Parking Data constitutes Dubai Data, and to the extent that Dubai Data constitutes government data under the UAE Data Protection Law, the UAE Data Protection Law will not apply to Parking Data and the Dubai Data Law will apply. That said, other data held by the Company such as employee data may be subject to the UAE Data Protection Law.

If the Company, as a substantially owned Dubai Investment Fund company, is determined, by the competent authority, to constitute a Person under the Dubai Data Law, the Dubai Data Law will, as a result, continue to apply to the Company, further supporting the position set out above that the UAE Data Protection Law would not apply to the Parking Data processed by the Company.

Further, the ISR sets out the minimum requirements for information security controls and is applicable to all 'Dubai Government Entities'. The term 'Dubai Government Entities' may include companies whose majority shareholder is a government entity. To the extent that the Company is considered a Dubai Government Entity, it would also need to comply with the ISR.

Intellectual Property

Copyrights are currently regulated in the UAE under the Copyrights Law. The Copyrights Law protects original expressions of creative works in the fields of literature, art, or the sciences, regardless of the kind or manner of its expression, and regardless of its importance or its purpose. Importantly, the Copyright Law does not protect ideas, but rather the original material produced by virtue of a creative process. The categories of protected works listed by the Copyrights Law include smart applications, computer programs and applications, databases, and any other similar works to be determined by a Ministerial decision.

The RTA is the owner of copyrights in relation to the software developments and enhancements developed by system vendors under the relevant contracts and under the Copyright Law. Ownership of such copyrights has been transferred to the Company under the Concession Agreement.

Trademark Law

Trademarks are currently regulated in the UAE under the Trademark Law. The Parkin trademarks are registered in the UAE and have been transferred to the Company under the Concession Agreement. The Trademarks are protected under the Trademark Law. The Trademark Law determines that any person who registers a mark shall be deemed its sole owner.

Under the Trademark Law, Parkin's trademarks will be protected for a period of ten years upon registration with the UAE Ministry of Economy, commencing on the date of first filing. This protection can be renewed for a further period of ten years indefinitely.

Insurance

Insurance in the UAE is regulated by the UAE Central Bank, through the laws, regulations and regulatory guidance issued from time to time. The Dubai Health Insurance Law No. 11 of 2013 came into effect on 1 January 2014 and makes it mandatory to provide health insurance cover, to their employees, in case of employers in Dubai. All employees of the Company will be required to have health insurance cover under this law.

The Company upon listing will be regulated by the SCA and subject to the SCA's laws including the corporate governance codes issued by the SCA from time to time. These set out the standards of supervision expected from directors and other officers of a listed company. The Company has procured, a directors and officer liability policy to cover the directors and officers of the Company in certain circumstances.

PART 12

DIRECTORS AND MANAGEMENT

Directors

The following table lists the names, nationality, ages and positions of the Directors.

Name	Nationality	Year of Birth	Position	Year of appointment
Ahmed Hashem Bahrozyan	Emirati	1970	Chairman, Independent	2023
Ahmed Hasan Mahboub	Emirati	1977	Vice-chairman, Independent	2023
Nasser Abushahab	Emirati	1971	Director, Independent	2023
Alawi Alsheikh-Ali	Emirati	1973	Director, Independent	2023
Muna Abdulrahman Alosaimi	Emirati	1979	Director, Independent	2023
Mona Mohammad Bajman	Emirati	1979	Director, Independent	2023
Alunood Thabit Alameri	Emirati	1983	Director, Independent	2023

Ahmed Hashem Bahrozyan (Chairman, Independent)

Ahmed Bahrozyan is the Chief Executive Officer of the Public Transport Agency, which is responsible for offering the needs of public transport in the city, such as public buses, taxies, school buses and labour transport buses. Ahmed holds an undergraduate degree in Management Information Systems from the University of Colorado, USA, 1991.

Prior to joining the RTA, Ahmed was the manager of e-Government Services at Dubai Municipality, where he oversaw the development of online services that were focused on improving services. Ahmed joined the RTA in December 2005, one month after the organisation was established, as Deputy Director of the Information Technology Department. He progressed to become the Director of the IT Department and was then promoted to Director of the Development and Corporate Performance Department, where he was responsible for working with all RTA agencies.

In 2008, Ahmed was appointed as the Chief Executive Officer of the Licensing Agency where he mainly focused on building a strong team, simplification of the services, improvement of processes and services, and was also appointed as an RTA board member. In December 2017, Ahmed was appointed as Chief Executive Officer of the Public Transport Agency.

Other roles that Ahmed has had include: Chairman of the Joint Committee for Services Development and Digital Transformation at the Emirate level, Chairman of the Higher Committee to supervise the readiness of the RTA to host the Expo 2020, Chairman of the Higher Committee for Digital Transformation and Digital Quality of Life, Chairman of the Supreme Committee for the operation and launch of self-driving taxis; and Head of the Emergency and Crisis Management Team at the RTA.

Ahmed Hasan Mahboub (Vice-Chairman, Independent)

Ahmed Hasan Mahboub is an Emirati leader and engineer with more than twenty years of experience in senior executive management in government, semi-government and private sectors. He graduated from the Mohammed bin Rashid Program for Leadership Development and UAE Government Leaders and the CEO Program for Happiness and Positivity. Ahmed has led and managed engineering, technical and organisational projects with many records of achievements in multiple fields.

Ahmed has an award-winning background, which includes recognitions from Dubai Government Leaders in the field of Service Excellence, Smart Apps, Call Centers, Smart Centers, Self Service Centers and Digital Transformation. He contributed to achieving several government excellence awards at the local, federal and international levels such as the Hamdan Bin Mohammed Program for Smart Government and Dubai Government Excellence Program and more than twenty national and international awards.

Ahmed led the parking department and multiple-teams and committees at the RTA level for digital transformation strategy, including more than 600+ employees within the parking department and more than

3000+ other employees, using advanced leadership methodologies, strategic planning and advanced projects and operation management directions and tools, such as capacity planning and workload analysis systematic tools.

Nasser Abushahab (Director, Independent)

Nasser Abushahab holds a bachelor's degree in Architectural Engineering from the UAE University, and a master's degree in Urban Planning from the American University of Sharjah. He has a wealth of practical experience spanning more than 27 years. He started his career as Head of Planning Studies Section at the Dubai Municipality, then he moved to the RTA and progressed his career from Assistant Director of Buses department to Director of Projects and Logistical Support before being appointed the Director of Strategic Transport Planning. In 2015, he became the CEO of Strategy and Corporate Governance Sector, which caters to the governance of the RTA's activities. Abushahab was recently appointed the CEO of Planning and Corporate Governance Sector at Dubai Municipality, where part of his main duties includes the supervision of urban planning procedures and operations in Dubai.

Abushahab was appointed the Chairman of the Board of Hala Taxi company (e-hail company owned by the RTA and Careem) in addition to his appointment as chairman of several important committees in the RTA including Best Government Entity Supporting Expo 2020 Committee, Supreme Committee for Sustainability, Supreme Committee for Supervising the Administrative System for Maintenance Work, Supreme Committee for the Development of the Tourism Transport Sector in Dubai, and the Supervisory Board for the Management and Operation of the Enterprise Command and Control Centre. He also chairs the Supreme Committee for the Integration of Transportation Elements, the Energy and Green Economy Committee, the Supreme Committee of Dubai Award for Sustainable Transport, the Executive Committee for Strategic Planning and Corporate Development, the Projects and Contract Disputes Committee and the Emergency and Crisis Management Team.

Abushahab was privileged by the Medal of His Highness Sheikh Mohammed bin Rashid Al Maktoum for Outstanding National Achievements. He was also the recipient of an array of awards and medals in recognition of his vintage professional achievements such as contributing to the establishment of the RTA, the hosting of Expo 2020 in Dubai, the UAE Strategic Plan and Vision 2021 and the Strategic Plan of the Ministry of Public Works.

Alawi Alsheikh-Ali (Director, Independent)

Alawi Alsheikh-Ali is an Emirati physician-scientist and Professor of Cardiovascular Medicine. He currently serves as the Deputy CEO and Chief Academic Officer of the Dubai Academic Health Corporation and Provost of the Mohammed Bin Rashid University of Medicine and Health Sciences, where he was previously the Founding Dean of the College of Medicine. Prior to his current role, he served as the Deputy Director General of the Dubai Health Authority.

A consultant cardiac electrophysiologist, he previously served as the Chair of the Cardiac Sciences Institute at Sheikh Khalifa Medical City in Abu Dhabi, UAE. Professor Alsheikh-Ali holds a Bachelor of Science in biology from the Massachusetts Institute of Technology, a Master of Science in applied physiology from Boston University, a Master of Science in clinical research, and a Doctor of Medicine from Tufts University. He completed his residency and fellowship training in internal medicine, cardiovascular disease and clinical cardiac electrophysiology at Tufts Medical Center, which led to a triple certification from the American Board of Medical Specialties. He is a member of the Emirates Scientists Council and past President of the Emirates Cardiac Society.

His research has led to more than 200 peer-reviewed publications in leading journals and spans a broad range in cardiology, including clinical electrophysiology and epidemiology of cardiovascular disease in the developing world.

Muna Abdulrahman Alosaimi (Director, Independent)

Muna Alosaimi is a seasoned leader specialising in strategic planning, particularly in the formulation of business strategies and policies for organisations, with a strong emphasis on transportation planning. She is an engaged member of the Dubai Urban Planning Coordination Committee. Boasting over 18 years of extensive experience, Muna excels in strategic planning, urban planning, transportation planning, policy development, project portfolio management, statistical analysis, future foresight, guideline formulation and was key member in the design development and delivery of multi-billion projects such as Dubai Metro, and Dubai Tram.

Mona Mohammad Bajman (Director, Independent)

Mona Mohammad Bajman is a long-tenured and seasoned professional with 24 years of experience, 20 years of which were spent serving the Government of Dubai. As a long-standing Director of the Department of Finance, Bajman has led the department across a variety of roles pertaining to the budgeting, public revenue and accounts divisions. Through her experience, she has developed her toolkit in advancing budgeting systems and driving forward pivotal procedures and policies for new services.

Bajman started her career at Emirates Post and eventually was in charge of the Cash Management Department. She then transitioned to the Government of Dubai's Department of Finance as Head of the Accounts Division, overseeing the Dubai Government's payments and accounts. During her role as the Director of the Public Revenue Division, Bajman helped improve and restructure revenue collection processes. Also, as part of her role, she managed the Government of Dubai's annual budget, and provided guidance and support to other government departments.

As part of her most recent role as Director of the Subsidies Budget Division, Bajman has continued to leverage her extensive budgeting and finance experience to manage the Dubai Government Subsidies' annual budget, introduce technological tools to the budgeting process, and oversee the strategic planning for each of the subsidizing entities under the government.

Bajman has committed her career to public service, fostering innovation within departments and adoption of technological tools to enhance operations. Her strategic oversight has enabled for sound budgeting systems and taking sight of key upcoming governmental initiatives. Bajman's contributions has led her to receive several distinguished awards including most recently, first place for the Sharjah Award for Public Finance—Excellent Budget Director in the Arab World.

She holds a Bachelors Degree with Distinction in Business Administration from Dubai Women's College and is an active member of numerous committees including the Emirates Association for Accountants & Auditors and the Government of Dubai Initiatives Team.

Alunood Thabit Alameri (Director, Independent)

A seasoned Emirati legal professional, Alunood Thabit Alameri has served as the Senior Legal Officer and Head of General Security and Public Health and Safety Section at the Supreme Legislation Committee in Dubai for nine years. Previously, she was the Chief Legal Officer at the RTA for five years and spent two years at the Ministry of Social Affairs.

Through her extensive experience in the legal field, Alameri has accumulated a wealth of knowledge spanning across the public and private sectors. Her capabilities include shaping legal frameworks and contributing significantly to the legislative environment within Dubai. As Head of General Security, Public Health and Safety at the Supreme Legislation Committee in Dubai, Alameri oversaw and guided teams across a variety of legislation projects. In collaboration with key governing bodies including Dubai Government Entities and SLC General Secretariat Directors, Alameri led the drafting and implementation of their respective legislations, while also actively contributing to the review and amendment of local legislation to enhance operational efficiency.

In her previous role as Chief Legal Officer of the RTA, Alameri actively supported legal affairs across the RTA's agencies, such as developing legal initiatives and overseeing their implementation. Her legal advice and opinions are strongly valued and have played a pivotal role in the Emirate's transportation regulations and policies.

Alameri holds a Bachelors of Laws (LLB) from the University of Sharjah, and has completed a series of additional courses, enhancing her legal knowledge across sectors like the medical, social and security fields. She also regularly mentors and supports junior professionals to foster their professional development and growth.

Senior Managers

The Company's Senior Managers, in addition to the Chief Executive Officer listed above, are as follows:

Name	Year of Birth	Position	Year of Appointment
Mohamed Abdulla Al Ali	1979	Chief Executive Officer	2024
Osama Hashim Al Safi	1974	Chief Operating Officer	2024
Khattab Abu Qaoud	1979	Chief Financial Officer	2024
Ahmed Abdullah Alzaabi	1978	Director of Technology	2024

Mohamed Abdulla Al Ali (Chief Executive Officer)

Engineer Mohamed Abdulla Al Ali is the CEO of Parkin, responsible for spearheading the Company's growth strategy in its position as the largest provider of paid parking facilities and services in Dubai. With a forward-thinking approach that focuses on delivering infrastructure growth in line with urbanisation and social development goals, Eng. Al Ali brings over 21 years of extensive experience in project management related to Public Transport, Infrastructure, and Sustainability initiatives.

Eng. Al Ali holds a Master's degree in Engineering Management from the American University of Sharjah, and a Bachelor's degree in Civil Engineering. Since joining the RTA in 2007, he has held several positions within the organisation including Director of Bus Operations, Director of Public Transport Projects, Director of Building & Facilities, Director of Planning & Business Development, Director of Strategic Planning and Director of Knowledge & Innovation. During his tenure, he managed the strategic development and implementation of multi-billion-dirham public transport and infrastructure projects.

As a member of the Crisis and Emergency Team at the RTA, he also headed special situation projects delivering on complex public transport requirements for mega-events. This includes leading the Transport and Traffic Management Team during Expo 2020, ensuring the readiness of the site's infrastructure, supervising the event-specific fleet, and managing traffic to ensure a seamless customer experience. He also played a critical role during COP 28, heading the Event Management Team and coordinating with the strategic transportation partners to provide environmentally friendly transportation and solutions during the event period. Eng. Al Ali had a pivotal role in facilitating greater collaboration between the Government and the private sector for COP 28; optimising communication, improving the organisation and driving the effective use of resources to ensure a successful outcome.

Eng. Al Ali has in-depth knowledge of advanced technologies in the Public Transport and Infrastructure Sectors and broad experience in Project Management. This has provided him with an effective leadership style in the provision of public services at a high level, with his application of value engineering resulting in financial savings of more than AED two billion across those projects. His efforts have been recognised with a number of international and regional awards for project innovation in Dubai.

He has participated in many local and international forums, conferences and seminars. He is a member of the International Transport Organization (UITP), heading the organisation's Mobility Working Group in the Middle East and North Africa.

He played a key role in earning international recognition for the RTA, including the World Transport Conference (UITP) Award during the World Summit 2023 in Barcelona for the theme of Management & Operation of the Expo 2020 Dubai, as well as the Global Sustainability Leadership Award for 2023 for pioneering the concept of electric buses and modern charging solutions in Dubai. Eng. Al Ali also contributed towards the introduction of Smart Bus Stop shelters in Dubai in collaboration with the private sector, which won the Hamdan Bin Mohammed Bin Rashid Program for Best Government Services in 2016.

Osama Hashim Al Safi (Chief Operating Officer)

Engineer Osama Hashim Al Safi is the Chief Operating Officer at the Company. With more than 24 years of experience, he brings a wealth of knowledge and a proven track record of driving operational excellence, fostering innovation and achieving sustainable growth.

Eng. Osama holds an Executive Diploma in Digital Leadership (MBRU), a Master's Degree in Urban Design and a Bachelor's Degree in Architecture. He has held several senior positions during his career, including eight years as Director of the Parking Department at the RTA, having previously worked on Right of Way and Rail Projects at the organisation. Prior to that, Eng. Osama was the Head of Planning for the Legislations and Statistics Section Planning Department at Dubai Municipality having been Head of the Qualification and Building Studies Section and formerly Head of the Structural Checking Unit at the organisation previously.

His key achievements at the RTA include leading a team of 550 employees at the Parking Department and being a core member of the RTA senior leadership team for several years. Outside of the RTA, Eng. Osama's achievements include supervising 37 development projects in the Planning department of Dubai Municipality, including establishing a new division at the organisation.

He is a member of The Society of Engineering based in the UAE, the Emirates Down Syndrome Association, and Dubai's International Holy Qura'an Prize. He acts as General Secretary of the Emirates Down Syndrome Association, leading a team of over 600 volunteers.

Khattab Abu Qaoud (Chief Financial Officer)

Khattab Abu Qaoud is the Chief Financial Officer at the Company. He has a proven track record in financial leadership with over 20 years' experience, bringing a unique blend of financial acumen, strategic insight and a commitment to fostering fiscal responsibility. He has consistently demonstrated a strong ability to navigate complex financial landscapes and successfully drive profitability in organisations. Khattab has experience in both the financial and investment sectors, leading and executing various multi-billion-dollar projects within infrastructure and project finance (including PPP).

Khattab holds an MBA from Chifley Business School (with a concentration in finance); a BA in Banking and Finance from the Applied Science University; is a Certified Management Accountant (CMA); and holds a Diploma in IFRS from the Association of Chartered Certified Accountants (ACCA).

Since 2013, Khattab has worked at the RTA and taken a leading finance role in several key projects including rail expansion projects in Dubai and the IPO of Salik. He has also worked on establishing and monitoring the RTA's financial strategy in-line with the RTA's own ambitions to ensure financial viability and sustainability of the organisation.

He possesses expertise in managerial and financial accounting, financial planning, financial modelling and valuation, compliance and governance, fund raising and financing of mega projects, with additional expertise in converting state owned companies into publicly traded PLC's.

Ahmed Abdullah Alzaabi (Director of Technology)

Engineer Ahmed Abdullah Alzaabi brings more than 20 years of experience in the field of Information Traffic Systems and Parking Systems Operations within the RTA. He has received significant recognition for his achievements at the RTA including Best Technical Project Award 2012 (mParking project), Best Technical Project Award 2011 (Nol project) and Best Manager Award in 2010.

To date, he has led the paperless parking fine project, smart parking inspection operation, and payment of parking fee service within the RTA app including app clip, Apple Pay, and WhatsApp. He has also led a team involved in creating a data analytic tool and dashboard using Power Bi for parking operations.

Alzaabi also managed the implementation and development of smart parking systems such as the Mobile Parking Payment System (mParking), Unified Card Payment System through parking meter (Nol), Parking Fines System (PFS) and Parking P&D Machine Central Management System (PCMS) and managed parking system operations, maintenance, and its related infrastructure such as parking meters, handheld units of inspectors, parking signages and parking civil works.

He holds a bachelor's degree in electrical engineering from the California State University. He has completed a certification course on Global Business School Course from Harvard Business School (2023) and on Leadership Program from Ashridge Business School (2013).

Corporate governance

The Company is committed to maintaining appropriate standards of corporate governance and to complying with all legal and regulatory requirements relating to corporate governance. The Company has established a framework of corporate governance policies, rules and practices which comply with the requirements of the Code of Governance issued by Chairman of the SCA's Board of Directors' Resolution No. (3/Chairman) of 2020 (the "**Governance Rules**") and take into consideration international best practices as appropriate. The most significant features of that framework are set out hereunder.

Board of Directors

The Board consists of seven Directors and is vested with the power to manage the Company and conduct its business in accordance with the Federal Law No. 32 of 2021 concerning Commercial Companies, as amended. The Board comprises seven Non-Executive Independent Directors. Each of the Directors has been appointed for a term of three years. The Board will meet at least every three months.

The principal duties of the Board are to provide the Company's strategic leadership, to determine the fundamental management policies of the Company and to oversee the performance of the Company's business. The Board is the principal decision-making body for all matters that are significant to the Company, whether in terms of their strategic, financial or reputational implications. The Board has final authority to decide on all issues save for those which are specifically reserved to the general assembly meeting of Shareholders by law or by the Articles of Association.

The key responsibilities of the Board include:

- determining the Company's strategy, budget and structure;
- approving the fundamental policies of the Company;
- implementing and overseeing appropriate financial reporting procedures, risk management policies and other internal and financial controls;
- proposing the issuance of new shares and any restructuring of the Company;
- appointing executive management;
- proposing dividend payments for the Shareholders' meetings;
- determining the remuneration policies of the Company and ensuring the independence of Directors and that potential conflicts of interest are managed; and
- calling Shareholder meetings and ensuring appropriate communication with Shareholders.

Members of the Board are appointed by the Shareholders for three-year terms. Board members may serve any number of consecutive terms.

As envisaged by the Governance Rules, the Board will establish two permanent committees: an Audit Committee and a Nomination and Remuneration Committee (each of which will be subject to the composition requirements of the Governance Rules). If the need should arise, and subject to the Articles of Association, the Board may set up additional committees as appropriate. In accordance with the Governance Rules, the chairperson is not permitted to be a member of either the Audit Committee or the Nomination and Remuneration Committee.

Audit Committee

The Audit Committee assists the Board in discharging its responsibilities relating to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the Company's financial statements, reviewing and monitoring the Company's financial and accounting policies and procedures, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the relationship with the Company's external auditors, reviewing the effectiveness of the external audit process and reviewing the effectiveness of the Company's internal control review function. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board. The Audit Committee will give due consideration to the applicable laws and regulations of the UAE, the SCA and the DFM, including the provisions of the Governance Rules.

The Audit Committee must be comprised of at least three members, all of whom must be non-executive, and at least two members must be independent. In addition, all members must be independent of the Company's Senior Management and must be financially proficient. Additionally, at least one member of the Audit Committee is required to be a financial expert having relevant accounting or related financial management or business experience and hold a relevant qualification or professional certificate in accounting, finance, or another related field. The Audit Committee will be chaired by one of the independent members, who is distinct from the chairperson of the Board or the chairperson of another Board committee, and will include other members elected by the Board members from time to time. The Audit Committee will meet at least four times per year.

The Audit Committee will take appropriate steps to ensure that the Company's external auditors are independent of the Company as required by applicable law and intends to obtain written confirmation from the Company's auditors that they will comply with guidelines on independence issued by the relevant accountancy and auditing bodies.

The Audit Committee is chaired by Nasser Abushahab, and its other members are Mona Mohammad Bajman and Muna Abdulrahman Alosaimi.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board in setting and overseeing the nomination and remuneration policies in respect of the Board, any committees of the Board, and the Senior Management, including recommending and overseeing the appointment of the members of the Board and endorsing the hiring of the Senior Management, as well as the succession planning of the Board and the Senior Management. In such capacity, it is responsible for evaluating the hiring of the Company's Board of Directors and Senior Management, evaluating the balance of skills, knowledge and experience of the Board and committees of the Board and, in particular, monitoring the independent status of the independent directors. The Nomination and Remuneration Committee is also responsible for periodically reviewing the Board's structure and identifying, where relevant, potential independent candidates to be appointed as Directors or committee members as the need may arise. In addition, and subject to the Articles of Association, the Nomination and Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's wider remuneration framework and policies and on executive remuneration.

The Nomination and Remuneration Committee must be comprised of at least three members, all of whom must be non-executive and at least two members must be independent, in each case within the meaning of those terms in the Governance Rules. The Nomination and Remuneration Committee will be chaired by one of the independent members, who is distinct from the chairperson of the Board or the chairperson of another Board committee, and its other members will be nominated by the Board. The Nomination and Remuneration Committee must meet at least once a year, and otherwise from time to time based on the Company's requirements.

The Nomination and Remuneration Committee is chaired by Ahmed Hasan Mahboub, and its other members are Alawi Alsheikh-Ali and Alunood Thabit Alameri.

PART 13

RELATED PARTY TRANSACTIONS

Related Party Transactions

For the year ended 31 December 2023, the Parking Business was party to various agreements and other arrangements with related parties. The most significant of these transactions are described below.

The Parking Business in the normal course of its business, received services from related parties. These transactions comprise services availed by the Parking Business from the various agencies at terms determined by the management. All related party transactions were managed by the RTA and were routed through the bank account managed and recorded in the books of the RTA. The balances are unsecured and payable in cash via the RTA. The Parking Business availed the exemption as per para 25 of IAS 24 Related Party Disclosure.

The Parking Business entered into various agreements with city developers to lease and operate parking areas. The relevant developer agreements are:

- ***Dubai Silicon Oasis Authority*** for the operation and management of the Silicon Oasis parking facilities;

- ***TECOM Investment FZ-LLC*** for the operation and management of the Barsha Heights parking facilities;

- ***Dubai Community Management, also known as DCM Districts LLC*** for the operation and management of the Business Bay parking facilities; and

- ***Dubai Multi Commodities Center*** for the operation and management of the Jumeirah Lake Towers parking facilities.

The following table summarises related party balances of the Parking Business as at 31 December 2023, extracted from the Carve-out Financial Statements.

	As at 31 December 2023
	AED'000
Balances:	
Lease liabilities balance	
Dubai Silicon Oasis Authority	8,781
TECOM Investment FZ-LLC	14,917
DCM Districts LLC	3,482
	27,180
Trade payable balance	
Dubai multi commodities center	5,737
Dubai Silicon Oasis Authority	1,976
TECOM Investment FZ-LLC	15,634
DCM Districts LLC	3,850
	27,197

	As at 31 December 2023
	AED'000
***Transactions*:**	
Variable lease payments during the year	
Dubai multi commodities center	10,447
TECOM Investment FZ-LLC	3,150
	13,597
Lease liabilities payments during the year	
Dubai Silicon Oasis Authority	3,000
TECOM Investment FZ-LLC	2,350
	5,350

Corporate costs allocation

The Parking Business was allocated expenses from the RTA in the amounts of AED 110.8 million and AED 121.2 million for the years ended 31 December 2022 and 2023, respectively. These costs were derived from multiple levels of the organisation including shared the RTA corporate expenses and shared agency expenses. The allocated corporate costs include, but are not limited to executive oversight, legal, finance, human resources, audit, strategic planning and IT governance, and were allocated to the Parking Business to represent the cost of providing these services. Further, the allocated key management compensation is in the amount of AED 4.0 million and AED 5.0 million for the years ended 31 December 2022 and 31 December 2023. These are intended to represent the costs of providing these services, and management believes the allocation methods are reasonable. However, the actual cost of obtaining these individual services, if the Parking Business was a stand-alone company for the year ended 31 December 2023, could have been materially different. The cost of the services provided by the RTA and the TRA was determined by the most relevant allocation method, primarily by relative percentage of headcount or revenue or expenditure. These costs are recorded as corporate allocation expenses in the profit and other comprehensive income of the Carve-out Financial Statements.

Cash pooling

The Parking Business utilised the RTA's centralised processes and systems for cash management. As a result, substantially all cash received related to the Parking Business was deposited and comingled with the RTA's general corporate funds. The Parking Business did not have the legal right to deposit or withdraw funds autonomously. Substantially all cash received by the Parking Business was deposited in and commingled with the RTA's general corporate funds and was not specifically allocated to the Parking Business. The total net effect of the settlement of these transactions is reflected in the statements of cash flows in the Carve-out Financial Statements as a financing activity and in the statement of changes in equity as net distribution to parent in the Carve-out Financial Statements.

	As at 31 December 2023
	AED'000
Cash pooling and general activities	(565,658)
Corporate allocation	121,157
Net distribution to Parent	(444,501)

Effective from 15 January 2024, the Company has its own bank account and ceased to use the RTA's centralised cash pooling process and systems. Accordingly, all the transactions will be settled directly with the Company's bank account from Emirates NBD Bank P.J.S.C.

The Company's Related Party Transactions

The following section details the Company's related party transactions as at the date of this Offering Memorandum.

Carve-out Related Party Transactions

In connection with the Carve-out, the Company and the RTA entered into the Concession Agreement and the TSA. Following the Global Offering, the Dubai Investment Fund is expected to own approximately 75.01% of the Company. For more information on the Concession Agreement and the TSA, see "*Material Contacts*" in Part 14 of this Offering Memorandum.

Lease Agreement

The Company entered into a lease agreement with the RTA in respect of premises located on the G+2, Old headquarters, Umm Al Ramool, Marrakech Street in Dubai, United Arab Emirates for the Company's corporate office with an effective date of 01 January 2024. The head office lease is for a one-year term during which the Company has the full use of the premises in exchange for the payment of the agreed rent. The lease can be terminated, without penalty, by the Company giving not less than two months' notice to the lessor at any time during the term.

Assignment of trademarks from RTA

The Company and the RTA have agreed to assign (as part of the Concession Agreement) the Parkin trademarks held by the RTA to the Company for the duration of the Concession Agreement. The process of transferring the RTA Parkin trademarks to the Company is underway through the Ministry of Economy and should be completed before the commencement of the offer period. The trademark assignment is in process of being registered with the Ministry of Economy which will officially transfer the ownership of these marks to the Company.

Relationship with the Dubai Investment Fund

The ongoing relationship between the Company and the Dubai Investment Fund, is limited to its role as a shareholder of the Company.

Relationship with the Government of Dubai

The Company transacts with the Government of Dubai and entities controlled, or significantly influenced by the Government of Dubai or its affiliates such as the RTA within the scope of its ordinary business activities, including suppliers and customers. Since the Company is majority owned by the Government of Dubai, it is referred to as 'government-related entity'. The Company is subject to the oversight of the Financial Audit Authority—a Government of Dubai body which is able to conduct financial and compliance, performance, control systems and control systems efficacy and efficiency audits over government entities and owned companies.

The Department of Finance of the Government of Dubai will, along with the RTA, approve any fees and charges that the Company may propose, and submit such fees and charges to the TEC for approval.

PART 14

MATERIAL CONTRACTS

Agreements relating to the Carve-out

The Concession Agreement

For a full description of the Concession Agreement, see "*Concession, Litigation and Regulatory Matters—Concession Agreement*".

The Transitional Services Agreement

The Company and the RTA have entered into the TSA to govern the separation and transition of the Parking Business from the RTA to the Company.

The services which will be extended by the RTA to the Company pursuant to the TSA include: smart services, customer support, human resources and development, administration services support, legal support, security and monitoring support, IT and applications support, warehouse access, cash collection support, commercial and investment support, and marketing support. Each service will commence on the date of the TSA unless the Company notifies the RTA that a service(s) is not required until a later date.

The services are intended to be provided by the RTA (or procured to be provided by a third-party supplier) for an agreed period for each service. The Company is, however, under an obligation to establish systems, enter into agreements with third parties and take all other steps which are required to enable it to transition off each service by the end of the pre-agreed period.

The Company has the right to terminate specific services for convenience, provided that it pays any costs associated with such termination. Either the RTA or the Company may terminate the agreement in case a material breach is committed and no mutually satisfactory resolution is reached between the two. The RTA does not have a right to terminate for convenience.

The Term Financing and Revolving Credit Facilities Agreement

The Company entered into an AED 1.2 billion Term Financing and Revolving Credit Facilities Agreement dated 26 January 2024 comprising Murabaha term financing and revolving credit facilities with Emirates NBD Bank P.J.S.C. The financing was provided on an unsecured basis principally for the purposes of settling the upfront concession payment due under the Concession Agreement and for general corporate purposes. The Term Financing and Revolving Credit Facilities Agreement includes a change of control mandatory prepayment event whereby the financiers may choose to demand immediate payment of their participations if the Government of Dubai ceases to hold (directly or indirectly) at least 50.1% of the issued share capital of the Company following the completion of a listing event in respect of the Company.

The Term Financing and Revolving Credit Facilities Agreement includes a 4.5x leverage covenant which is required to be tested on a semi-annual basis and other relatively limited undertakings (including restrictions on making certain disposals and granting certain security interests).

The Term Financing and Revolving Credit Facilities Agreement also contains certain customary events of default including non-payment, breach of a financial covenant or other undertakings, termination of the Concession Agreement and cross default in respect of other financial indebtedness of the Company. The occurrence of an event of default would allow the financiers to take acceleration action, demand immediate payment and cancel the financing.

PART 15

THE PRINCIPAL AND SELLING SHAREHOLDER

Principal Shareholder

The principal shareholder and the Selling Shareholder is the Dubai Investment Fund.

As at the date of this Offering Memorandum, the Company's total issued share capital is AED 60,000,000 consisting of 3,000,0000,000 Shares of AED 0.02 each, all of which are owned by the Dubai Investment Fund (representing 100% of the Company's total issued share capital). The Selling Shareholder will offer 24.99% of the Company's share capital for sale as part of the Global Offering. Immediately following the Global Offering, assuming that the Selling Shareholder sells all of the Shares being offered, the Company's total issued share capital shall be AED 60,000,000 consisting of 3,000,000,000 Shares of AED 0.02 each, of which 2,250,300,000 Shares shall be owned by the Dubai Investment Fund (representing 75.01% of the Company's total issued share capital).

The following table details the shareholder holding the Shares (i) as at the date of this Offering Memorandum, with a total share capital of 3,000,000,000 shares of a nominal value of AED 0.02 each, and (ii) immediately following the Global Offering:

	As at the date of this Offering Memorandum		Immediately following the Global Offering	
	Number of Shares	Percentage	Number of Shares	Percentage
Shareholder				
Dubai Investment Fund	3,000,000,000	100%	2,250,300,000	75.01%
Public	—	—	749,700,000	24.99%

No Shares have voting rights that differ from those of any other Shares. As at the date of this Offering Memorandum, the Company is not aware of any arrangements that may result in a change in control of the Company.

PART 16

DESCRIPTION OF SHARE CAPITAL

Share Capital

Set out below is a summary of certain information concerning the shares, certain provisions of the Company's Articles to be adopted with effect from, and conditional upon, Admission, and certain requirements of applicable laws and regulations in effect as at the date hereof. This summary does not purport to be complete.

The Company's Share Capital

On incorporation as a public joint stock company on 4 January 2024, AED 60,000,000 divided into 3,000,000,000 shares with a nominal value of AED 0.02 each.

The Selling Shareholder in aggregate will offer 24.99% of the Company's share capital for sale as part of the Global Offering.

The Parkin Incorporation Law provides that the Government of Dubai's equity in the Company may not fall below 60% of its subscribed share capital.

The Company's Memorandum and Articles

The following is a summary of the rights under the Company's Articles and the UAE Companies Law which attach to the Shares, with which the offered Shares will rank pari passu in all respects.

In the following description of the rights attaching to the Shares, a holder of Shares and a Shareholder is, in both cases, the person registered in the Company's register of Shareholders as the holder of the relevant shares.

The following is a summary of the legal matters that will apply to the Company following its listing. The legal matters listed below must be read in light of the provisions of the Company's Articles of Association.

Articles of Association

The Company's Articles of Association, the Parkin Incorporation Law and the Companies Law describe the rights and obligations associated with the ownership of the Shares in detail.

Attending General Assembly Meetings and voting rights

Each Shareholder shall have the right to attend General Assembly Meetings and shall have a number of votes equal to the number of their Shares.

Share register

Upon listing on the DFM, the Shares will be dematerialized and the share register will be maintained by the DFM.

The Shares may be sold, transferred, pledged, or otherwise disposed of in accordance with the provisions of the Articles and the applicable regulations for selling, purchasing, clearing, settling and recording.

Financial information

A Shareholder is entitled to request a copy of the annual audited financial statements of the Company.

Financial Year

The financial year of the Company will start on the 1st of January and end on the 31st of December of each year.

Dividends and liquidation proceeds

The Company shall pay dividends on Shares in compliance with the relevant laws and regulations applicable to the Company. Shareholders shall have the sole right to the profits due on those Shares. In the event of liquidation of the Company, each Shareholder shall be entitled to a part of the Company's assets in accordance with the Articles of Association and applicable law and regulation in accordance with Article 223 of the Companies Law.

General Assembly Meeting

Annual general assembly meeting

An annual general assembly meeting shall be held in accordance with the Companies Law, at such place or places (including electronic platforms), date and time as may be decided by the Board.

Convening of general assembly meetings

The Board may, whenever they think fit, call a general assembly meeting. The Board is required to call a general assembly meeting once the Company has received requests from its members to do so in accordance with the Companies Law. The Board shall determine whether a general assembly meeting is to be held as a physical general assembly meeting or an electronic general assembly meeting as per applicable laws and regulations.

Notice of general assembly meetings

Notice of general assembly meetings shall include all information required to be included by the Companies Law and shall be published and sent to shareholders in accordance with the provisions of the Companies Law.

Quorum

No business shall be transacted at any general assembly meeting unless a quorum is present at the time when the meeting proceeds to business.

Liability of the Board

The Board shall be liable towards the Company, the Shareholders and third parties for all acts of fraud, abuse of power, violation of the law or the Company's Articles of Association, in addition to mismanagement. The Company shall have the right to initiate proceedings against the members of the Board claiming damages suffered by the Shareholders as a result of the Board's abuse of power, violation of the law or the Company's Articles of Association and mismanagement. A resolution of the General Assembly shall be adopted specifying who shall initiate the proceedings on behalf of the Company.

Any shareholder may file with the competent court a lawsuit against the Company and the Board, if any damage is inflicted upon the shareholder as the result of an act by the Company or its board or executive management in violation of the provisions of the Companies Law.

Appointment of the Chairperson and the Powers of the Chairperson

The Articles of Association provide that the Board of Directors shall elect, from amongst their members, a chairperson and a vice-chairperson. The chairperson shall execute the resolutions adopted by the Board of Directors. In the event that there is an equality of votes by the directors, then the chairperson shall have a casting vote.

Law of Establishment

The Parkin Incorporation Law gives the RTA the specific right to delegate some or all of its mandates and powers regarding the operation and management of the Parking Business to the Company. The RTA will, however, regulate the operations of the Company. The Parkin Incorporation Law also forms the basis for the RTA and the Company entering into the Concession Agreement.

Exemption from the Companies Law

The Company received on 26 February 2024 the resolution No (74M/2O) issued by the Cabinet of Ministers exempting the Company from Articles 117(2) (subscription of founders in the Offering), 121(2) (invitation to public subscription), 143(2) (formation of the board of directors), 152(2) (related parties), 217 (lock-up), 228 (employee's share incentive scheme), and 355 (share price manipulation in relation to stabilisation) of the Companies Law.

PART 17

TAXATION

UAE Taxation

Overview of Federal level corporate tax regime

Pursuant to the Federal CT Law (the "**Federal CT Law**"), the UAE recently introduced federal-level corporate tax imposed on business and commercial activities.

In the context of juridical persons, corporate tax is imposed on the taxable income of resident persons or, in specific circumstances, non-resident persons. The definitions of the term 'resident' and 'non-resident' are provided in the Federal CT Law.

Corporate tax also applies to natural persons (individuals) that conduct a business or business activity in the UAE (as defined under the Federal CT Law and the related Cabinet/ Ministerial Decisions). Certain types of income generated by individuals, including wages, investment income, real estate investment income (each as defined under Cabinet Decision No. 49 of 2023) are not taxable, subject to meeting prescribed conditions.

Further details on the categories of persons subject to corporate tax are provided in the "*Taxation of dividends and capital gains on sale*" section below.

The Federal CT Law applies to financial periods beginning on or after June 1, 2023 (meaning that by way of example, for companies with January to December financial periods, the first taxable year will be the financial year beginning on 1 January 2024).

Corporate Tax Rate

The corporate tax rate is set at 0% (zero percent) for taxable income up to AED 375,000, and 9% (nine percent) for taxable income that exceeds AED 375,000.

In line with the OECD's Base Erosion and Profit Shifting ("**BEPS**") Pillar 2 framework, Federal Decree-Law No.60 of 2023 was recently issued, amending the Federal CT Law, and introducing a top-up tax, such that the effective tax rate for large multinational enterprises is 15%. The legislation governing the mechanics of this is yet to be issued and the top-up tax is yet to be implemented, however, the OECD's BEPS Pillar 2 framework proposes that this applies to entities that are part of large multinational enterprises with global consolidated revenues in excess of EUR 750,000,00.

Qualifying Free Zone Persons

Entities incorporated or registered in free zones that are considered 'qualifying free zone persons' will be subject to 0% tax on their 'qualifying income' provided that their non-qualifying income does not exceed a specified de minimis threshold. The Federal CT Law prescribes conditions that free zone entities must satisfy in order to be treated as qualifying free zone persons, and related cabinet decisions define qualifying income and set out layered conditions governing its classification. The Company is registered and set-up in mainland UAE and therefore the free zone considerations do not apply to it.

Taxable Income

Taxable resident juridical persons will be subject to corporate tax on their worldwide income, whereas taxable non-resident juridical persons will be subject to corporate tax on the income attributable to their permanent establishment or nexus in the UAE. Natural persons will be subject to corporate tax on the worldwide income generated from the business or business activities conducted in the UAE.

Corporate tax is payable on taxable income, which is the accounting net profit reported in the financial statements of the business with certain adjustments made per the provisions of the Federal CT Law and related Cabinet and/or Ministerial Decisions.

Withholding Tax

Under the Federal CT Law, withholding tax applies to certain categories of UAE-sourced income paid to non-residents that is not attributable to a permanent establishment of the non-resident in the UAE. The categories of income subject to withholding tax have not yet been set. However, in all cases, the applicable withholding tax rate is currently set at 0%. The rate is subject to change in future by way of a Cabinet Decision.

Transfer Pricing

Under the Federal CT Law, transactions carried out between related parties should be priced in line with the arm's length principle ("**ALP**"). The ALP is met where the transaction or agreement is consistent with the results that would have been realised where unrelated parties had engaged in a similar transaction or agreement under similar circumstances.

The ALP should be supported by a functional, assets and risk analysis which is intended to be aligned with the OECD Transfer Pricing Guidelines as clarified by the Explanatory Guide issued by the Ministry of Finance. Taxpayers whose revenues satisfy or exceed set thresholds are required to maintain certain transfer pricing documentation.

General Remarks

The Federal CT Law is untested, and guidance continues to be issued by the Ministry of Finance and Federal Tax Authority. Consequently, there may be uncertainty over the applicability of certain aspects of the Federal CT Law to the Company, or investors. Prospective investors should seek their own tax advice from their advisors as to the tax consequences of the UAE corporate tax regime.

Taxation of purchase of Shares

While VAT applies in the UAE, an exemption is applicable to the supply of certain financial services including the issuance, allotment, or transfer of ownership of an equity security. Accordingly, the purchase of Shares should not result in any UAE VAT liabilities. However, shareholders should consult with their tax advisors on the applicability of the exemption to any related financial services fees, as the exemption may not be applicable to such fees.

Non-UAE tax residents, or dual tax residents, individuals and corporations, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Shares based on local tax regulations.

Taxation of dividends and capital gains on sale

Corporate Tax

<u>Individuals</u>

While Federal corporate tax applies to individuals that conduct a business/ business activities in the UAE (noting that any individual that conducts a business/ business activity in the UAE is considered a 'resident person' for corporate tax purposes), personal investment income, as defined in the UAE tax legislation, that is derived by individuals is not taxable. Therefore, individuals purchasing the Shares for their personal account (and without possessing or requiring a license to do so) should not be taxable on dividends or capital gains accrued from the Shares.

<u>Corporations</u>

In the context of corporate/juridical persons, and subject to the applicability of certain specified exemptions and reliefs, Federal corporate tax generally applies to (i) legal/juridical persons resident in the UAE; and (ii) non-residents with a permanent establishment or nexus in the UAE, or that otherwise generate UAE-sourced income as defined in the Federal CT Law.

Notwithstanding this, it should be noted that pursuant to the recently issued Ministerial Decision No. 43 of 2023, non-resident persons with no permanent establishment or nexus in the UAE that derive UAE-sourced income are not required to register for corporate tax. Please refer to the comments on withholding tax above for an overview of the tax implications for UAE-sourced income generated by non-residents that is not attributable to a permanent establishment or nexus of the non-resident in the UAE.

Dividends and profit distributions earned from (i.e. issued by/in respect of) entities resident in the UAE is exempt income for corporate tax purposes. Therefore, dividend income generated by investors from the Company is exempt from corporate tax.

Capital gains form part of the taxable base for corporate tax purposes and are taxable. However, gains arising on a future sale of the Shares by shareholders may be subject to a participation exemption provided all of the following conditions are satisfied:

- the ownership interest held by the shareholder is a 5% or greater ownership interest in the shares of the Company, or the acquisition cost of the Investor's ownership interest/s in the Company is equal to or exceeds AED 4,000,000;

- the shareholder holds, or has the intention to hold, the ownership interest for an uninterrupted period of at least 12-months;

- the participation (i.e. company in which the interest is held) is subject to tax in its country residence at a rate that is not lower than 9% (nine percent). This condition is also treated to be met where the interest is in a juridical person that is either a 'qualifying free zone person' or an 'exempt person' under the Federal CT Law;

- not more than 50% (fifty percent) of the direct and indirect assets of the participation (i.e. Company) consist of ownership interests that would not have qualified for a participation exemption if held directly by the shareholder;

- the interest held entitles the shareholder to receive not less than 5% (five percent) of the profits available for distribution by the participation (i.e. Company), and not less than 5% (five percent) of the liquidation proceeds on cessation of the participation; and

- any other conditions as may be prescribed by the Minister of Finance.

Detailed guidance and regulations have been issued for each of the above conditions and should be carefully studied when determining if the conditions for availing of the participation exemption have been met.

Non-UAE tax resident companies or dual tax resident corporations may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Shares based on local tax regulations in their respective jurisdictions, and prospective investors should consult their own tax advisors.

It is important for corporate shareholders to assess the UAE tax impact on the capital gains arising from the disposal of the Shares on a case-by-case basis, and shareholders should consult with their tax advisors on this.

Shareholders who are subject to tax in the UAE on the individual Emirate-level by virtue of being an oil or gas company or branch of a foreign bank, or tax resident in jurisdictions outside the UAE, as well as shareholders tax resident in the UAE but also subject to tax in jurisdictions outside the UAE (both corporate and individual), should also consult their own tax advisers as to the taxation of dividend income and gains on the future sale of the Shares under the relevant applicable local laws in those jurisdictions.

VAT

Please refer to the "*Taxation of purchase of Shares*" section which sets out the applicability of a VAT exemption to the transfer of equity securities. Dividend payments are not subject to VAT.

UAE VAT

The UAE implemented VAT on 1 January 2018. Unless the supply is specifically zero rated or exempt, VAT at the rate of 5% (five percent) is imposed on (i) the supply of goods and services made in the UAE by VAT registered businesses (or businesses that are required to be registered for VAT); and (ii) all taxable imports.

For persons with a place of residence in the UAE, the mandatory registration threshold is AED 375,000 in taxable turnover (i.e. taxable supplies and imports) and the voluntary registration threshold is AED 187,500. Businesses with a place of residence in the UAE must register for VAT if they have an annual taxable turnover that exceeds the mandatory registration threshold (or if it is anticipated that total taxable turnover will exceed it in the next thirty days) and an option to register for VAT is available if the value of taxable supplies and imports is below the mandatory registration threshold but exceeds the voluntary registration threshold (with voluntary registration also being permissible on the basis of taxable expenses that exceed the voluntary registration threshold). Separate rules govern specific circumstances where a person without a place of residence in the UAE may be required to register for VAT.

Subject to the satisfaction of conditions, VAT-registered persons are entitled to recover VAT expenses incurred on purchases that are related to business activities and are made during the course of (i.e. for the purposes of) making their supplies that are standard rated or zero-rated. However, VAT expenses incurred in connection with supplies that are exempt from VAT are not recoverable.

The VAT legislation outlines the scope of financial services classified as exempt from VAT, and on this basis, and as outlined in the "*UAE Taxation*" section above, no VAT should be applicable to any transfer of Shares. However, businesses should consult with their tax advisors on the applicability of the exemption to any related financial services fees, as the exemption may not be applicable to such fees.

PART 18

SUBSCRIPTION AND SALE

The Company, the Selling Shareholder, and the Underwriters have entered into an underwriting agreement with respect to the Shares (the "**Underwriting Agreement**"). Subject to the satisfaction of certain conditions set out in the Underwriting Agreement—including the execution of the Pricing Agreement (as defined below), each Underwriter has agreed, severally but not jointly, to procure purchasers and subscribers, or failing which to purchase, the Shares on terms specified in the Underwriting Agreement and the Pricing Agreement. The number of Shares will be determined no later than on the Pricing Date and set out in the Pricing Agreement. Such number of Shares will also be communicated in a press release to be issued by Parkin.

Underwriting Agreement and Pricing Agreement

In the Underwriting Agreement, the Company and the Selling Shareholder have made certain representations and warranties and the Company has agreed to indemnify the several Underwriters against certain liabilities, including liability under the US Securities Act. The Selling Shareholder has agreed to indemnify the Underwriters against liability relating to the Stabilisation Shares. The Underwriters are offering the Shares and when, as and if delivered to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Shares, and other conditions contained in the Underwriting Agreement, Admission and the receipt by the Underwriters of officers' certificates and legal opinions. The Underwriters will be paid a selling commission in respect of the Shares.

The underwriting commitment of the several Underwriters will be subject to certain conditions precedent, including among others, the execution of a pricing agreement to the Underwriting Agreement (the "**Pricing Agreement**") by the Company, the Selling Shareholder and the Underwriters setting forth the Offer Price for the Shares and the final number of Shares offered in the Global Offering. The Pricing Agreement is expected to be executed no later than the Pricing Date.

The Joint Global Coordinators, acting on behalf of the Underwriters, may terminate the Underwriting Agreement prior to the closing of the Global Offering under certain specified conditions that are typical for an agreement of this nature. If any of such conditions are not satisfied or waived, or the Underwriting Agreement is terminated prior to the closing of the Global Offering, then this Global Offering will lapse.

Commissions and Expenses

All selling commissions and any discretionary fees will be paid by the Selling Shareholder. The expenses of the Global Offering will be borne by the Selling Shareholder.

Price Range

The Offer Price Range is AED 2.00 to AED 2.10 per Share.

Pricing of the Global Offering

It is expected that the Offer Price will be within the Offer Price Range. The Offer Price Range is indicative only and may change during the course of the Global Offering, and the Offer Price may be set within, above or below the Offer Price Range.

Prior to this Global Offering, there has been no public market for the Shares. The final Offer Price will be determined by negotiations between the Underwriters, the Selling Shareholder and the Company. Among the factors considered in determining the Offer Price following the bookbuilding process will be the Company's future prospects and the prospects of its industry in general, the Company's revenue, net profit and certain other financial operating information in recent periods, and the financial ratios, market prices of securities and certain financial and operating information of companies engaged in activities similar to the Company.

Allocation

The allocation of Shares will be determined by the Joint Global Coordinators, the Company, the Selling Shareholder and the Financial Adviser.

Factors that may be taken into account by the Underwriters, the Company and the Selling Shareholder when determining the allocations between prospective investors in the event of over-subscription may include participation in the marketing process for the Global Offering, holding behaviour in previous offerings, holdings in similar companies, pre-funding of indication of interest and other factors that the Underwriters, the Company and the Selling Shareholder may deem relevant. The Directors and Senior Managers may also be given the opportunity to purchase Shares in the Global Offering.

Price Stabilisation

In connection with the Global Offering, the Company and the Selling Shareholder will appoint the Stabilising Manager, who may, to the extent permitted by applicable law, including the DFM Trading Rules, and for stabilisation purposes, effect stabilising transactions.

The Stabilising Manager will be appointed for the Stabilisation Period. All stabilising transactions will be undertaken in compliance with the DFM Trading Rules. In accordance with Rule 14.7 of the DFM Trading Rules, the Stabilising Manager will disclose to the market the extent of any stabilising transactions conducted in relation to the Global Offering.

As part of the Global Offering, the Selling Shareholder will sell the Stabilisation Shares and such shares will be allocated to investors as part of the normal allocation process for the Global Offering. If at any time during the Stabilisation Period, the share price of the Shares on the DFM falls below the Offer Price, the Stabilising Manager shall use the proceeds of the sale of the Stabilisation Shares to purchase from the market up to a number of Shares equivalent to the number of Stabilisation Shares at or below the Offer Price for the purpose of supporting the market price of the Shares.

In the event the Stabilising Manager does not purchase any Shares during the Stabilisation Period, the Stabilisation Shares will remain fully allocated to the relevant investors. At the end of the Stabilisation Period, the Stabilising Manager shall return to the Selling Shareholder any Shares which have been purchased in the market as a result of stabilisation transactions, any remaining unused portion of the proceeds, as well as any interest/profit that has accumulated for the amounts corresponding to such proceeds minus any applicable fees.

Any Stabilisation Shares made available will rank *pari passu* in all respects with the Shares, including for all dividends and other distributions declared, made or paid on the Shares, will be purchased on the same terms and conditions as the Shares being issued or sold in the Global Offering and will form a single class for all purposes with the other Shares.

None of the Underwriters or their respective directors, officers, employees or agents will have any direct or indirect involvement in, or responsibility or liability for, nor derive any direct or indirect benefit from, the stabilising transactions envisaged hereby and stabilisation will be carried out exclusively by the Stabilising Manager.

Lock-up Arrangements

The Selling Shareholder has contractually agreed, for a period of 180 days after Admission (the "**Lock-up Period**"), not to (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares (excluding for the avoidance of doubt any securities issued by the Selling Shareholder), (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise or (iii) publicly announce such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed.

The foregoing restriction will not apply to, among others:

(i) the offer and sale of the Shares in the Global Offering;

(ii) any inter-company transfers of Shares by the Selling Shareholder in favour of its affiliates (provided that the transferee agrees to comply with the foregoing restrictions);

(iii) accepting a general offer (including from the Company) made to all holders of Shares then in issue (other than Shares held by the person making the offer or its affiliates) on terms which treat all holders of Shares alike, or executing and delivering an irrevocable commitment or undertaking to accept such a general offer (without any further agreement to transfer or dispose of any Shares or any interest therein);

(iv) taking up any rights granted in respect of a pre-emptive share offering by the Company; or

(v) sales or transfers permitted under Article 215 of the UAE Commercial Companies Law.

The Company has contractually agreed, for the duration of the Lock-up Period, that neither it nor any of its affiliates nor any person acting on its or their behalf will, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed): (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any ordinary shares or warrants or other rights to purchase ordinary shares or any security or financial product whose value is determined, directly or indirectly, by reference to the price of the ordinary shares; (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the ordinary shares, in each case, whether any such transaction is to be settled by delivery of ordinary shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction.

The Fatwa issued in relation to the Global Offering does not approve the transactions listed above unless such transactions are structured in a Shari'ah compliant manner.

Other relationships

Each of the Underwriters, together with their respective affiliates, are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, issuing or creating and trading in securities and financial products, publishing research and exercising voting power over securities on behalf of third parties, financing and brokerage activities, for which they receive customary fees. In the ordinary course of the Underwriters' and their respective affiliates' trading, brokerage, asset management, and financing activities, the Underwriters and their respective affiliates may at any time deal as principal or agent for more than one party in, or trading positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or financing of the Company, the Selling Shareholder, their respective associates or any counterparty. In addition, the Underwriters and any of their respective affiliates may also provide risk management products to the Company and/or the Selling Shareholder or any parties related to any of them in connection with the Global Offering for which they could receive payment(s), earn a profit and/or suffer or avoid a loss contingent on the closing of the Global Offering (and the quantum of such amounts may potentially be significantly in excess of the fees earned by the relevant Underwriter for its services acting as Joint Global Coordinator, or Joint Bookrunner in connection with the Global Offering).

Each Underwriter and its respective affiliates may have and may in the future have investment and commercial banking, financing, hedging, trading, trust, financial advisory, investment banking and other ancillary relationships with parties other than the Company and the Selling Shareholder which parties may have interests with respect to the Company or the Selling Shareholder, their respective affiliates or other persons. The Underwriters and their respective affiliates may provide such services for the Company, the Selling Shareholder and their respective affiliates in the future. The sharing of information relating to such activities is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of any such transactions, any Underwriter may have interests that may not be aligned, or could potentially conflict, with the interests of holders of Shares or with the interests of the Company or the Selling Shareholder.

Additional information

In connection with the Global Offering, each of the Underwriters and any of their affiliates acting as investors for their own account, may take up a portion of the Shares in the Global Offering as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own account such securities and any securities of the Company or related investments, and may offer or sell such securities or other investments otherwise than in connection with the Global Offering, or otherwise, in each case in accordance with applicable law. Accordingly, references in this Offering Memorandum to the Shares being issued, offered, subscribed, acquired, sold, placed or otherwise dealt in should be read as including issue, offering, subscription, acquisition, sale or placement of the Shares to any of the Underwriters and any of their respective affiliates acting as investors for their own account. In addition, certain of the Underwriters or their affiliates may enter into financing or hedging arrangements with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of the Shares. The Underwriters do not intend to disclose the extent of any such investments or transactions otherwise than to the Company and the Selling Shareholder and in accordance with any legal or regulatory obligation to do so.

Selling and Transfer Restrictions

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Shares or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Company or the Shares, in any country or jurisdiction where action for that purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, nor may this Offering Memorandum or any other offering material or advertisement or other document or information in connection with the Shares be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

United States

The Shares have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, within the United States. The Shares are being offered and sold outside the United States in reliance on Regulation S.

United Kingdom

In relation to the United Kingdom, no Shares which are the subject of the Global Offering contemplated herein have been offered or will be offered pursuant to the Global Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which has been approved by the Financial Conduct Authority in the United Kingdom in accordance with the UK Prospectus Regulation and the FSMA, except that offers of Shares may be made to the public in the United Kingdom at any time under the following exemptions under the UK Prospectus Regulation and the FSMA:

(i) to any legal entity which is a qualified investor as defined under the UK Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) at any time in other circumstances falling within section 86 of the FSMA,

provided that no such offer of Shares shall result in a requirement for the publication by the Company or any Underwriter to publish a prospectus pursuant to Section 85 of the FSMA or Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

Each person in the United Kingdom who initially acquires any Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the Joint Global Coordinators that it is a qualified investor within the meaning of the UK Prospectus Regulation.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the Global Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in the United Kingdom to qualified investors, in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholder, the Underwriters and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an "offer to the public" in relation to any Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, the expression "UK Prospectus Regulation" means assimilated Regulation (EU) 2017/1129 as it forms part of the law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 and the expression "FSMA" means the Financial Services and Markets Act 2000.

In connection with the Global Offering, the Underwriters are not acting for anyone other than the Company and the Selling Shareholder and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their clients nor for providing advice in relation to the Global Offering.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Order, (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

The Shares are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation.

European Economic Area

In relation to each member state of the European Economic Area (each a "**Relevant Member State**"), no Shares which are the subject of the Global Offering contemplated herein have been offered or will be offered pursuant to the Global Offering to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State all in accordance with the Prospectus Regulation, except that offers of Shares may be made to the public in that Relevant Member State of any Shares at any time under the following exemptions under the Prospectus Regulation:

(i) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of Shares shall result in a requirement for the publication by the Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person in a Relevant Member State who initially acquires any Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the Joint Global Coordinators that it is a qualified investor within the meaning of the Prospectus Regulation.

In the case of any Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the Global Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant Member State to qualified investors, in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale.

The Company, Selling Shareholder, the Underwriters and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an “offer to the public” in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

United Arab Emirates (excluding the DIFC and the ADGM)

This Offering Memorandum is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this document, you should consult an authorised financial adviser.

By receiving this Offering Memorandum, the person or entity to whom it has been issued understands, acknowledges and agrees that this Offering Memorandum has not been approved by or filed with the UAE Central Bank, the SCA or any other authorities in the UAE, nor have the Underwriters received authorisation or licensing from the UAE Central Bank, SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE. It should not be assumed that any of the Underwriters is a licensed broker, dealer or investment adviser under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products. The Shares offered pursuant to this Offering Memorandum may not be offered or sold directly or indirectly to the public in the UAE. This does not constitute a public offer of securities in the UAE in accordance with the Law No. 32 of 2021 concerning Commercial Companies (as amended) or otherwise.

Nothing contained in this Offering Memorandum is intended to constitute investment, legal, tax, accounting or other professional advice. This Offering Memorandum is for your information only and nothing in this Offering Memorandum is intended to endorse or recommend a particular course of action. Any person considering acquiring securities should consult with an appropriate professional for specific advice rendered based on their respective situation.

Dubai International Financial Centre

The Shares have not been offered and will not be offered to any persons in the DIFC except on the basis that an offer is:

(i) an “Exempt Offer” in accordance with the Markets Rules (MKT) module of the DFSA; and

(ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.4 of the DFSA Conduct of Business Module.

Abu Dhabi Global Market

The Shares have not been offered and will not be offered to any persons in the ADGM except on the basis that an offer is:

(i) an "Exempt Offer" in accordance with the Market Rules of the ADGM Financial Services Regulatory Authority; and

(ii) made only to persons who are Authorised Persons or Recognised Bodies (as such terms are defined in the FSMR) or persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.

Kingdom of Saudi Arabia

This Offering Memorandum may not be distributed in the Kingdom of Saudi Arabia ("**Saudi Arabia**" or the "**KSA**"), except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority (the "**CMA**") pursuant to resolution number 3-123-2017, dated 27 December 2017G, as amended pursuant to Resolution of the Board of the CMA number 8-5-2023 dated 18 January 2023G (the "**Saudi Regulations**").

The CMA does not make any representation as to the accuracy or completeness of this Offering Memorandum, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Offering Memorandum. Prospective investors in the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If a prospective investor does not understand the contents of this Offering Memorandum, they should consult an authorised financial adviser.

The Shares must not be advertised, offered or sold and no memorandum, information circular, brochure or any similar document has or will be distributed, directly or indirectly, to any person in Saudi Arabia other than to institutional or qualified clients under Article 8(a)(1) of the Saudi Regulations as such terms are defined in the Glossary of Defined Terms used in the Regulations and Rules of the CMA (issued by the Board of the CMA pursuant to resolution number 4-11-2004 dated 4 October 2004G, as amended pursuant to Resolution of the Board of the CMA number 8-5-2023 dated 18 January 2023G) or by way of a limited offer under Article 9 of the Saudi Regulations.

The Global Offering of the Shares shall not, therefore, constitute a "public offer" pursuant to the Saudi Regulations. Prospective investors are informed that Article 14 of the Saudi Regulations places restrictions on secondary market activity with respect to the Shares. Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the Saudi Regulations shall not be recognised by the Company.

Lebanon

This Offering Memorandum does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Shares in the Company in the Lebanese territory, nor shall it (or any part of it), nor the fact of its distribution, form the basis of, or be relied on in connection with, any subscription.

The Company has not been, and will not be, authorised or licensed by the Central Bank of Lebanon and its Shares cannot be marketed and sold in Lebanon. No public offering of the Shares is being made in Lebanon and no mass-media means of contact are being employed. This Offering Memorandum is aimed at institutions and sophisticated, high net worth individuals only, and this Offering Memorandum will not be provided to any person in Lebanon except upon the written request of such person.

Recipients of this Offering Memorandum should pay particular attention to the section titled "*Risk Factors*" in this Offering Memorandum. Investment in the Shares is suitable only for sophisticated investors with the financial ability and willingness to accept the risks associated with such an investment, and said investors must be prepared to bear those risks.

Oman

This Offering Memorandum does not constitute a public offer of securities in the Sultanate of Oman, as contemplated by the Commercial Companies Law of Oman (Royal Decree No. 4/1974) or the Capital Market Law of Oman (Royal Decree No. 80/1998) and Ministerial Decision No. 1/2009 or an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman.

This document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to make an offer to the Company to enter into commitments to invest in the Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient.

Additionally, this document is not intended to lead to the making of any contract within the territory or under the laws of the Sultanate of Oman.

The Company is incorporated and existing under the laws of the UAE. The Capital Market Authority and the Central Bank of Oman take no responsibility for the accuracy of the statements and information contained in this Offering Memorandum or for the performance of the Company with respect to the Shares nor shall they have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein.

Bahrain

The Shares have not been offered or sold, and will not be offered or sold to any person in the Kingdom of Bahrain except on a private placement basis to persons who are "accredited investors".

For this purpose, an "accredited investor" means:

(i) an individual holding financial assets (either singly or jointly with a spouse) of $1,000,000 or more;

(ii) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than $1,000,000; or

(iii) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Kuwait

The Shares have not been and will not be offered, sold, promoted or advertised in Kuwait except on the basis that an offer is made in compliance with Decree Law No. 31 of 1990 and the implementing regulations thereto, as amended, and Law No. 7 of 2010 and the bylaws thereto, as amended governing the issue, offering and sale of securities. No private or public offering of the Shares is being made in Kuwait, and no agreement relating to the sale of the Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Shares in Kuwait.

Jordan

Any marketing of the Shares to Jordanian investors shall be done by way of private placement only. The Shares are being offered in Jordan on a cross-border basis based on one-on-one contacts to no more than 30 potential investors and, accordingly, the Shares will not be registered with the Jordanian Securities Commission and a local prospectus in Jordan will not be issued.

Japan

The Shares have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the "**FIEL**"). This document is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

This Offering Memorandum has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly, (i) the Shares may not be offered or sold in Hong Kong by means of this Offering Memorandum or any other document other than to "professional investors" as defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571) and any rules made thereunder, or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance of Hong Kong (Cap. 32) or which do not constitute an offer to the public within the meaning of the Companies Ordinance, and (ii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as set out above).

Singapore

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore, and the Shares will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "**Securities and Futures Act**"). Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Shares may not be circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person under Section 275(1) of the Securities and Futures Act, or to any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased Shares, namely a person who is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor, should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the Shares under Section 275 of the Securities and Futures Act except:

  (a) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person or to any person pursuant to Section 275(1) and Section 275(1A) of the Securities and Futures Act, respectively, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; or

  (b) where no consideration is or will be given for the transfer; or

  (c) where the transfer is by operation of law; or

  (d) pursuant to Section 276(7) of the Securities and Futures Act.

Canada

The Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Offering Memorandum Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment thereto) contain a misrepresentation, provided that the remedies of rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding bank conflicts of interest in connection with this Global Offering.

Switzerland

The offering of the Shares in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because the Shares are offered to less than 500 investors and the Shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus or a similar document pursuant to FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Shares.

Australia

The Shares have not been offered and will not be offered pursuant to the Global Offering in Australia, except to select investors who are able to demonstrate that they fall within one or more of the following categories of investors:

(i) a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act;

(ii) a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to the Company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

(iii) a person associated with the company under section 708(12) of the Corporations Act; or

(iv) a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act.

This document does not constitute a prospectus or other disclosure document under Chapter 6D.2 of the Corporations Act, does not purport to include the information required in a prospectus or other disclosure document, has not been, and will not be, lodged or registered with the Australian Securities and Investments Commission ("**ASIC**") or the Australian Securities Exchange ("**ASX**") or any other regulatory body or agency in Australia and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

The Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for, or buy, the Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Shares may be distributed, received or published in Australia, except to the select investors outlined above or where disclosure to investors otherwise is not required under Chapter 6D and Part 7.9 of the Corporations Act and otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Shares, each purchaser or subscriber of Shares represents and warrants to the Company, the Selling Shareholders, the Underwriters and their affiliates that such purchaser or subscriber falls within one or more of the categories of investors under section 709 of the Corporations Act, as outlined above.

As any offer of Shares under this prospectus, any supplement accompanying this prospectus or any other document will be made without disclosure in Australia under Chapter 6D and Part 7.9 of the Corporations

Act, the offer of those Shares for resale in Australia within 12 months after their issue may, under the Corporations Act, require disclosure to investors if none of the exemptions in the Corporations Act applies to that resale. By applying for the Shares each purchaser or subscriber of Shares undertakes to the Company, the Selling Shareholders and the Underwriters that such purchaser or subscriber will not, for a period of 12 months from the date of issue or purchase of the Shares, offer, transfer, assign or otherwise alienate those Shares, or grant, issue or transfer interests in or options over them, to investors in Australia except in circumstances where disclosure to investors is not required under the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Qatar and the Qatar Financial Centre

This Offering Memorandum is being provided by the Underwriters on an exclusive basis to the specifically intended recipient (being a qualified investor for the purposes of the Qatar Financial Markets Authority or the Qatar Financial Centre Regulatory Authority) in the State of Qatar, including the Qatar Financial Centre, upon that person's request and initiative, and for the recipient's personal use only.

Nothing in this Offering Memorandum constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of Shares in the State of Qatar or in the Qatar Financial Centre or the marketing or promotion in the State of Qatar or in the Qatar Financial Centre of the Shares or an attempt to do business, as a bank, a financial services company, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing offering, marketing or sale of the Shares and through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar.

Each Underwriter has represented and agreed that it has not offered, delivered or sold, and will not offer, sell or deliver at any time, directly or indirectly, any Shares in the State of Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of the State of Qatar (including the Qatar Financial Centre); and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar.

This Offering Memorandum and/or the Shares have not been approved, registered or licensed by the Qatar Central Bank, the Qatar Financial Centre Regulatory Authority, the Qatar Financial Markets Authority or any other regulator in the State of Qatar or in the Qatar Financial Centre, in accordance with their regulations or any other regulations in Qatar (including the Qatar Financial Centre).

Recourse against the Company, the Selling Shareholders and/or the Underwriters may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar (including the Qatar Financial Centre). The information contained in this Offering Memorandum is confidential and must not be reproduced in whole or in part (whether in electronic or hard copy form). Any distribution of this Offering Memorandum by the recipient to third parties in the State of Qatar or in the Qatar Financial Centre beyond the terms set out above is not authorised and shall be at the liability of such recipient.

Republic of Korea

A registration statement for the offering and sale of the Shares has not been filed with the Financial Services Commission of the Republic of Korea ("**Korea**") under the current laws and regulations of Korea, including but not limited to the Financial Investment Services and Capital Markets Act of Korea. Accordingly, the Shares may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined in the Foreign Exchange Transactions Law of Korea) or to others for reoffering or resale, directly or indirectly in Korea or for the account or benefit of any resident of Korea, except as otherwise permitted under applicable Korean laws and regulations.

South Africa

The Shares are not the subject of a registered prospectus in terms of chapter 4 of the South African Companies Act, 71 of 2008 (the "**SA Companies Act**"). Any subscriber or purchaser of the Shares in South Africa may not offer the Shares for sale to the public in South Africa unless such offer is accompanied by a prospectus, or where applicable a written statement, that is registered with the Companies and Intellectual

Property Commission in terms of the said chapter of the Companies Act and which complies with all relevant provisions in this regard. No advertisement in relation to a public offer may be made unless it complies with section 98 of the Companies Act. The "public" includes any section of the public.

Certain offers of Shares are deemed, in terms of the safe harbour provisions of section 96 of the Companies Act, to not be offers to the public. These include offers to (i) persons whose ordinary business is dealing in securities, whether as principals or agents; (ii) the Public Investment Corporation as defined in the Public Investment Corporation Act, 2004; (iii) persons regulated by the Reserve Bank of South Africa; (iv) authorised and licensed financial services providers; (v) financial institutions as defined in the Financial Services Board Act, 1990, (vi) wholly owned subsidiaries of the persons contemplated in (iii), (iv) and (v), acting as agent in the capacity of authorised portfolio manager for a pension fund registered in terms of the Pension Funds Act, 1956 or as manager for a collective investment scheme registered in terms of the Collective Investment Schemes Control Act, 2002, or (vii) a combination of any of the foregoing. Also included in the safe harbours are:

(i) offers where the minimum offer consideration per offeree, acting as principal, is Rand 1,000,000;

(ii) if it is a non-renounceable offer made only to (i) existing holders of the company's securities; or (ii) persons related to existing holders of the company's securities;

(iii) if it is a rights offer that satisfies the prescribed requirements, and (i) an exchange has granted or has agreed to grant a listing for the securities that are the subject of the offer; and (ii) the rights offer complies with any relevant requirements of that exchange at the time the offer is made;

(iv) if the offer is made only to a director or prescribed officer of the company, or a person related to a director or prescribed officer, unless the offer is renounceable in favour of a person who is not a director or prescribed officer of the company or a person related to a director or prescribed officer; and/or

(v) if it pertains to an employee share scheme that satisfies the requirements as set out in terms of section 97 of the Companies Act, 2008.

Accordingly, offers may be made to such institutions or under such circumstances without having to comply with chapter 4 of the Companies Act.

The Global Offering will further not be made and this Offering Memorandum will further not be distributed in South Africa or to any person with an address in South Africa in any manner which could be construed as an offer to the public in terms of the Companies Act, 2008 and should any person who does not fall into any of the above exemptions receive this prospectus they should not and will not be entitled to acquire any Shares or otherwise act thereon.

PART 19

SETTLEMENT AND DELIVERY

Trading of the Shares will take place through the trading system of the DFM. Shares will be held under NINs assigned by the DFM either to the holders directly or through custodian omnibus accounts and the ownership of the Shares will be evidenced by the holdings under each such NIN. Clearing and settlement of trades on the DFM by brokers or custodians may be performed only through members of the DFM that are Clearing Members. Settlement of securities trading on DFM is governed by the DFM's rules and regulations, which are available from its website www.dfm.ae.

Investors will be required to complete an application form for the Shares and return such form to the Underwriters during the bookbuilding period. Application forms will be available from the Underwriters.

Investors who receive an allocation of Shares will be required to deliver to the Underwriters a signed trade confirmation on the business day following notice of its allocation. The form of trade confirmation will be provided to such investors when allocations are notified on or around 14 March 2024 to investors subscribing in the Qualified Investor Offering.

Payment for the Shares purchased in connection with the Global Offering shall be made in the currency agreed by each purchaser or subscriber to the Underwriters during the bookbuilding process. Purchasers and subscribers will be required to make full payment for the Shares to the Underwriters for receipt by the Underwriters two business days prior to the expected Closing Date, unless otherwise agreed with the Underwriters. In the event of a failure to make timely payment, purchasers and subscribers of Shares may incur significant charges.

Delivery of the Shares is expected to be made on the Closing Date to the accounts of purchasers and subscribers through the book-entry facilities operated by the DFM. There can be no assurance that such Shares will be credited to the NIN account of the relevant investor during trading hours of the DFM on the Closing Date and such investor may not be able to deal in the relevant Shares comprising its allocation in the Qualified Investor Offering until such time as they are in fact credited to its NIN account, which may be one or more business days following the Closing Date.

PART 20

LEGAL MATTERS

Certain legal matters with respect to the Global Offering will be passed upon for the Company by Freshfields Bruckhaus Deringer LLP, London, England and Dubai, UAE, and Al Tamimi & Company, Dubai, UAE. Certain legal matters with respect to the Global Offering will be passed upon for the Underwriters by White & Case LLP.

PART 21

INDEPENDENT AUDITOR

The carve-out financial statements of the Roads and Transport Authority's Parking Business, for each of the years ended 31 December 2022 and 31 December 2021, including the related notes thereto (the "**2022/2021 Carve-out Financial Statements**") and the carve-out financial statements of the Roads and Transport Authority's Parking Business for the year ended 31 December 2023, including the related notes thereto (the "**2023 Carve-out Financial Statements**" and, together with the 2022/2021 Carve-out Financial Statements, the "**Carve-out Financial Statements**") included in this Offering Memorandum have been audited by PricewaterhouseCoopers Limited Partnership Dubai Branch ("**PwC** or the "**Independent Auditor**") as stated in their independent auditor's reports appearing herein (which each contains an emphasis of matter paragraph drawing attention to the fact that as described in Note 1 and Note 2 to the 2022/2021 Carve-out Financial Statements and Note 1 and Note 2 to the 2023 Carve-out Financial Statements, the Parking Business has not operated as a separate entity. Therefore, the Carve-out Financial Statements are not necessarily indicative of results that would have occurred if the Parking Business had been a separate stand-alone entity during the years presented or of future results of the Parking Business).

PART 22

FINANCIAL STATEMENTS

Roads and Transport Authority – Parking Business

Carve-out financial statements for the years ended 31 December 2022 and 2021

ROADS AND TRANSPORT AUTHORITY - **Parking Business**

Carve-out financial statements of the Parking Business
For the years ended 31 December 2022 and 2021

Independent auditor's report to the directors of Roads and Transport Authority

Report on the audit of the carve-out financial statements

Our opinion

In our opinion, the carve-out financial statements present fairly, in all material respects, the carve-out financial position of Roads and Transport Authority – Parking Business (the "Parking Business") as at 31 December 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

What we have audited

The Parking Business' carve-out financial statements comprise:

- the carve-out statement of profit or loss and other comprehensive income for the years then ended;
- the carve-out statement of financial position as at 31 December 2022 and 2021;
- the carve-out statement of cash flows for the years then ended
- the carve-out statement of changes in equity for the years then ended; and
- the notes to the carve-out financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the carve-out financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Parking Business in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the carve-out financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Emphasis of matter – basis of accounting

We draw attention to the fact that, as described in Notes 1 and 2 to the carve-out financial statements, the Parking Business has not operated as a separate entity. These carve-out financial statements are, therefore, not necessarily indicative of results that would have occurred if the Parking Business had been a separate stand alone entity during the years presented or of future results of the Parking Business.

The carve-out financial statements are prepared by the management of Roads and Transport Authority in connection with the listing of the Parking Business on the Dubai Financial Market in the United Arab Emirates. As a result, the carve-out financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Douglas O'Mahony, Wassim El Afchal, Murad Alnsour, Rami Sarhan and Virendra Dhirajlal Lodhia are registered as practicing auditors with the UAE Ministry of Economy

Independent auditor's report to the directors of Roads and Transport Authority (continued)

Responsibilities of management and those charged with governance for the carve-out financial statements

Management is responsible for the preparation and fair presentation of the carve-out financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the carve-out financial statements, management is responsible for assessing the Parking Business' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Parking Business or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Parking Business' financial reporting process.

Auditor's responsibilities for the audit of the carve-out financial statements

Our objectives are to obtain reasonable assurance about whether the carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these carve-out financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parking Business' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report to the directors of Roads and Transport Authority (continued)

Auditor's responsibilities for the audit of the carve-out financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parking Business' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the carve-out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parking Business to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the carve-out financial statements, including the disclosures, and whether the carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers Limited Partnership Dubai Branch
10 January 2024

Wassim El Afchal
Registered Auditor Number 5454
Dubai, United Arab Emirates

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PRICEWATERHOUSECOOPERS
LIMITED PARTNERSHIP DUBAI BR.

CARVE-OUT STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the years ended 31 December

	Notes	2022 AED'000	2021 AED'000
Revenue	6	**686,242**	590,566
Other income	7	**717**	293
Commission expenses	8	**(25,005)**	(22,426)
Maintenance expense		**(33,777)**	(33,593)
Variable lease payments	14	**(11,390)**	(10,785)
Other expenses	9	**(36,088)**	(34,026)
Employee benefits expense	10	**(135,852)**	(134,679)
Depreciation and amortisation	11	**(20,615)**	(20,396)
Corporate allocation expense	20	**(110,799)**	(105,741)
Reversal of impairment loss / (impairment loss) on trade receivables	15	**2,486**	(9,318)
Finance expense	14	**(320)**	(392)
PROFIT FOR THE YEAR		**315,599**	219,503
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**315,599**	219,503

The attached notes 1 to 24 form part of these carve-out financial statements.

CARVE-OUT STATEMENT OF FINANCIAL POSITION

As at

	Notes	**31 Dec 2022 AED'000**	31 Dec 2021 AED'000	1 Jan 2021 AED'000
ASSETS				
Non-current assets				
Property and equipment	12	**34,148**	53,391	56,891
Intangible assets	13	**11,386**	11,075	10,343
Right-of-use asset	14	**16,446**	21,608	27,308
		61,980	86,074	94,542
Current asset				
Trade and other receivables	15	**227,680**	277,982	154,950
TOTAL ASSETS		**289,660**	364,056	249,492
LIABILITIES				
Non-current liabilities				
Employees' end of service benefits	16	**61,229**	57,451	53,231
Lease liabilities	14	**13,575**	17,320	22,350
		74,804	74,771	75,581
Current liabilities				
Trade and other payables	17	**90,040**	64,499	41,743
Contract liabilities	18	**55,202**	52,973	49,691
Provisions	19	**2,850**	1,850	1,100
Lease liabilities	14	**3,745**	5,030	4,958
		151,837	124,352	97,492
TOTAL LIABILITIES		**226,641**	199,123	173,073
Net Parent Investment				
Accumulated Net Parent Investment	20	**63,019**	164,933	76,419
TOTAL LIABILITIES AND NET PARENT INVESTMENT		**289,660**	364,056	249,492

To the best of our knowledge, the carve-out financial statements fairly present, in all material respects, the financial position, results of operation and cash flows of the Company as of, and for, the years ended 31 December 2022 and 31 December 2021.

These financial statements were approved by the Board of Directors of Roads and Transport Authority on 10 January 2024 and signed on its behalf by:

Director General
Chairman of the Board of Executive Directors

CEO
Corporate Administrative Support Service

The attached notes 1 to 24 form part of these carve-out financial statements.

CARVE-OUT STATEMENT OF CASH FLOWS
For the year ended 31 December

	Notes	2022 AED'000	2021 AED'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**315,599**	219,503
Adjustments for:			
Depreciation of property and equipment, and right-of-use assets	**11**	**18,890**	18,765
Amortisation of intangible assets	**11**	**1,725**	1,631
Finance expense (interest on lease liabilities)	**14**	**320**	392
Provision for employees' end of service benefits	**16**	**6,316**	6,187
Impairment (reversal)/loss on financial assets	**15**	**(2,486)**	9,318
Operating cash flows before movements in working capital and employees' end-of-service benefits paid:		**340,364**	255,796
Decrease/(increase) in trade and other receivables		**52,788**	(132,350)
Increase in trade and other payables		**25,541**	22,756
Increase in Provision		**1,000**	750
Increase in Contract liabilities		**2,229**	3,282
		421,922	150,234
Employees' end-of-service benefits paid	**16**	**(2,538)**	(1,967)
Net cash flows generated from operating activities		**419,384**	148,267
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, equipment, and intangible assets		**(2,418)**	(11,928)
Proceeds from the sale of property and equipment		**5,897**	-
Net cash generated from/ (used in) investing activities		**3,479**	(11,928)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal element of lease payments	**14**	**(5,030)**	(4,958)
Interest element of lease payment	**14**	**(320)**	(392)
Distribution to Parent		**(417,513)**	(130,989)
Net cash used in financing activities		**(422,863)**	(136,339)
Net cash movement during the year		-	-
Cash at the beginning of the year		-	-
CASH AT THE END OF THE YEAR		-	-

The attached notes 1 to 24 form part of these carve-out financial statements.

CARVE-OUT STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December

	Total Net Parent Investment AED '000
Balance as at 1 January 2021	**76,419**
Total comprehensive income for the year	219,503
Distribution to Parent	(130,989)
Balance as at 31 December 2021	**164,933**
Total comprehensive income for the year	315,599
Distribution to Parent	(417,513)
Balance as at 31 December 2022	**63,019**

The attached notes 1 to 24 form part of these carve-out financial statements.

1. DESCRIPTION OF BUSINESS AND PRINCIPAL ACTIVITIES

Roads and Transport Authority ("RTA" or the "Parent") was incorporated in the Emirate of Dubai, United Arab Emirates ("UAE") under decree no. 17/2005 issued by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, the Ruler of Dubai, on 1 November 2005. RTA is owned by the Dubai Department of Finance ("DoF") which is ultimately owned and controlled by the Government of Dubai. RTA is responsible for planning and executing the requirements of transport, roads, and traffic in the Emirate of Dubai, between Dubai and other Emirates of the UAE, and neighbouring countries in order to provide an effective and integrated transport system capable of serving the vital interests of the Emirate, which includes the Parking Business ("Parking Business"). RTA also encompasses public buses and taxis, marine transport, metro, tram, and licensing system. The Traffic and Roads Agency ("the Agency") is not a separate legal entity and is one of the four divisions of RTA. The registered office of the Agency is PO Box 118899, Dubai, United Arab Emirates. The principal activities of the Agency include construction of roads and related network systems, administration of parking fees and penalties.

In 2023, based on the Dubai Government's direction and RTA's senior management decision, RTA commenced an exercise to separate and list RTA's Parking Business (the "Company" or "ParkingCo") on the Dubai Financial Market ("DFM") Stock Exchange in Dubai, UAE. The newly established entity Parkin Company PJSC ("Parkin"), is owned by Dubai Investment Fund ("DIF"), which is in turn wholly owned by the Government of Dubai. Therefore, Parkin is ultimately owned, controlled and held by the Government of Dubai through DIF prior to listing on the DFM.

Parkin anticipates to sell a certain percentage of its shares through an Initial Public Offering ("IPO") on the DFM stock exchange (the "Transaction"). The legal status of Parkin is a Public Joint Stock Company ("PJSC") incorporated on 29-December-2023 in the Emirate of Dubai in the Emirate of Dubai, UAE under Law no. (30) of 2023 issued by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, the Ruler of Dubai. The registered address of Parkin is G+2, Old Headquarters, Umm Al Ramool, Marrakech Street, Dubai, UAE. The carve-out financial statements are prepared by the management of RTA for the purpose of identifying the financial position of the Company as at 31 December 2022 and 2021 and its financial performance for the years then ended. These carve-out financial statements are prepared to be included in the prospectus in connection with the proposed listing of Parkin on DFM.

The Parking Business offers convenient and cost-effective parking solutions for both residents and visitors in Dubai. ParkingCo is responsible for operating, overseeing, monitoring, inspecting, and enforcing parking services in public areas, such as on-street parking, off-street parking, multistorey car parks, and designated developer zones within Dubai. The parking fares are collected through various payment channels including RTA's website, cash, nol cards, and Smart Applications.

2 BASIS OF PREPARATION

The carve-out financial statements for the years ended 31 December 2022 and 2021 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The carve-out financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The Company has applied IFRS 1, First-Time Adoption of International Financial Reporting Standards ("IFRS 1") in its adoption of IFRS. The transition date ("Transition Date") is 1 January 2021, which is the opening balance sheet date for the year ended 31 December 2021. The Company has applied IFRS standards effective for the year ended as of 31 December 2022 to all years presented in these carve-out financial statements. The Company has never prepared financial statements or financial information on the basis of preparation presented herein. Prior to the Company's first-time adoption of IFRS, the Parent reported financial information in accordance with the International Public Sector Accounting Standards ("IPSAS"), as issued by the International Public Sector Accounting Standards Board ("IPSASB").

The preparation of carve-out financial statements requires the use of certain critical accounting estimates. Estimates made by the Company in preparing its first IFRS financial statements reflect the facts and circumstances which existed at the time such estimates were made. Accordingly, the estimates made by the Company to prepare these carve-out financial statements are consistent with those made in the historical reporting of financial information of RTA. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of complexity, or areas where assumptions and estimates are significant to the carve-out financial statements are disclosed in Note 5. These have been applied consistently for all periods presented.

Since the Company has not previously prepared financial statements, the carve-out financial statements do not include any IFRS 1 first-time adoption reconciliations.

2 BASIS OF PREPARATION (continued)

These carve-out financial statements represent the historical operation of the Parking Business and have been prepared from the accounting records of RTA and reflect the cash flows, revenues, expenses, assets, and liabilities of the Parking Business which were separately maintained in the RTA books except for corporate shared overheads, which are carved out on the basis explained in Note 5 and 20. Further, employee benefits including the liability in respect of end of service benefits obligation only relates to employees who are directly attributable to the Parking Business. These liabilities are not legally transferred to the Parkin as of the date of the transaction and will only be transferred once the legality is completed.

These carve-out financial statements represent the historical operation of the ParkingCo and have been prepared from the accounting records of RTA and reflect the cash flows, revenues, expenses, assets, and liabilities of the Parking Business. The assets and liabilities of the Parking Business are included in these carve-out financial statements if the title of these assets and liabilities will be legally transferred upon formation of the Parkin.

Certain property and equipment and intangible assets as disclosed in Note 12 and Note 13 respectively are used in the ParkingCo's operations where the title will remain with the Parent and are not included in these carve-out financial statements and will not be included in subsequent financial statements upon formation of the Company and will be formed as part of the concession agreement with RTA. Further, employee benefits including the liability in respect of end of service benefits obligation only relates to employees who are directly attributable to Parking. These liabilities are not legally transferred to Parkin Company PJSC as of the date of the carve out financial statements and will only be transferred once the legality is completed. Since ParkingCo is not a standalone legal entity in the historical periods presented, Parent's net investment is shown in lieu of shareholders' equity in these carve-out financial statements. Parent's net investment represents the cumulative net investment by RTA in the Company through that date. The impact of transactions between the Company and RTA that were not historically settled in cash are also included in Parent's net investment.

During the periods presented, the Company functioned as part of the Transport and Roads Agency ("TRA") which is one of four agencies forming part of RTA. Accordingly, both RTA and TRA have performed certain corporate overhead functions for ParkingCo. These functions include, but are not limited to, executive oversight, legal, finance, marketing, customer services, information technology, human resources, and financial reporting. The costs of such services have been allocated to ParkingCo based on the most relevant allocation method to the service provided. Management believes such allocations are reasonable; however, they may not be indicative of the actual expense that would have been incurred had ParkingCo been operating as a separate entity apart from RTA. The cost allocated for these functions is included in corporate allocation expenses in the carve-out statement of profit and comprehensive income for the historical periods presented. A complete explanation of the Company's relationship with RTA, together with the cost allocations, is included in Note 20 to the carve-out financial statements.

The Company utilises RTA's centralised processes and systems for cash management, payroll and purchasing. In the case of RTA, all business activity related cash deposits are received by cash accounts owned and managed by the Department of Finance. There are Parking related sweep accounts which are pooled into the Department of Finance and are used to fund the cash requirements of ParkingCo. As the sweep accounts are legally held by the Department of Finance, the sweep account cash balances are not included in the carve-out financial statements. The total net effect of the settlement of these transactions is reflected in the carve-out statements of cash flows as a financing activity as 'Distribution to Parent" and in the carve-out statement of financial position as 'accumulated net parent investment'. Any balance not swept to the cash pool account would be included in the carve-out financial statements to the extent the balance remains in an account in the legal name of the carve-out business.

As the Company did not operate as a stand-alone entity in the past, these carve-out financial statements may not be indicative of the Company's future performance and do not necessarily reflect what its results of operations, financial position and cash flows would have been had the Company operated as a separate entity apart from RTA during the periods presented.

The carve-out financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets, unless otherwise disclosed.

The carve-out financial statements are presented in UAE Dirhams ("AED"), which is also the Company's functional currency. All values have been rounded to the nearest thousand ("000"), unless otherwise disclosed.

3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following are descriptions of new standards, amendments, and interpretations of IFRS that have been issued but are not yet effective for the Company. The Company is in the process of assessing whether there will be any significant changes to its carve-out financial statements upon adoption of these standards.

- IFRS 17 Insurance Contracts (effective from January 1, 2023).
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date not yet decided).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective from 1 January 2023).
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (effective from 1 January 2023)
- Definition of Accounting Estimates (Amendments to IAS 8) (effective from 1 January 2023)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) (effective from 1 January 2023) and
- Annual Improvements to IFRS Standards 2018-2020 (effective date not yet decided)

The above new standards, new interpretations and amended standards are not expected to have a material impact on the carve-out financial statements of the Company.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these carve-out financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated:

4.1 Property and equipment

Property and equipment are carried at historical cost, less accumulated depreciation, and any impairment loss. The cost of purchased property and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable to bringing the asset to its working condition for the intended use.

Subsequent costs incurred are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential over the total life of the asset in excess of the most recently assessed standard of performance of the asset will flow to the Company and the cost of the item can be measured reliably.

Depreciation on assets is calculated using straight-line method at rates calculated to reduce the cost of assets to the estimated residual value over their expected useful lives as follows:

Machinery and equipment	10 to 15 years
Motor vehicles	5 to 10 years
Office equipment and furniture	3 to 16 years

All assets are carried at its cost less any accumulated depreciation and any accumulated impairment losses. The residual values, useful lives, and method of depreciation of assets are reviewed at each financial year-end and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount, refer to Note 4.10.

Any item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Repairs and renewals are charged to profit or loss when the expense is incurred.

Capital work-in-progress is stated at cost and includes items of property and equipment that are being developed for future use. When commissioned, capital work-in-progress is transferred to appropriate category of property and equipment and depreciated in accordance with the Company's policies.

4.2 Intangible assets

Intangible assets consist of acquired parking operation systems, including Mobile Automatic Number Plate Recognition ("ANPR") systems.

An internally generated intangible asset arising from the Company's product or software development is recognised only if all of the following conditions are met:

- An asset is created that can be identified (such as software and new processes);
- It is probable that the asset will generate future economic benefits; and
- The development costs can be reliably measured.

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Research costs are recognised in the carve-out statement of profit and other comprehensive income in the period in which they are incurred.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Intangible assets (continued)

Development costs are capitalized if, and only if, all the following conditions are fulfilled:

- The technical feasibility of the product has been demonstrated;
- The product or process will be placed on the market or used internally;
- The assets will generate future economic benefits (a potential market exists for the product or, where it is to be used internally, its future utility has been demonstrated);
- The cost of the asset can be measured reliably; and
- The technical, financial, and other resources required to complete the project are available.

Intangible assets are amortised on a straight-line basis over their useful lives.

Parking operation systems	4-15 years

Intangible assets are assessed for impairment whenever there is an indication that the intangible assets may be impaired, refer to Note 4.10. The amortisation period and the amortisation method are reviewed at least at each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the carve-out statement of profit and other comprehensive income.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the carve-out statement of profit and comprehensive income when the asset is derecognised.

Other development expenditures that do not meet these criteria, along with all expenditures on research activities, are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Intangible assets under development represent expenditures on software for parking systems that are in the process of development which have not yet reached the stage of being available for use. Intangible assets under development are depreciated only when they are available for use.

4.3 Financial instruments

Financial assets and financial liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss recognised immediately in the carve-out statement of profit and comprehensive income.

The financial assets and financial liabilities are classified as current if they are expected to be realized or settled within the operating cycle of the company otherwise these are classified as non-current.

The financial instruments are classified to be measured at Amortised Cost, at Fair Value Through Profit and Loss ("FVTPL") or at Fair Value Through Other Comprehensive Income ("FVTOCI") and such classification depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition. The Company's financial assets consist of trade and other receivables excluding staff advances and other advances. The Company's financial liabilities consist of trade and other payables.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Financial instruments (continued)

- *Financial Instruments measured at amortised cost:*
  Financial assets held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost. The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortised cost using the Effective Interest Rate ("EIR") method Note 4.7.
- *Financial Asset at Fair Value Through Other Comprehensive Income:*
  Financial assets are measured at fair value through other comprehensive income if these are within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.
- *Financial Instruments at Fair Value through profit or loss:*
  Financial Instruments which do not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognised in the carve-out statement of profit and comprehensive income.

De-recognition of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the Company transfers substantially all risks and rewards of ownership.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognised in the carve-out statement of profit and comprehensive income.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss as a reclassification adjustment unless the asset represents an equity investment, in which case the cumulative gain or loss previously recognised in other comprehensive income are reclassified within equity.

Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in carve-out statement of profit and comprehensive income.

Trade and other receivables

A trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due) and primarily relates primarily to the revenue earned from parking fee paid through SMS, receivables from fines, and commissions for processing fees from telecommunication providers. The receivables are measured at amortised cost using the effective interest method, less provisions for impairment losses for amounts considered uncollectible. Amounts considered uncollectible are estimated on the basis of the method described in Note 4.

Trade and other payables

These represents liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer) after the carve-out statement of financial position date. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs its obligations under the contract. The Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

4.5 Provision for employee benefits

(a) End of service benefits to non-UAE Nationals

An accrual is made for employees employed in the UAE, for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by the employees up to the date of carve-out statement of financial position. Provision is also made for the full amount of end-of-service benefits due to the non-UAE Nationals in accordance with the applicable Government of Dubai Human Resources Management Law, for their periods of service up to the carve-out statement of financial position date. The entitlement to these benefits is usually based upon the employee's salary and length of service, subject to completion of a minimum service period.

The accrual relating to annual leave and leave passage is disclosed as a current liability, while that relating to end-of-service benefits is disclosed as a non-current liability.

(b) Pension and social security policy

The Parent is a member of the pension scheme operated by the Federal General Pension and Social Security Authority. Contributions for eligible UAE National employees are made in accordance with the provisions of Federal Law No. 7 of 1999 relating to Pension and Social Security Law. Contributions expensed are classified as Employee Benefit expenses in the carve-out statement of profit and other comprehensive income.

4.6 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the carve-out statement of profit and comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed to the carve-out statement of profit and comprehensive income.

4.7 Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. The future cash receipts are estimated taking into account all the contractual terms of the instrument.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the carve-out statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right is not contingent on anything.

4.9 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the carve-out financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the carve-out financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of their nature and characteristics.

4. 10 Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Impairment of non-financial assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in the carve-out statement of profit comprehensive income in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the carve-out statement of profit and comprehensive income.

4.11 Impairment of financial assets

Credit-impaired financial assets

At each reporting date, the Company assesses whether a financial asset carried at amortised cost is credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Management's assessment uses the lifetime probability of default method. A credit loss will be calculated as the difference between the cash flows that are due in accordance with the contract/agreement and the cash flows that the Company expects to receive, discounted at the original effective interest rate of the financial instrument.

Trade and other receivables

For trade and other receivables, the Company applies a simplified approach in calculating Expected Credit Loss ('ECL'). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix, as disclosed in Note 21, that is based on recovery data from 2018 adjusted for forward-looking factors and the time value of money.

The Company considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- The financial asset is due more than its default definition.

Below are the default definitions for trade and other receivables

Fines receivables	395 days past due
Receivables from telecom operators	90 days past due
Other receivables	90 days past due

Exposures within each credit risk grade are segmented based on the risk for the customers. An ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past years. These rates are adjusted by the macroeconomic factors to reflect forward-looking ECL rates. The Company has applied an average of the change in GDP% and the change in the population of UAE as macroeconomic factors.

The Company applies a practical expedient to calculate ECLs on receivables that do not contain a significant financing component using a provision matrix. This matrix is based on information such as delinquency status and actual credit loss experience (on historical data) and based on current and forward-looking information on macroeconomic factors. The provision matrix is applied to all outstanding trade receivables by aging and customer group to determine the actual ECL.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Impairment of financial assets (continued)

Presentation of allowance for ECL in the carve-out statement of financial position

The expected credit loss allowance for each type of financial asset (i.e. trade receivables) is deducted from the gross carrying amount of the assets (i.e. contra-asset). Impairment losses are shown separately on the face of the carve-out statement of profit and other comprehensive income.

Write-off

Write-offs are recognised when the Company has no reasonable expectations of recovering a financial asset either in its entirety or a portion thereof. For all trade receivables write-offs occur five years after the credit period, which is the estimated useful life of a customer.

4.12 Leases

The Company has entered into various agreements with city developers to lease and operate parking areas. Rental contracts are typically made for fixed periods of 3 to 10 years but may have early termination and extension options.

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the carve-out statement of income. Short-term leases are leases with a lease term of 12 months or less. low-value assets generally comprise of vehicles.

Company as a lessee – Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Company as a lessee – Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Revenue recognition

The Company recognises revenue, based on the five-step model.

Step 1: Identify the contract(s) with a customer
A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations to be met.

Step 2: Identify the performance obligations in the contract
A performance obligation is a promise in a contract with a customer to transfer a good or provide a service to the customer.

Step 3: Determine the transaction price
The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract
For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation
The Company satisfies a performance obligation and recognises revenue over time if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as and when the Company performs;
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time when the performance obligation is satisfied.

Principal versus agent
When more than one party is involved in a transaction for providing goods or services to a customer, the Company is required to determine whether it acts as a principal or an agent.

The Company acts as a principal if it controls a promised good or service before transferring it to the customer. The Company is an agent if its role is to arrange for another entity to provide the goods or services. The factors considered in making this assessment are most notably whether the Company has discretion in establishing the price for the specified good or service, whether the Company is primarily responsible for fulfilling the promise to deliver the service or good.

Where the Company is acting as a principal, revenue is recorded on a gross basis. Where the Company is acting as an agent revenue is recorded as a net amount reflecting the margin earned. The Company has determined it acts as a principal for each of its revenue streams for the years ended 31 December 2022 and 31 December 2021.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Revenue recognition (continued)

Revenue is recognised in the carve-out financial statements to the extent that it is probable the at the economic benefit will flow to the Company and the revenue and cost, if and when applicable, can be reliably measured. Revenue represents the amounts received from parking and related activities.

Revenue is recognised from the Company's activities as follows:

(a) *Public parking fee*

Revenue from public parking fares is recognised at a point in time when the parking ticket is issued. The transaction price is fixed based on the parking fares determined by the Dubai Executive Council and is typically paid upfront by the customer. Each time a parking ticket is issued to the customer to park their vehicle represents a distinct performance obligation. The parking fares are paid through various payment methods by using cash or card through parking meters, NOL cards, SMS, and RTA Smart applications.

Additionally, the RTA app has a dedicated wallet for parking. The amounts loaded in the dedicated wallet balance are recognised as a liability till the balance is utilized to pay the parking fare.

Public parking fees can be split into 3 categories as follows:

- On-street/Off-street public parking fees: Revenue from on-street/off-street public parking fees paid by customers.
- Multistorey Parking Buildings: Revenue from parking fares in multistorey parking buildings operated and managed by the Company and owned by RTA.
- Developer: The parking fares for parking spaces in developer locations.

(b) *Fines*

Revenue from fines on UAE registered vehicles is recognised at a point in time when the violation of the use of parking space resulting in the penalty takes place. For fines within UAE, a receivable is recognised when the fine is issued to the customer as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Whereas fines levied on vehicles registered in other countries are recognised as revenue when collected due to the limited enforceability of these fines and result in a significantly diminished probability of successful collection. The transaction price is the fines determined by RTA for different violations.

(c) *Permits and seasonal cards*

Revenue from the sale of permits and seasonal cards is recognized over time during the tenure of the permit or seasonal card. The transaction price is paid upfront being the fixed fee for a seasonal card or permit and the application processing fee (if any). The obligation to provide seasonal cards and permits for the right to park vehicles at the parking spaces by RTA for a specified duration is a distinct service to the customers. Processing of the application for permits does not provide any additional distinct benefit to the customers. Hence, the only performance obligation identified is the right to use a designated parking space for the tenure of a seasonal card or permit.

(d) *Reservations*

Revenue from reservation of parking spaces is recognised over time during the tenure of the reservation. The transaction price is paid upfront being the fixed fee for a reservation and the application processing fee (if any). The obligation to reservation for the right to park vehicles at the parking spaces by RTA for a specified duration is a distinct service to the customers. Processing of the application for reservations does not provide any additional distinct benefit to the customers. Hence, the only performance obligation identified is the right to use a designated parking space for the tenure of a reservation.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Revenue recognition (continued)

(e) Other services

Revenue from other parking services mainly includes income earned from third parties operating shops and spaces in RTA owned Multistorey Parking Buildings and fixed fees received from third party operators operating RTA owned Multistorey Parking Buildings. Revenue from other services is recognised on a straight-line basis over the term of the contract. A receivable is recognised alongside the revenue recognition as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

For all the above revenue streams, the Company is acting as the principal.

4.14 Contingencies

Contingent liabilities are not recognised in the carve out financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the carve-out financial statements but disclosed when an inflow of economic benefits is probable.

4.15 Current versus non-current classification

The Company presents assets and liabilities in the carve out statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

4.16 Rounding of amounts

All amounts included in the carve out financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

4.17 Segment reporting

For management purposes, the Company is organised into one segment, which is the Parking Business. Accordingly, the Company only has one reportable segment reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Management monitors the operating results of the business as a single unit for the purpose of making decisions about resource allocation and performance assessment. The chief operating decision maker consists of the head of the Parking department. Historically, the Company's performance was monitored and managed as part of the Transport and Roads Agency which formed part of RTA.

5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies, which are described in Note 4, management is required to make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Accounting Estimates and Judgements - The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Corporate allocations

The carve-out financial statements include allocations for certain expenses historically maintained by RTA or TRA. Such items have been allocated to the Company and included in the carve-out financial statements based on the most relevant allocation method, primarily relative percentage of headcount, cost, or revenue. Management believes that this basis for allocation of expenses is reasonable.

In addition to the corporate allocations, the management has estimated the direct operational and maintenance costs from various departments within RTA and TRA, which form part of the carve-out financial statements

A 100 basis point increase or decrease change in allocation percentages would result in approximately AED 12.7 million change in expense allocated to the Company for the year ended 31 December 2022 and AED 12.0 million change for the year ended 31 December 2021.

(b) Useful lives of property and equipment, right-of-use assets, and intangible assets

The Company's management determines the estimated useful lives of its property and equipment, right-of-use and intangible assets for calculating depreciation/ amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation/ amortisation charges would be adjusted where the management believes the useful lives differ from previous estimates.

(c) Provision for expected credit losses of trade and other receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., customer type and rating). The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information Refer to Note 4.11 for further details. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

During the years presented, management concluded the expected credit losses for trade receivables for customers not arising from fines and telecom operators were not material due to either no balances or an immaterial balance being past due, and due to positive forecasted economic conditions.

A 1% increase in the macro-economic factors would result in approximately AED 0.4 million change in the provision expense to the Company for the year ended 31 December 2022 and AED 0.3 million change for the year ended 31 December 2021. Further, a 1% decrease in the macroeconomic factors would result in approximately AED 0.4 million change in the expense for years ended 31 December 2022 and AED 0.5 million for 31 December 2021.

5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Critical Judgements in Applying the Company's Accounting Policies

The following are the critical judgments, apart from those involving estimations discussed above, that management made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the carve-out financial statements.

(a) Impairment of non-financial assets

The Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets are impaired. In making the assessment for potential indicators of impairment, management is required to make certain judgments when determining whether events or circumstances exist that indicate the carrying amount may not be recoverable. During the years presented, management concluded there were no indicators of impairment that required further assessment.

(b) Impairment of financial assets

The Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and when the financial asset is no longer subject to enforcement activity.

(c) Consideration of significant financing components in a contract

Customers are required to pay fees for permits, seasonal cards, and reservations upfront. Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. During the years presented, management has determined that the usage of seasonal cards, permits, and reservations beyond a one-year period from the date of purchase is unlikely. Consequently, the financing component is deemed immaterial, and no further assessment or adjustment is necessary.

6 REVENUE

Set out below is the disaggregation of the Company's revenue for the years ended 31 December:

	2022 AED'000	2021 AED'000
Recognised at a point in time:		
Public parking fee		
On-street/off-street parking	**300,600**	266,426
Developer parking fee	**46,339**	40,826
Multistorey parking building fees	**15,971**	13,061
Fines	**179,014**	135,842
Total revenue recognised at a point in time	**541,924**	456,155
Recognised over time:		
Permits and seasonal cards	**116,622**	108,023
Parking reservations	**18,315**	17,593
Other services	**9,381**	8,795
Total revenue recognised over time	**144,318**	134,411
Total revenue	**686,242**	590,566

7 OTHER INCOME

	2022 AED'000	2021 AED'000
Supplier penalties	**476**	209
Other income	**241**	84
	717	293

8 COMMISSION EXPENSE

	2022 AED'000	2021 AED'000
Service Charges - Telecom operators*	**22,551**	20,495
Service Charges – Other agencies	**2,454**	1,931
	25,005	22,426

*Service Charges from telecom operators include the commission payment for collection of parking fees on behalf of the Company. Additionally, the share of the SMS convenience fee received by RTA from telecom operators of AED 8,492 thousand (2021: AED 7,666 thousand) has been netted off from the commission expense.

9 OTHER EXPENSES

	2022 AED'000	2021 AED'000
Operation expenses*	**34,092**	32,216
Miscellaneous expenses	**1,996**	1,810
	36,088	34,026

*Operation expenses comprise of recharges by RTA for the assets utilised by the Company but not recognised as Property and equipment or intangible assets (Refer to Notes 12 and 13). These amount to AED 23.75 million for the year ended 31 December 2022 and AED 16.65 million for the year ended 31 December 2021. Further, the operation expenses include vehicle utilisation costs for leased and owned vehicles of AED 4.9 million and AED 4.6 million for the years ended 31 December 2022 and 31 December 2021 respectively. Refer to Note 20 for further details.

10 EMPLOYEE BENEFITS EXPENSE

	2022 AED'000	2021 AED'000
Salaries and wages	**110,982**	106,176
Other benefits and allowances	**18,554**	22,316
End of service benefits	**6,316**	6,187
	135,852	134,679

11 DEPRECIATION AND AMORTISATION

	2022 AED'000	2021 AED'000
Depreciation on property and equipment (Note 12)	**13,728**	13,065
Depreciation on right-of-use assets (Note 14)	**5,162**	5,700
Amortisation on intangible assets (Note 13)	**1,725**	1,631
	20,615	20,396

12 PROPERTY AND EQUIPMENT

31-Dec-2022:	Machinery & Equipment AED'000	Motor vehicles AED'000	Office Equipment & Furniture AED'000	Capital Work-In-Progress AED'000	Total AED'000
Cost:					
As at 1 January 2022	201,639	577	7,113	134	**209,463**
Additions	226	124	48	63	**461**
Adjustments	1	-	-	-	**1**
Retirement	(45,647)	-	-	-	**(45,647)**
Transfers	-	-	-	(80)	**(80)**
As at 31 December 2022	**156,219**	**701**	**7,161**	**117**	**164,198**
Accumulated depreciation:					
As at 1 January 2022	149,172	252	6,648	-	**156,072**
Depreciation charge for the year	13,319	95	314	-	**13,728**
Retirements	(39,750)	-	-	-	**(39,750)**
As at 31 December 2022	**122,741**	**347**	**6,962**	**-**	**130,050**
Net carrying amount:					
As at 31 December 2022	**33,478**	**354**	**199**	**117**	**34,148**

12 PROPERTY AND EQUIPMENT (Continued)

31-Dec-2021:	Machinery & Equipment AED'000	Motor vehicles AED'000	Office Equipment & Furniture AED'000	Capital Work-In-Progress AED'000	**Total AED'000**
Cost:					
As at 1 January 2021	191,885	393	6,832	792	**199,902**
Additions	10,084	184	291	41	**10,600**
Adjustments	(330)	-	(1)	-	**(331)**
Retirement	-	-	(4)	-	**(4)**
Transfers	-	-	(5)	(699)	**(704)**
As at 31 December 2021	**201,639**	**577**	**7,113**	**134**	**209,463**
Accumulated depreciation:					
As at 1 January 2021	136,453	181	6,377	-	**143,011**
Depreciation charge for the year	12,719	71	275	-	**13,065**
Retirements	-	-	(4)	-	**(4)**
As at 31 December 2021	**149,172**	**252**	**6,648**	**-**	**156,072**
Net carrying amount:					
As at t 31 December 2021	**52,467**	**325**	**465**	**134**	**53,391**
As at 1 January 2021	**55,432**	**212**	**455**	**792**	**56,891**

Land, multistorey parking buildings, signages, parking lots (including fixtures such as streetlights and benches), building fixtures, security cabins, building security equipment, and IT network equipment represents assets that are dedicated for Company's operation, however, the title of these will remain with Parent. The Company is in the process of entering into a concession agreement with RTA wherein, rights will be provided to the Company to use these assets against a concession fee. Accordingly, these assets are not included in the current and will not be included in the future financial statements of the Company.

Property and equipment includes assets that are fully depreciated but still in use. The cost of these assets is AED 20.46 million as at 31 December 2022 and AED 18.85 million as at 31 December 2021.

13 INTANGIBLE ASSETS

The cost and amortisation of the intangible assets is as follows for the years ended 31 December:

	Parking operation systems	Intangible assets under development	Total
	AED '000	AED '000	AED '000
Cost			
As at 1 January 2022	26,888	3,198	30,086
Additions	1,575	461	2,036
As at 31 December 2022	28,463	3,659	**32,122**
Accumulated amortisation			
As at 1 January 2022	19,011	-	19,011
Charge for the year	1,725	-	1,725
As at 31 December 2022	20,736	-	**20,736**
Net carrying amount			
As at 31 December 2022	7,727	3,659	**11,386**

	Parking operation systems	Intangible assets under development	Total
	AED '000	AED '000	AED '000
Cost			
As at 1 January 2021	24,525	3,198	27,723
Additions	2,363	-	2,363
As at 31 December 2021	26,888	3,198	30,086
Accumulated amortisation			
As at 1 January 2021	17,380	-	17,380
Charge for the year	1,631	-	1,631
As at 31 December 2021	19,011	-	19,011
Net carrying amount			
As at 31 December 2021	7,877	3,198	11,075

Intangible assets under development are not amortized until they become available for use.

Management did not identify any indicators of impairment for intangible assets in the years ended 31 December 2022 and 2021.

Certain software licenses for IT equipment are dedicated to Company's operation, however, the title of these will remain with Parent. The Company is in the process of entering into a concession agreement with RTA wherein, rights will be provided to the Company to use these assets against a concession fee. Accordingly, these assets are not included in the current and will not be included in the future financial statements of the Company.

13 INTANGIBLE ASSETS (continued)

Intangible assets include assets that are fully depreciated but still in use. The cost of these assets is AED 11.79 million as at 31 December 2022 and AED 8.55 million as at 31 December 2021.

14 LEASES

The Company has entered into agreements with multiple developers to operate and manage parking spaces within different areas. Certain agreements contain a lease in accordance with the lease definition of IFRS 16. The Company also enters into service agreements for leasing vehicles.

Information about leases for which the Company is a lessee is presented below:

Right-of-use assets

31 December 2022:	**2022** **AED'000**
Cost	
As at 1 January	**27,308**
Additions	**-**
As at 31 December	**27,308**
Accumulated amortisation	
As at 1 January	**5,700**
Charge for the year	**5,162**
As at 31 December	**10,862**
Net carrying amount	**16,446**

31 December 2021:	2021 AED'000
Cost	
As at 1 January	27,308
Additions	-
As at 31 December	27,308
Accumulated amortisation	
As at 1 January	-
Charge for the year	5,700
As at 31 December	5,700
Net carrying amount	21,608

14 LEASES (continued)

Lease Liabilities

Lease liabilities included in the statement of financial position at:

	31 Dec 2022 AED'000	31 Dec 2021 AED'000	01 Jan 2021 AED'000
Lease liabilities – current	**3,745**	5,030	4,958
Lease liabilities – Non-current	**13,575**	17,320	22,350
	17,320	22,350	27,308

Maturity analysis – contractual undiscounted cash flows:

	2022 AED'000	2021 AED'000
Less than one year	**4,000**	5,350
One to five years	**13,000**	16,000
More than five years	**1,000**	2,000
Total undiscounted lease liabilities as at 31 December	**18,000**	23,350

Amount recognised in profit or loss

	2022 AED'000	2021 AED'000
Finance cost on lease liabilities	**320**	392
Depreciation on right-of-use asset	**5,162**	5,700
Variable lease payments not included in the measurement of lease liabilities	**11,390**	10,785
	16,872	16,877

Amount recognised in the statement of cash flows

	2022 AED'000	2021 AED'000
Principal element of lease payments	**(5,030)**	(4,958)
Interest element of lease payment	**(320)**	(392)
	(5,350)	(5,350)

14 LEASES (continued)

Lease payments

Certain leases of developer parking areas contain variable lease payment based on the revenue generated from operating the parking facilities in such areas. Fixed and variable rental payments for the years ended 31 December were as follows:

	2022 AED'000	2021 AED'000
Fixed payments in relation to lease liabilities	**5,350**	5,350
Variable payments	**11,390**	10,785
	16,740	16,135

15 TRADE AND OTHER RECEIVABLES

The composition of trade and other receivables is as follows as at:

	31-Dec-2022 AED'000	31-Dec-2021 AED'000	1-Jan-2021 AED'000
Fines receivables	**112,412**	102,556	113,330
Telecom receivables	**128,841**	192,899	61,429
Less: loss allowance on fines and receivables from telecom operators	**(22,839)**	(33,315)	(31,157)
	218,414	262,140	143,602
Police receivables	**8,110**	8,600	3,148
Other receivables	**1,017**	7,198	7,871
Staff advances and other advances	**139**	44	329
	227,680	277,982	154,950

Trade and other receivables are measured at amortised cost using the effective interest method.

There is no allowance for expected credit losses or impairment incurred for trade and other receivables from Police receivables, other receivables, and staff advances, and other advances.

15 TRADE AND OTHER RECEIVABLES (continued)

Movements in the loss allowance on receivables relating to telecom operators and fines for the years ended 31 December are as follows:

	31-Dec-2022 AED'000	31-Dec-2021 AED'000
Beginning balance as at 1 January	**33,315**	31,157
Write off during the year for fines	**(7,990)**	(7,160)
Impairment loss / (reversal of impairment loss) for fines receivables	**5,765**	(708)
(Reversal of impairment loss)/impairment loss for telecom receivables	**(8,251)**	10,026
Balance at the end of the year	**22,839**	33,315

The provision for impaired receivables has been included in "Reversal of impairment loss / (impairment loss) on trade receivables" in the carve-out statement of profit and other comprehensive income. Information about credit exposures is disclosed in Note 21. The Company writes off trade receivables when there is no realistic prospect of recovery, which is estimated by management to be at the end of the average customer useful life, which is five years. There is no contractual amount outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity.

16 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the end of service provision for the year ended 31 December are as follows:

	31-Dec-2022 AED'000	31-Dec-2021 AED'000
As at 1 January	**57,451**	53,231
Expense for the year	**6,316**	6,187
Payouts during the year	**(2,538)**	(1,967)
As at 31 December	**61,229**	57,451

In accordance with IAS 19 (revised) 'Employee Benefits' management has carried out an exercise to assess the present value of its obligation as at 31 December 2022, 31 December 2021, and 01 January 2021 in respect of end of employees' end of service benefits payable under the Government of Dubai Human Resource management Law. The expected liability at the date of leaving the service has been discounted to its present value.

17 TRADE AND OTHER PAYABLES

The composition of trade and other payables is as follows as at:

	31-Dec-2022 AED'000	31-Dec-2021 AED'000	1-Jan-2021 AED'000
Trade payables	**87,613**	61,972	39,732
Payables to employees	**2,417**	2,517	2,001
Retentions payable	**10**	10	10
As at 31 December	**90,040**	64,499	41,743

Trade and other payables are short-term in nature and non-interest-bearing. These are measured at amortised cost using the effective interest method.

18 CONTRACT LIABILITIES

As of 31 December 2022, 2021, and 01 January 2021, contract liabilities consisted of AED 40.80 million, AED 41.75 million, and AED 40.40 million respectively related to account balances paid in advance by the customer for seasonal public parking cards or temporary permits of parking access. Further, AED 4.47 million, AED 4.10 million, and AED 4.27 million represent advance payments collected from customers against parking spot reservation in public parking and multistorey parking building as of 31 December 2022, 2021, and January 2021 respectively. The remaining amount of AED 9.93 million, AED 7.12 million, and AED 5.02 million relate to amounts deposited by customers in the RTA Parking Wallet application as of 31 December 2022, 2021, and 01 January 2021 respectively.

As of 31 December 2022, 2021, and 01 January 2021 contract liabilities of AED 40.80 million, AED 41.75 million, and AED 40.40 million respectively, arising from seasonal cards and permits will be recognised as revenue in the next one year. Further, as of 31 December 2022, 2021, and 01 January 2021 contract liabilities of AED 4.47 million, AED 4.10 million, and AED 4.27 million respectively, arising from parking spot reservations will be recognised as revenue in the next one year.

Movements in contract liabilities for the year ended 31 December are as follows:

	2022 **AED'000**	2021 AED'000
Beginning balance as at 1 January	**52,973**	49,691
Add: Collection from permits and seasonal cards	**115,673**	109,369
Add: Collection from wallet application	**43,872**	28,656
Add: Collection from reservations	**18,682**	17,428
Less: Revenue recognised from permits and seasonal cards from current year collection	**(77,378)**	(70,117)
Less: Revenue recognised from permits and seasonal cards from prior years collection	**(39,244)**	(37,906)
Less: Revenue recognised from wallet application from current year collection	**(33,939)**	(21,535)
Less: Revenue recognised from wallet application from prior years collection	**(7,122)**	(5,020)
Less: Revenue recognised from reservations from current year collection	**(14,211)**	(13,324)
Less: Revenue recognised from reservations from prior years collection	**(4,104)**	(4,269)
As at 31 December	**55,202**	52,973

Revenue recognised that was included in the permits and seasonal cards contract liability beginning balance for the year ended 31 December 2022 amounted to AED 39,244 thousand (2021: 37,906 thousand).

Revenue recognised that was included in the wallet application contract liability beginning balance for the year ended 31 December 2022 amounted to AED 7,122 thousand (2021: 5,020 thousand).

Revenue recognised that was included in the reservations contract liability beginning balance for the year ended 31 December 2022 amounted to AED 4,104 thousand (2021: 4,269 thousand).

19 PROVISIONS

The Company has recognised a provision for the amounts due to the developers in accordance with parking operation agreements.

	2022 AED'000	2021 AED'000
As at 1 January	**1,850**	1,100
Expense for the year	**1,000**	750
As at 31 December	**2,850**	1,850

20 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties include the ultimate controlling party, the shareholder, key management personnel, subsidiaries, joint venture, directors, and businesses that are controlled directly or indirectly by the ultimate controlling party, or directors or over which they exercise significant management influence. Related parties comprise the Government of Dubai, the Parent, and the Parent's fellow agencies. The Company, in the normal course of business, receives services from related parties. These transactions comprise services availed by the Company from the various agencies at terms determined by the management. All related party transactions are managed at the Parent level related to the Agency and are routed through the bank account managed and recorded in the books of the Parent.

Following are the significant transactions with the related parties:

RTA assets used by the Company – Land for on-street parking spaces, off-street parking lots, and multistorey parking buildings are owned by the Parent. These lands are being used by the Company free of charge.

The corporate building and warehouse are shared by the Company and other agencies/departments of RTA. Also, multistorey parking buildings, signages, parking lots (including fixtures such as streetlights and benches), building fixtures, security cabins, building security equipment, IT network equipment, and software for IT equipment represent assets that are dedicated to the Company's operation, however, the title of these will remain with Parent. The Company has recognised an expense for utilisation of these assets. Refer Note 9 for further details.

Further, certain multistorey parking structures include integrated bus stations within the same premises. The Company does not charge the related party for the integrated bus stations.

Road and building maintenance – The road and building maintenance services are provided directly by the Parent's fellow agencies in the amounts of AED 17.6 million and AED 12.0 million for the years ended 31 December 2022 and 2021, respectively. These are included in the maintenance expenses.

Information Technology Services maintenance: The maintenance in regards to parking software, and parking machines in directly incurred by Parent's fellow agencies in the amount of AED 6.6 million for each of the years ended 31 December 2022 and 2021. These are included in the maintenance expenses.

Vehicle utilisation – The Company utilised leased and owned vehicles that were provided by the Parent in the amounts of AED 4.9 million and AED 4.6 million for the years ended 31 December 2022 and 2021, respectively. These are included in Other expenses (Note 9).

Health insurance – The Parent has incurred insurance expenses of AED 10.6 million and AED 11.6 million for employees of the Company for the years ended 31 December 2022 and 2021, respectively. These are included in employee benefits expense (Note 10).

20 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Corporate costs allocation – The Company has been allocated expenses from the Parent in the amounts of AED 110.8 million and AED 105.7 million for the years ended 31 December 2022 and 2021, respectively. These costs are derived from multiple levels of the organization including shared RTA corporate expenses and shared agency expenses. The allocated corporate costs include, but are not limited to executive oversight, legal, finance, human resources, audit, strategic planning, and IT governance, and are allocated to the Company to represent the cost of providing these services. Further, the allocated key management compensation is in the amount of AED 4 million for each of the years ended 31 December 2022 and 31 December 2021. These are intended to represent the costs of providing these services, and management believes the allocation methods are reasonable. However, the actual cost of obtaining these individual services, if the Company were a stand-alone company, could be materially different. The cost of the services provided by RTA and TRA was determined by the most relevant allocation method, primarily by relative percentage of headcount or revenue or expenditure. These costs are recorded as corporate allocation expenses in the carve-out statement of profit and comprehensive income.

Cash pooling - The Company utilises the Parent's centralised processes and systems for cash management. As a result, substantially all cash received related to the parking business is deposited and comingled with Parent's general corporate funds. The Company does not have the legal right to deposit or withdraw funds autonomously. Substantially all cash received by the Company was deposited in and commingled with RTA's general corporate funds and is not specifically allocated to the Company. The total net effect of the settlement of these transactions is reflected in the carve-out statements of cash flows as a financing activity and in the carve-out statement of changes in equity as net distribution to parent.

	31-Dec-2022 AED'000	31-Dec-2021 AED'000
Cash pooling and general activities	**(528,312)**	(236,730)
Corporate allocation	**110,799**	105,741
Net distribution to Parent	**(417,513)**	(130,989)

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise, trade and other payables. The Company's principal financial assets comprise trade and other receivables excluding staff advances and other advances. These financial assets and liabilities arise directly from Company's operations.

The Company's activities expose it to a variety of financial risks including the effects of changes in market risk (including foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by the management under policies approved by the Board of Directors.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these carve-out financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have interest-bearing assets or liabilities.

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Price risk
Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuers or factors affecting all the instruments traded in the market. The Company is not exposed to significant price risk as it does not have significant price-sensitive financial instruments.

Credit risk
Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company and arises principally from trade receivables and other receivables. The Company evaluates the concentration of risk with respect to trade and other receivables as low. The Company is exposed to credit risk primarily on trade receivables arising from fines and telecom operators. An impairment analysis is performed at each reporting date to measure expected credit losses. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Impairment of trade receivables from fines
An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions. The Company does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Company's trade receivables from fines receivables using a provision matrix:

As at 31 December 2022:	**Expected credit loss %**	**Gross carrying amount AED'000**	**Loss allowance *AED'000***
Current – 395 days	4%	72,161	2,994
395 and above	42%	40,251	17,055
Total		**112,412**	**20,049**

As at 31 December 2021:	**Expected credit loss %**	**Gross carrying amount AED'000**	**Adjusted Loss allowance *AED'000***
Current – 395 days	6%	57,921	3,362
395 and above	42%	44,635	18,912
Total		**102,556**	**22,274**

As at 1 January 2021:	**Expected credit loss %**	**Gross carrying amount AED'000**	**Adjusted Loss allowance *AED'000***
Current – 395 days	13%	60,631	7,814
395 and above	42%	52,699	22,329
Total		**113,330**	**30,143**

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Impairment of trade receivables from telecom operators

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions. The Company does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Company's trade receivables from telecom operators using a provision matrix.

As at 31 December 2022:	**Expected credit loss**	**Gross carrying amount**	**Loss allowance**
	%	**AED'000**	**AED'000**
Current – 90 days	0.01%	100,969	2
91 days – 360 days	10%	16,087	1,609
361 days and above	10%	11,785	1,179
Total		**128,841**	**2,790**

As at 31 December 2021:	**Expected credit loss**	**Gross carrying amount**	**Adjusted Loss allowance**
	%	**AED'000**	**AED'000**
Current – 90 days	0.01%	82,517	3
91 days – 360 days	10%	86,842	8,684
361 days and above	10%	23,540	2,354
Total		**192,899**	**11,041**

As at 1 January 2021:	**Expected credit loss**	**Gross carrying amount**	**Adjusted Loss allowance**
	%	***AED'000***	***AED'000***
Current – 90 days	0.10%	51,665	37
91 days – 360 days	10%	8,687	869
361 days and above	10%	1,077	108
Total		**61,429**	**1,014**

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through efficient cash management. In the historical period, the Parent limited its liquidity risk by ensuring adequate funds from operations and Government of Dubai are available.

All balances are due within 12 months and equal to their carrying balances as the impact of discounting is not significant with the exception of lease liabilities which is disclosed in Note 14. As on 31 December 2022, 31 December 2021, and 01 January 2021, the Company does not face a significant liquidity risk on these balances.

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risks mainly arise from sales or purchase by operating unit in foreign currencies other than the unit's functional currency.

The Company is currently not exposed to foreign exchange risk as majority of all the Company's transactions are denominated in AED.

Impairment of police receivables and other receivables

The balances due from police receivables and other receivables are subject to the impairment requirement of IFRS 9. As at 31 December 2022 and 2021, the Company has not recorded any impairment loss on these balances as the identified impairment loss is not material.

22 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. The Company's financial assets consist of trade and other receivables. The Company's financial liabilities consist of trade and other payables. The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of the above financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and due to the value at which the instrument could be exchanged in a current transaction.

23 UAE CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax regime in the UAE. The Law was previously gazetted on 10 October 2022, becoming law 15 days later and enforceable as at 16 January 2023. The Corporate Tax regime will become effective for accounting periods beginning on or after 1 June 2023. Generally, UAE businesses will be subject to a 9% corporate tax rate, while a rate of 0% will apply to taxable income not exceeding a particular threshold to be prescribed by way of a Cabinet Decision (expected to be AED 375,000 based on information released by the Ministry of Finance).

However, there are a number of significant decisions that are yet to be finalised by way of a Cabinet Decision, including the threshold mentioned above, that are critical for entities to determine their tax status and the amount of tax due. Therefore, pending such important decisions by the Cabinet, the Company has determined that the Law was not practically operational as at 31 December 2022, and so not enacted from the perspective of IAS 12 – Income Taxes until 16 January 2023. The Company is currently in the process of assessing the possible impact on its financial statements, both from current and deferred tax perspective.

24 APPROVAL OF THE CARVE-OUT FINANCIAL STATEMENTS

The carve-out financial statements were approved by the Board of Directors of Roads and Transport Authority on 10 January 2024 and signed on its behalf by His Excellency Mattar Al Tayer, Director - General and Chairman of the Board of Executive Directors and Youssef Ahmed Al Reda, CEO-Corporate Administrative Support Services

Roads and Transport Authority – Parking Business

Carve-out financial statements for the year ended 31 December 2023

ROADS AND TRANSPORT AUTHORITY - Parking Business

Carve-out financial statements of the Parking Business
For the year ended 31 December 2023

pwc

Independent auditor's report to the directors of Roads and Transport Authority

Report on the audit of the carve-out financial statements

Our opinion

In our opinion, the carve-out financial statements present fairly, in all material respects, the carve-out financial position of Roads and Transport Authority – Parking Business (the "Parking Business") as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Parking Business' carve-out financial statements comprise:

- the carve-out statement of profit or loss and other comprehensive income for the year ended 31 December 2023;
- the carve-out statement of financial position as at 31 December 2023;
- the carve-out statement of cash flows for the year then ended
- the carve-out statement of changes in equity for the year then ended; and
- the notes to the carve-out financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the carve-out financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Parking Business in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the carve-out financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Emphasis of matter – basis of accounting

We draw attention to the fact that, as described in Notes 1 and 2 to the carve-out financial statements, the Parking Business has not operated as a separate entity. These carve-out financial statements are, therefore, not necessarily indicative of results that would have occurred if the Parking Business had been a separate stand alone entity during the year presented or of future results of the Parking Business.

The carve-out financial statements are prepared by the management of Roads and Transport Authority in connection with the listing of the Parking Business on the Dubai Financial Market in the United Arab Emirates. As a result, the carve-out financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Independent auditor's report to the directors of Roads and Transport Authority (continued)

Responsibilities of management and those charged with governance for the carve-out financial statements

Management is responsible for the preparation and fair presentation of the carve-out financial statements in accordance with IFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the carve-out financial statements, management is responsible for assessing the Parking Business' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Parking Business or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Parking Business' financial reporting process.

Auditor's responsibilities for the audit of the carve-out financial statements

Our objectives are to obtain reasonable assurance about whether the carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these carve-out financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parking Business' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report to the directors of Roads and Transport Authority (continued)

Auditor's responsibilities for the audit of the carve-out financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parking Business' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the carve-out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parking Business to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the carve-out financial statements, including the disclosures, and whether the carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers Limited Partnership Dubai Branch
12 February 2024

Wassim El Afchal
Registered Auditor Number 5454
Dubai, United Arab Emirates

برايس ووتر هاوس كوبرز
شراكة محدودة فرع دبي
P.O.Box: 11987
DUBAI - U.A.E.
PRICEWATERHOUSECOOPERS
LIMITED PARTNERSHIP DUBAI BR.

CARVE-OUT STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the years ended 31 December

	Notes	**2023 AED'000**	2022 AED'000
Revenue	6	**779,379**	686,242
Other income	7	**570**	717
Commission expenses	8	**(28,116)**	(25,005)
Maintenance expense		**(27,593)**	(33,777)
Variable lease payments	14	**(13,597)**	(11,390)
Other expenses	9	**(26,058)**	(36,088)
Employee benefits expense	10	**(139,250)**	(135,852)
Depreciation and amortisation	11	**(19,375)**	(20,615)
Corporate allocation expense	20	**(121,157)**	(110,799)
(Impairment loss)/reversal of impairment loss on trade receivables	15	**(9,813)**	2,486
Finance expense	14	**(900)**	(320)
PROFIT FOR THE YEAR		**394,090**	315,599
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**394,090**	315,599

The attached notes 1 to 25 form part of these carve-out financial statements.

CARVE-OUT STATEMENT OF FINANCIAL POSITION
As at

	Notes	31 Dec 2023 AED'000	31 Dec 2022 AED'000
ASSETS			
Non-current assets			
Property and equipment	12	**26,902**	34,148
Intangible assets	13	**9,329**	11,386
Right of use asset	14	**25,073**	16,446
		61,304	61,980
Current asset			
Trade and other receivables	15	**190,927**	227,680
TOTAL ASSETS		**252,231**	289,660
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits	16	**54,356**	61,229
Lease liabilities	14	**21,644**	13,575
		76,000	74,804
Current liabilities			
Trade and other payables	17	**96,627**	90,040
Contract liabilities	18	**61,459**	55,202
Provisions	19	**-**	2,850
Lease liabilities	14	**5,537**	3,745
		163,623	151,837
TOTAL LIABILITIES		**239,623**	226,641
Net parent investment			
Accumulated net parent investment	20	**12,608**	63,019
TOTAL LIABILITIES AND NET PARENT INVESTMENT		**252,231**	289,660

To the best of our knowledge, the carve-out financial statements fairly present, in all material respects, the financial position, results of operation and cash flows of the Company as of, and for, the years ended 31 December 2023 and 31 December 2022.

These financial statements were approved by the Board of Directors of Roads and Transport Authority on 12 February 2024 and signed on its behalf by:

Director General and
Chairman of the Board of Executive Directors

CEO
Corporate Administrative Support Service

The attached notes 1 to 25 form part of these carve-out financial statements.

Roads and Transport Authority
(Parking Business)

CARVE-OUT STATEMENT OF CASH FLOWS

For the year ended 31 December

	Notes	2023 AED'000	2022 AED'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		**394,090**	315,599
Adjustments for:			
Depreciation of property and equipment, and right-of-use assets	11	**16,913**	18,890
Amortisation of intangible assets	11	**2,462**	1,725
Finance expense (interest on lease liabilities)	14	**900**	320
Provision for employees' end of service benefits	16	**4,971**	6,316
Reversal of impairment loss on trade receivables/ (impairment loss)	15	**9,813**	(2,486)
Operating cash flows before movements in working capital and employees' end-of-service benefits paid:		**429,149**	340,364
Decrease in trade and other receivables		**26,940**	52,788
(Decrease)/increase in trade and other payables		**3,737**	25,541
(Decrease)/increase in provision		**-**	1,000
Increase in contract liabilities		**6,257**	2,229
		466,083	421,922
Employees' end-of-service benefits paid	16	**(11,844)**	(2,538)
Net cash flows generated from operating activities		454,239	419,384
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, equipment, and intangible assets		**(4,422)**	(2,418)
Proceeds from the sale of property and equipment		**34**	5,897
Net cash (used in)/generated from investing activities		**(4,388)**	3,479
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal element of lease payments	14	**(4,450)**	(5,030)
Interest element of lease payment	14	**(900)**	(320)
Distribution to Parent		**(444,501)**	(417,513)
Net cash used in financing activities		**(449,851)**	(422,863)
Net change in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		-	-

Significant non-cash transactions:

Additions to right of use assets		**14,311**	-
Additions to lease liabilities		**14,311**	-

The attached notes 1 to 25 form part of these carve-out financial statements.

CARVE-OUT STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December

	Total Net Parent Investment AED '000
Balance as at 1 January 2022	**164,933**
Total comprehensive income for the year	315,599
Distribution to Parent (Note 20)	(417,513)
Balance as at 31 December 2022	**63,019**
Total comprehensive income for the year	394,090
Distribution to Parent (Note 20)	(444,501)
Balance as at 31 December 2023	**12,608**

The attached notes 1 to 25 form part of these carve-out financial statements.

1. DESCRIPTION OF BUSINESS AND PRINCIPAL ACTIVITIES

Roads and Transport Authority ("RTA" or the "Parent") was incorporated in the Emirate of Dubai, United Arab Emirates ("UAE") under decree no. 17/2005 issued by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, the Ruler of Dubai, on 1 November 2005. RTA is owned by the Dubai Department of Finance ("DoF") which is ultimately owned and controlled by the Government of Dubai. RTA is responsible for planning and executing the requirements of transport, roads, and traffic in the Emirate of Dubai, between Dubai and other Emirates of the UAE, and neighbouring countries in order to provide an effective and integrated transport system capable of serving the vital interests of the Emirate, which includes the Parking Business ("Parking Business"). RTA also encompasses public buses and taxis, marine transport, metro, tram, and licensing system. The Traffic and Roads Agency ("the Agency") is not a separate legal entity and is one of the four divisions of RTA. The registered office of the Agency is PO Box 118899, Dubai, United Arab Emirates. The principal activities of the Agency include construction of roads and related network systems, administration of parking fees and penalties.

In 2023, based on the Government of Dubai's direction and RTA's senior management decision, RTA commenced an exercise to separate and list RTA's Parking Business (the "Company" or "ParkingCo") on the Dubai Financial Market ("DFM") Stock Exchange in Dubai, UAE. Parkin Company P.J.S.C. ("Parkin") is a Public Joint Stock Company ("PJSC") established on 29 December 2023 in the Emirate of Dubai, UAE under Law no. (30) of 2023 issued by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, the Ruler of Dubai. The registered address of Parkin is G+2, Old Headquarters, Umm Al Ramool, Marrakech Street, Dubai, UAE.

Parkin is owned by Dubai Investment Fund ("DIF"), which is in turn wholly owned by the Government of Dubai. Parkin anticipates to sell a certain percentage of its shares through an Initial Public Offering ("IPO") on the DFM stock exchange (the "Transaction"). Therefore, Parkin is ultimately owned, controlled and held by the Government of Dubai through DIF prior to listing on the DFM.

The transfer of the ParkingCo to Parkin Company P.J.S.C. will be effective on 1 January 2024 and will represent a capital reorganisation. The carve-out financial statements are prepared by the management of RTA for the purpose of identifying the financial position of the Company as at 31 December 2023 and its financial performance for the year then ended. These carve-out financial statements are prepared to be included in the prospectus in connection with the proposed listing of Parkin on DFM.

The Parking Business offers convenient and cost-effective parking solutions for both residents and visitors in Dubai. ParkingCo is responsible for operating, overseeing, monitoring, inspecting, and enforcing parking services in public areas, such as on-street parking, off-street parking, multistorey car parks, and designated developer zones within Dubai. The parking fares are collected through various payment channels including RTA's website, cash, nol cards, and Smart Applications.

2 BASIS OF PREPARATION

The carve-out financial statements for the year ended 31 December 2023 have been prepared in accordance with IFRS Accounting Standards, comprising the following authoritative literature:

- IFRS Accounting Standards
- IAS Accounting Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations)

The preparation of carve-out financial statements requires the use of certain critical accounting estimates. Estimates made by the Company in preparing its IFRS financial statements reflect the facts and circumstances which existed at the time such estimates were made. The estimates made by the Company to prepare these carve-out financial statements are consistent with those made in the historical reporting of financial information of RTA. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of complexity, or areas where assumptions and estimates are significant to the carve-out financial statements are disclosed in Note 5. These have been applied consistently for all periods presented.

2 BASIS OF PREPARATION (continued)

These carve-out financial statements represent the historical operation of the Parking Business and have been prepared from the accounting records of RTA and reflect the cash flows, revenues, expenses, assets, and liabilities of the Parking Business which were separately maintained in the RTA books except for corporate shared overheads, which are carved out on the basis explained in Note 5 and 20. Further, employee benefits including the liability in respect of end of service benefits obligation only relates to employees who are directly attributable to the Parking Business. These liabilities are not legally transferred to the Parkin as of the date of the transaction and will only be transferred once the legality is completed.

These carve-out financial statements represent the historical operation of the ParkingCo and have been prepared from the accounting records of RTA and reflect the cash flows, revenues, expenses, assets, and liabilities of the Parking Business. The assets and liabilities of the Parking Business are included in these carve-out financial statements if the title of these assets and liabilities will be legally transferred upon formation of the Parkin.

Certain property and equipment and intangible assets as disclosed in Note 12 and Note 13 respectively are used in ParkingCo's operations where the title will remain with the Parent and are not included in these carve-out financial statements and will not be included in subsequent financial statements of Parkin Company P.J.S.C. and will be formed as part of the concession agreement with RTA. Further, employee benefits including the liability in respect of end of service benefits obligation only relates to employees who are directly attributable to Parking. These liabilities are not legally transferred to Parkin Company P.J.S.C. as of the date of the carve out financial statements and will only be transferred once the legality is completed. Since ParkingCo is not a standalone legal entity in the historical periods presented, Parent's net investment is shown in lieu of shareholders' equity in these carve-out financial statements. Parent's net investment represents the cumulative net investment by RTA in the Company through that date. The impact of transactions between the Company and RTA that were not historically settled in cash are also included in Parent's net investment.

During the years presented, the Company functioned as part of the Transport and Roads Agency ("TRA") which is one of four agencies forming part of RTA. Accordingly, both RTA and TRA have performed certain corporate overhead functions for ParkingCo. These functions include, but are not limited to, executive oversight, legal, finance, marketing, customer services, information technology, human resources, and financial reporting. The costs of such services have been allocated to ParkingCo based on the most relevant allocation method to the service provided. Management believes such allocations are reasonable; however, they may not be indicative of the actual expense that would have been incurred had ParkingCo been operating as a separate entity apart from RTA. The cost allocated for these functions is included in corporate allocation expenses in the carve-out statement of profit and comprehensive income for the historical periods presented. A complete explanation of the Company's relationship with RTA, together with the cost allocations, is included in Note 20 to the carve-out financial statements.

The Company utilises RTA's centralised processes and systems for cash management, payroll and purchasing. In the case of RTA, all business activity related cash deposits are received by cash accounts owned and managed by the Department of Finance. There are Parking related sweep accounts which are pooled into the Department of Finance and are used to fund the cash requirements of ParkingCo. As the sweep accounts are legally held by the Department of Finance, the sweep account cash balances are not included in the carve-out financial statements. The total net effect of the settlement of these transactions is reflected in the carve-out statements of cash flows as a financing activity as 'Distribution to Parent" and in the carve-out statement of financial position as 'accumulated net parent investment'. Any balance not swept to the cash pool account would be included in the carve-out financial statements to the extent the balance remains in an account in the legal name of the carve-out business.

As the Company did not operate as a stand-alone entity in the past, these carve-out financial statements may not be indicative of the Company's future performance and do not necessarily reflect what its results of operations, financial position and cash flows would have been had the Company operated as a separate entity apart from RTA during the years presented.

The carve-out financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets, unless otherwise disclosed.

The carve-out financial statements are presented in UAE Dirhams ("AED"), which is also the Company's functional currency. All values have been rounded to the nearest thousand ("000"), unless otherwise disclosed.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

New standards, interpretations and amendments to existing standards as adopted by the Company

The following are new standards, amendments, and interpretations of IFRS Accounting Standards that have been adopted by the Company effective 01 January 2023. The application of these revised IFRS Accounting Standards, except where stated, have not had any material impact on the amounts reported for the current and prior periods.

- Amendments to IFRS 17: *amendments to address concerns and implementation challenges that were identified after IFRS 17 was published.*
- Amendments to IAS 12: *amendments regarding deferred Tax related to assets and liabilities arising from a single transaction.*
- Amendments to IAS 1 and IFRS Practice Statement 2: *amendments regarding the disclosure of accounting policies.*
- Amendments to IAS 8: *amendments regarding the definition of accounting estimates.*
- Amendments to IAS 12: *amendments to provide temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.*

New standards, interpretations and amendments issued but not yet effective

The following are new standards, amendments, and interpretations of IFRS Accounting Standards that have been issued but not yet effective.

- IFRS S1: *General Requirements for Disclosure of Sustainability-related Financial Information.*
- IFRS S2: *Climate-related Disclosures.*
- Amendments to IAS 1: *amendments regarding the classification of liabilities*
- Amendments to IAS 1: *amendments regarding the classification of debt with covenants*
- Amendments to IAS 1: *amendment to defer the effective date of the January 2020 amendments.*
- Amendments to IFRS 7 and IAS 7: *amendments regarding supplier finance arrangements.*
- Amendments to IFRS 10 and IAS 28: *amendments regarding accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures.*
- Amendments to IFRS 16: *amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions.*

The Company has not early adopted any standards, interpretation or amendment that has been issued but is not yet effective. The Company does not expect the adoption of the above new standards and amendments to have a material impaet on the carve-out financial statements of the Company.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies used in the preparation of these carve-out financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated:

4.1 Property and equipment

Property and equipment are carried at historical cost, less accumulated depreciation, and any impairment loss. The cost of purchased property and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable to bringing the asset to its working condition for the intended use.

Subsequent costs incurred are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential over the total life of the asset in excess of the most recently assessed standard of performance of the asset will flow to the Company and the cost of the item can be measured reliably.

Depreciation on assets is calculated using straight-line method at rates calculated to reduce the cost of assets to the estimated residual value over their expected useful lives as follows:

Machinery and equipment	10 to 15 years
Motor vehicles	5 to 10 years
Office equipment and furniture	3 to 16 years

All assets are carried at its cost less any accumulated depreciation and any accumulated impairment losses. The residual values, useful lives, and method of depreciation of assets are reviewed at each financial year-end and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount, refer to Note 4.10.

Any item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Repairs and renewals are charged to profit or loss when the expense is incurred.

Capital work-in-progress is stated at cost and includes items of property and equipment that are being developed for future use. When commissioned, capital work-in-progress is transferred to appropriate category of property and equipment and depreciated in accordance with the Company's policies.

4.2 Intangible assets

Intangible assets consist of acquired parking operation systems, including Mobile Automatic Number Plate Recognition ("ANPR") systems.

An internally generated intangible asset arising from the Company's product or software development is recognised only if all of the following conditions are met:

- An asset is created that can be identified (such as software and new processes);
- It is probable that the asset will generate future economic benefits; and
- The development costs can be reliably measured.

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Research costs are recognised in the carve-out statement of profit and other comprehensive income in the period in which they are incurred.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

4.2 Intangible assets (continued)

Development costs are capitalized if, and only if, all the following conditions are fulfilled:

- The technical feasibility of the product has been demonstrated;
- The product or process will be placed on the market or used internally;
- The assets will generate future economic benefits (a potential market exists for the product or, where it is to be used internally, its future utility has been demonstrated);
- The cost of the asset can be measured reliably; and
- The technical, financial, and other resources required to complete the project are available.

Intangible assets are amortised on a straight-line basis over their useful lives.

Parking operation systems	4-15 years

Intangible assets are assessed for impairment whenever there is an indication that the intangible assets may be impaired, refer to Note 4.10. The amortisation period and the amortisation method are reviewed at least at each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the carve-out statement of profit and other comprehensive income.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the carve-out statement of profit and comprehensive income when the asset is derecognised.

Other development expenditures that do not meet these criteria, along with all expenditures on research activities, are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Intangible assets under development represent expenditures on software for parking systems that are in the process of development which have not yet reached the stage of being available for use. Intangible assets under development are depreciated only when they are available for use.

4.3 Financial instruments

Financial assets and financial liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss recognised immediately in the carve-out statement of profit and comprehensive income.

The financial assets and financial liabilities are classified as current if they are expected to be realized or settled within the operating cycle of the company otherwise these are classified as non-current.

The financial instruments are classified to be measured at Amortised Cost, at Fair Value Through Profit and Loss ("FVTPL") or at Fair Value Through Other Comprehensive Income ("FVTOCI") and such classification depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition. The Company's financial assets consist of trade and other receivables excluding staff advances and other advances. The Company's financial liabilities consist of trade and other payables.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

4.3 Financial instruments (continued)

- *Financial Instruments measured at amortised cost:*
  Financial assets held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost. The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortised cost using the Effective Interest Rate ("EIR") method Note 4.7.
- *Financial Asset at Fair Value Through Other Comprehensive Income:*
  Financial assets are measured at fair value through other comprehensive income if these are within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.
- *Financial Instruments at Fair Value through profit or loss:*
  Financial Instruments which do not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognised in the carve-out statement of profit and comprehensive income.

De-recognition of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the Company transfers substantially all risks and rewards of ownership.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognised in the carve-out statement of profit and comprehensive income.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss as a reclassification adjustment unless the asset represents an equity investment, in which case the cumulative gain or loss previously recognised in other comprehensive income are reclassified within equity.

Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in carve-out statement of profit and comprehensive income.

Trade and other receivables

A trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due) and primarily relates primarily to the revenue earned from parking fee paid through SMS, receivables from fines, and commissions for processing fees from telecommunication providers. The receivables are measured at amortised cost using the effective interest method, less provisions for impairment losses for amounts considered uncollectible. Amounts considered uncollectible are estimated on the basis of the method described in Note 4.

Trade and other payables

These represents liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer) after the carve-out statement of financial position date. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

4.4 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs its obligations under the contract. The Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

4.5 Provision for employee benefits

(a) End of service benefits to non-UAE Nationals

An accrual is made for employees employed in the UAE, for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by the employees up to the date of carve-out statement of financial position. Provision is also made for the full amount of end-of-service benefits due to the non-UAE Nationals in accordance with the applicable Government of Dubai Human Resources Management Law, for their periods of service up to the carve-out statement of financial position date. The entitlement to these benefits is usually based upon the employee's salary and length of service, subject to completion of a minimum service period.

The accrual relating to annual leave and leave passage is disclosed as a current liability, while that relating to end-of-service benefits is disclosed as a non-current liability.

(b) Pension and social security policy

The Parent is a member of the pension scheme operated by the Federal General Pension and Social Security Authority. Contributions for eligible UAE National employees are made in accordance with the provisions of Federal Law No. 7 of 1999 relating to Pension and Social Security Law. Contributions expensed are classified as Employee Benefit expenses in the carve-out statement of profit and other comprehensive income.

4.6 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the carve-out statement of profit and comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed to the carve-out statement of profit and comprehensive income.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

4.7 Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. The future cash receipts are estimated taking into account all the contractual terms of the instrument.

4.8 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the carve-out statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right is not contingent on anything.

4.9 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the carve-out financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the carve-out financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of their nature and characteristics.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

4.10 Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in the carve-out statement of profit comprehensive income in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the carve-out statement of profit and comprehensive ineome.

4.11 Impairment of financial assets

Credit-impaired financial assets

At each reporting date, the Company assesses whether a financial asset carried at amortised cost is credit impaired. A finaneial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Management's assessment uses the lifetime probability of default method. A credit loss will be calculated as the difference between the cash flows that are due in accordance with the contract/agreement and the cash flows that the Company expects to receive, discounted at the original effective interest rate of the fmancial instrument.

Trade and other receivables

For trade and other reeeivables, the Company applies a simplified approach in calculating Expected Credit Loss ('ECL'). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at eaeh reporting date. The Company has established a provision matrix, as disclosed in Note 21, that is based on recovery data from 2018 adjusted for forward-looking factors and the time value of money.

The Company considers a finaneial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing seeurity (if any is held); or
- The financial asset is due more than its default definition.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

4.11 Impairment of financial assets (continued)

Below are the default definitions for trade and other receivables

Fines receivables	395 days past due
Receivables from telecom operators	90 days past due
Other receivables	90 days past due

Exposures within each credit risk grade are segmented based on the risk for the customers. An ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past years. These rates are adjusted by the macroeconomic factors to reflect forward-looking ECL rates. The Company has applied an average of the change in GDP% and the change in the population of UAE as macroeconomic factors.

The Company applies a practical expedient to calculate ECLs on receivables that do not contain a significant financing component using a provision matrix. This matrix is based on information such as delinquency status and actual credit loss experience (on historical data) and based on current and forward-looking information on macroeconomic factors. The provision matrix is applied to all outstanding trade receivables by aging and customer group to determine the actual ECL.

Presentation of allowance for ECL in the carve-out statement of financial position

The expected credit loss allowance for each type of financial asset (i.e. trade receivables) is deducted from the gross carrying amount of the assets (i.e. contra-asset). Impairment losses are shown separately on the face of the carve-out statement of profit and other comprehensive income.

Write-off

Write-offs are recognised when the Company has no reasonable expectations of recovering a financial asset either in its entirety or a portion thereof. For all trade receivables write-offs occur five years after the credit period, which is the estimated useful life of a customer.

4.12 Leases

The Company has entered into various agreements with city developers to lease and operate parking areas. Rental contracts are typically made for fixed periods of 3 to 10 years but may have early termination and extension options.

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the carve-out statement of income. Short-term leases are leases with a lease term of 12 months or less. low-value assets generally comprise of vehicles.

Company as a lessee – Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

4.12 Leases (continued)

Company as a lessee – Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

4.13 Revenue recognition

The Company recognises revenue, based on the five-step model.

Step 1: Identify the contract(s) with a customer
A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations to be met.

Step 2: Identify the performance obligations in the contract
A performance obligation is a promise in a contract with a customer to transfer a good or provide a service to the customer.

Step 3: Determine the transaction price
The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract
For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation
The Company satisfies a performance obligation and recognises revenue over time if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as and when the Company performs;
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time when the performance obligation is satisfied.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

4.13 Revenue recognition (continued)

Principal versus agent
When more than one party is involved in a transaction for providing goods or services to a customer, the Company is required to determine whether it acts as a principal or an agent.

The Company acts as a principal if it controls a promised good or service before transferring it to the customer. The Company is an agent if its role is to arrange for another entity to provide the goods or services. The factors considered in making this assessment are most notably whether the Company has discretion in establishing the priee for the specified good or service, whether the Company is primarily responsible for fulfilling the promise to deliver the serviee or good.

Where the Company is acting as a principal, revenue is recorded on a gross basis. Where the Company is acting as an agent revenue is recorded as a net amount reflecting the margin earned. The Company has determined it acts as a principal for each of its revenue streams for the years ended 31 December 2023 and 31 December 2022.

Revenue is recognised in the carve-out financial statements to the extent that it is probable the at the economic benefit will flow to the Company and the revenue and cost, if and when applicable, can be reliably measured. Revenue represents the amounts received from parking and related activities.

Revenue is recognised from the Company's activities as follows:

(a) Public parking fee
Revenue from public parking fares is recognised at a point in time when the parking ticket is issued. The transaction price is fixed based on the parking fares determined by the Dubai Executive Council and is typically paid upfront by the customer. Each time a parking ticket is issued to the customer to park their vehicle represents a distinct performance obligation. The parking fares are paid through various payment methods by using cash or card through parking meters, NOL cards, SMS, and RTA Smart applications.

Additionally, the RTA app has a dedicated wallet for parking. The amounts loaded in the dedicated wallet balance are recognised as a liability till the balance is utilized to pay the parking fare.

Public parking fees can be split into 3 categories as follows:

- On-street/Off-street public parking fees: Revenue from on-street/off-street public parking fees paid by customers.
- Multistorey Parking Buildings: Revenue from parking fares in multistorey parking buildings operated and managed by the Company and owned by RTA.
- Developer: The parking fares for parking spaces in developer locations.

(b) Fines
Revenue from fines on UAE registered vehicles is recognised at a point in time when the violation of the use of parking space resulting in the penalty takes place. For fines within UAE, a receivable is recognised when the fine is issued to the customer as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. Whereas fines levied on vehicles registered in other countries are recognised as revenue when collected due to the limited enforceability of these fines and result in a significantly diminished probability of successful collection. The transaction price is the fines determined by RTA for different violations.

(c) Permits and seasonal cards
Revenue from the sale of permits and seasonal cards is recognized over time during the tenure of the permit or seasonal card. The transaction price is paid upfront being the fixed fee for a seasonal card or permit and the application processing fee (if any). The obligation to provide seasonal cards and permits for the right to park vehicles at the parking spaces by RTA for a specified duration is a distinct service to the customers. Processing of the application for permits does not provide any additional distinct benefit to the customers. Hence, the only performance obligation identified is the right to use a designated parking space for the tenure of a seasonal card or permit.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

4.13 Revenue recognition (continued)

(d) Reservations

Revenue from reservation of parking spaces is recognised over time during the tenure of the reservation. The transaction price is paid upfront being the fixed fee for a reservation and the application processing fee (if any). The obligation to reservation for the right to park vehicles at the parking spaces by RTA for a specified duration is a distinct service to the customers. Processing of the application for reservations does not provide any additional distinct benefit to the customers. Hence, the only performance obligation identified is the right to use a designated parking space for the tenure of a reservation.

(e) Other services

Revenue from other parking services mainly includes income earned from third parties operating shops and spaces in RTA owned Multistorey Parking Buildings and fixed fees received from third party operators operating RTA owned Multistorey Parking Buildings. Revenue from other services is recognised on a straight-line basis over the term of the contract. A receivable is recognised alongside the revenue recognition as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

For all the above revenue streams, the Company is acting as the principal.

4.14 Contingencies

Contingent liabilities are not recognised in the carve out financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the carve-out financial statements but disclosed when an inflow of economic benefits is probable.

4.15 Current versus non-current classification

The Company presents assets and liabilities in the carve out statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

4.16 Rounding of amounts

All amounts included in the carve out financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

4.17 Segment reporting

For management purposes, the Company is organised into one segment, which is the Parking Business. Accordingly, the Company only has one reportable segment reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Management monitors the operating results of the business as a single unit for the purpose of making decisions about resource allocation and performance assessment. The chief operating decision maker consists of the head of the Parking department. Historically, the Company's performance was monitored and managed as part of the Transport and Roads Agency which formed part of RTA.

5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies, which are described in Note 4, management is required to make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Accounting Estimates and Judgements - The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Corporate allocations

The carve-out financial statements include allocations for certain expenses historically maintained by RTA or TRA. Such items have been allocated to the Company and included in the carve-out financial statements based on the most relevant allocation method, primarily relative percentage of headcount, cost, or revenue. Management believes that this basis for allocation of expenses is reasonable.

In addition to the corporate allocations, the management has estimated the direct operational and maintenance costs from various departments within RTA and TRA, which form part of the carve-out financial statements.

A 100-basis point increase or decrease change in allocation percentages would result in approximately AED 14.0 million change in expense allocated to the Company for the year ended 31 December 2023, AED 12.7 million change in expense allocated to the Company for the year ended 31 December 2022.

(b) Useful lives of property and equipment, right-of-use assets, and intangible assets

The Company's management determines the estimated useful lives of its property and equipment, right-of-use and intangible assets for calculating depreciation/ amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation/ amortisation charges would be adjusted where the management believes the useful lives differ from previous estimates.

(c) Provision for expected credit losses of trade and other receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., customer type and rating). The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information Refer to Note 4.11 for further details. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analysed.

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

5 SIGNIFCANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(c) Provision for expected credit losses of trade and other receivables (continued)

During the years presented, management concluded the expected credit losses for trade receivables for customers not arising from fines and telecom operators were not material due to either no balances or an immaterial balance being past due, and due to positive forecasted economic conditions.

A 1% increase in the macro-economic factors would result in approximately AED 0.6 million change in the provision expense to the Company for the year ended 31 December 2023 and AED 0.4 million change in the provision expense to the Company for the year ended 31 December 2022. Further, a 1% decrease in the macroeconomic factors would result in approximately AED 0.6 million change in the provision expense to the Company for the year ended 31 December 2023 and AED 0.4 million change in tbe expense for year ended 31 December 2022.

Critical Judgements in Applying the Company's Accounting Policies

The following are the critical judgments, apart from those involving estimations discussed above, that management made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the carve-out financial statements.

(a) Impairment of non-financial assets

The Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets are impaired. In making the assessment for potential indicators of impairment, management is required to make certain judgments when determining whether events or circumstances exist that indicate the carrying amount may not be recoverable. During the years presented, management concluded there were no indicators of impairment that required further assessment.

(b) Impairment of financial assets

The Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and when the financial asset is no longer subject to enforcement activity.

(c) Consideration of significant financing components in a contract

Customers are required to pay fees for permits, seasonal cards, and reservations upfront. Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expeets, at contract inception, that the period between the transfer of the promised good or serviee to the customer and when the customer pays for that good or service will be one year or less. During the years presented, management has determined that the usage of seasonal cards, permits, and reservations beyond a one-year period from the date of purchase is unlikely. Consequently, the financing component is deemed immaterial, and no further assessment or adjustment is necessary.

6 REVENUE

Set out below is the disaggregation of the Company's revenue for the years ended 31 December:

	2023 AED'000	2022 AED'000
Recognised at a point in time:		
Public parking fee		
On-street/off-street parking	**357,662**	300,600
Developer parking fee	**58,648**	46,339
Multistorey parking building fees	**17,219**	15,971
Fines	**181,317**	179,014
Total revenue recognised at a point in time	**614,846**	541,924
Recognised over time:		
Permits and seasonal cards	**135,466**	116,622
Parking reservations	**20,319**	18,315
Other services	**8,748**	9,381
Total revenue recognised over time	**164,533**	144,318
Total revenue	**779,379**	686,242

7 OTHER INCOME

	2023 AED'000	2022 AED'000
Supplier penalties	**21**	476
Other income	**549**	241
	570	717

8 COMMISSION EXPENSE

	2023 AED'000	2022 AED'000
Service Charges - Telecom operators*	**25,625**	22,551
Service Charges – Other agencies	**2,491**	2,454
	28,116	25,005

*Service Charges from telecom operators include the commission payment for collection of parking fees on behalf of the Company. Additionally, the share of the SMS convenience fee received by RTA from telecom operators of AED 9,523 thousand (2022: AED 8,492 thousand) has been netted off from the commission expense.

9 OTHER EXPENSES

	2023 AED'000	2022 AED'000
Operation expenses*	**24,409**	34,092
Miscellaneous expenses	**1,649**	1,996
	26,058	36,088

*Operation expenses comprise of recharges by RTA for the assets utilised by the Company but not recognised as property and equipment or intangible assets. These amount to AED 18.77 million for the year ended 31 December 2023 and AED 23.75 million for the year ended 31 December 2022. Further, the operation expenses include utilisation costs for vehicles leased and owned by RTA of AED 5.0 million and AED 4.9 million for the years ended 31 December 2023 and 31 December 2022 respectively. Refer to Note 20 for further details.

10 EMPLOYEE BENEFITS EXPENSE

	2023 AED'000	2022 AED'000
Salaries and wages	**111,786**	110,982
Other benefits and allowances	**22,493**	18,554
End of service benefits	**4,971**	6,316
	139,250	135,852

11 DEPRECIATION AND AMORTISATION

	2023 AED'000	2022 AED'000
Depreciation on property and equipment (Note 12)	**11,229**	13,728
Depreciation on right-of-use assets (Note 14)	**5,684**	5,162
Amortisation on intangible assets (Note 13)	**2,462**	1,725
	19,375	20,615

12 PROPERTY AND EQUIPMENT

31-Dec-2023:	Machinery & Equipment AED'000	Motor vehicles AED'000	Office Equipment & Furniture AED'000	Capital Work-In-Progress AED'000	Total AED'000
Cost:					
As at 1 January 2023	156,219	701	7,161	117	**164,198**
Additions	909	-	4	3,483	**4,396**
Adjustments	(2,210)	(115)	(3)	-	**(2,328)**
Retirement	(218)	-	(874)	-	**(1,092)**
As at 31 December 2023	**154,700**	**586**	**6,288**	**3,600**	**165,174**
Accumulated depreciation:					
As at 1 January 2023	122,741	347	6,962	-	**130,050**
Depreciation charge for the year	11,038	106	85	-	**11,229**
Adjustments	(1,831)	(115)	(3)		**(1,949)**
Retirements	(184)	-	(874)	-	**(1,058)**
As at 31 December 2023	**131,764**	**338**	**6,170**	**-**	**138,272**
Net carrying amount:					
As at 31 December 2023	**22,936**	**248**	**118**	**3,600**	**26,902**

12 PROPERTY AND EQUIPMENT (Continued)

31-Dec-2022:	Machinery & Equipment AED'000	Motor vehicles AED'000	Office Equipment & Furniture AED'000	Capital Work-In-Progress AED'000	Total AED'000
Cost:					
As at 1 January 2022	201,639	577	7,113	134	**209,463**
Additions	226	124	48	63	**461**
Adjustments	1	-	-	-	**1**
Retirement	(45,647)	-	-	-	**(45,647)**
Transfers	-	-	-	(80)	**(80)**
As at 31 December 2022	**156,219**	**701**	**7,161**	**117**	**164,198**
Accumulated depreciation:					
As at 1 January 2022	149,172	252	6,648	-	**156,072**
Depreciation charge for the year	13,319	95	314	-	**13,728**
Retirements	(39,750)	-	-	-	**(39,750)**
As at 31 December 2022	**122,741**	**347**	**6,962**	**-**	**130,050**
Net carrying amount:					
As at 31 December 2022	**33,478**	**354**	**199**	**117**	**34,148**

Land, multistorey parking buildings, signages, parking lots (including fixtures such as streetlights and benches), building fixtures, security cabins, building security equipment, and IT network equipment represents assets that are dedicated for Company's operation, however, the title of these will remain with Parent. The Company is in the process of entering into a concession agreement with RTA wherein, rights will be provided to the Company to use these assets against a concession fee (refer to note 24). Accordingly, these assets are not included in the current and will not be included in the future financial statements of the Company.

Property and equipment include assets that are fully depreciated but still in use. The cost of these assets is AED 17.97 million as at 31 December 2023 and AED 20.46 million as at 31 December 2022.

13 INTANGIBLE ASSETS

The cost and amortisation of the intangible assets is as follows for the years ended 31 December:

	Parking operation systems	Intangible assets under development	Total
	AED '000	AED '000	AED '000
Cost			
As at 1 January 2023	28,463	3,659	32,122
Additions	405	-	405
As at 31 December 2023	**28,868**	**3,659**	**32,527**
Accumulated amortisation			
As at 1 January 2023	20,736	-	20,736
Charge for the year	2,462	-	2,462
As at 31 December 2023	**23,198**	-	**23,198**
Net carrying amount			
As at 31 December 2023	**5,670**	**3,659**	**9,329**

	Parking operation systems	Intangible assets under development	Total
	AED '000	AED '000	AED '000
Cost			
As at 1 January 2022	26,888	3,198	30,086
Additions	1,575	461	2,036
As at 31 December 2022	28,463	3,659	**32,122**
Accumulated amortisation			
As at 1 January 2022	19,011	-	19,011
Charge for the year	1,725	-	1,725
As at 31 December 2022	20,736	-	**20,736**
Net carrying amount			
As at 31 December 2022	7,727	3,659	**11,386**

Intangible assets under development are not amortized until they become available for use.

Management did not identify any indicators of impairment for intangible assets in the years ended 31 December 2023 and 2022.

Certain software licenses for IT equipment are dedicated to Company's operation, however, the title of these will remain with Parent. The Company is in the process of entering into a concession agreement with RTA wherein, rights will be provided to the Company to use these assets against a concession fee. Accordingly, these intangible assets are not included in the current and will not be included in the future financial statements of the Company.

13 INTANGIBLE ASSETS (continued)

Intangible assets include assets that are fully depreciated but still in use. The cost of these assets is AED 12.19 million as at 31 December 2023 and AED 11.79 million as at 31 December 2022.

14 LEASES

The Company has entered into agreements with multiple developers to operate and manage parking spaces within different areas. Certain agreements contain a lease in accordance with the lease definition of IFRS 16.

Information about leases for which the Company is a lessee is presented below:

Right-of-use assets

31 December 2023:	**2023** **AED'000**
Cost	
As at 1 January	27,308
Additions	14,311
As at 31 December	**41,619**
Accumulated depreciation	
As at 1 January	10,862
Charge for the year	5,684
As at 31 December	**16,546**
Net carrying amount	**25,073**

31 December 2022:	2022 AED'000
Cost	
As at 1 January	27,308
Additions	-
As at 31 December	27,308
Accumulated depreciation	
As at 1 January	5,700
Charge for the year	5,162
As at 31 December	10,862
Net carrying amount	16,446

14 LEASES (continued)

Lease Liabilities

Lease liabilities included in the statement of financial position at:

	31 Dec 2023 AED'000	31 Dec 2022 AED'000
Lease liabilities – current	**5,537**	3,745
Lease liabilities – non-current	**21,644**	13,575
	27,181	17,320

Maturity analysis – contractual undiscounted cash flows:

	2023 AED'000	2022 AED'000
Less than one year	**6,350**	4,000
One to five years	**18,400**	13,000
More than five years	**5,400**	1,000
Total undiscounted lease liabilities as at 31 December	**30,150**	18,000

Amount recognised in profit or loss

	2023 AED'000	2022 AED'000
Finance cost on lease liabilities	**900**	320
Depreciation on right-of-use asset	**5,684**	5,162
Variable lease payments not included in the measurement of lease liabilities	**13,597**	11,390
	20,181	16,872

14 LEASES (continued)

Amount recognised in the statement of cash flows

	2023 AED'000	2022 AED'000
Principal element of lease payments	**(4,450)**	(5,030)
Interest element of lease payment	**(900)**	(320)
	(5,350)	(5,350)
Variable lease payments not included in the measurement of lease liabilities	**(13,597)**	(11,390)
	(18,947)	(16,740)

Lease payments

Certain leases of developer parking areas contain variable lease payment based on the revenue generated from operating the parking facilities in such areas. Fixed and variable rental payments for the years ended 31 December were as follows:

	2023 AED'000	2022 AED'000
Fixed payments in relation to lease liabilities	**5,350**	5,350
Variable payments	**13,597**	11,390
	18,947	16,740

15 TRADE AND OTHER RECEIVABLES

The composition of trade and other receivables is as follows as at:

	31-Dec-2023 AED'000	31-Dec-2022 AED'000
Fines receivables	**110,261**	112,412
Telecom receivables	**88,179**	128,841
Less: loss allowance on fines and receivables from telecom operators	**(22,091)**	(22,839)
	176,349	218,414
Police receivables	**12,329**	8,110
Other receivables	**2,200**	1,017
Staff advances and other advances	**49**	139
	190,927	227,680

Trade and other receivables are measured at amortised cost using the effective interest method.

There is no allowance for expected credit losses or impairment incurred for trade and other receivables from Police receivables, other receivables, and staff advances, and other advances.

Movements in the loss allowance on receivables relating to telecom operators and fines for the years ended 31 December are as follows:

	31-Dec-2023 AED'000	31-Dec-2022 AED'000
Beginning balance as at 1 January	**22,839**	33,315
Write off during the year for fines	**(10,561)**	(7,990)
Impairment loss for fines receivables	**12,600**	5,765
Reversal of impairment loss for telecom receivables	**(2,787)**	(8,251)
Balance at the end of the year	**22,091**	22,839

The provision for impaired receivables has been included in "(Impairment loss)/Reversal of impairment loss on trade reeeivables" in the carve-out statement of profit and other comprehensive income. Information about credit exposures is disclosed in Note 21. The Company writes off trade receivables when there is no realistic prospect of recovery, which is estimated by management to be at the end of the average customer useful life, which is five years. There is no contractual amount outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity.

16 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the end of service provision for the year ended 31 December are as follows:

	31-Dec-2023 AED'000	31-Dec-2022 AED'000
As at 1 January	**61,229**	57,451
Expense for the year	**4,971**	6,316
Payouts during the year	**(11,844)**	(2,538)
As at 31 December	**54,356**	61,229

In accordance with IAS 19 (revised) 'Employee Benefits' management has carried out an exercise to assess the present value of its obligation as at 31 December 2023 and 31 December 2022, in respect of end of employees' end of service benefits payable under the Government of Dubai Human Resource management Law. The expected liability at the date of leaving the service has been discounted to its present value.

17 TRADE AND OTHER PAYABLES

The composition of trade and other payables is as follows as at:

	31-Dec-2023 AED'000	31-Dec-2022 AED'000
Trade payables	**93,301**	87,613
Payables to employees	**3,326**	2,417
Retentions payable	**-**	10
As at 31 December	**96,627**	90,040

Trade and other payables are short-term in nature and non-interest-bearing. These are measured at amortised cost using the effective interest method.

18 CONTRACT LIABILITIES

As of 31 December 2023 and 2022, contract liabilities consisted of AED 42.82 million and AED 40.80 million respectively related to account balances paid in advance by the customer for seasonal public parking cards or temporary permits of parking access. Further, AED 4.01 million and AED 4.47 million represent advance payments collected from customers against parking spot reservation in public parking and multistorey parking buildings as of 31 December 2023 and 2022 respectively. The remaining amount of AED 14.63 million and AED 9.93 million relate to amounts deposited by customers in the RTA Parking Wallet application as of 31 December 2023 and 2022 respectively.

As of 31 December 2023 and 2022, contract liabilities of AED 42.82 million and AED 40.80 million respectively, arising from seasonal cards and permits will be recognised as revenue in the next one year. Further, as of 31 December 2023 and 2022, contract liabilities of AED 4.01 million and AED 4.47 million respectively, arising from parking spot reservations will be recognised as revenue in the next one year.

18 CONTRACT LIABILITIES (continued)

Movements in contract liabilities for the year ended 31 December are as follows:

	2023 AED'000	2022 AED'000
Beginning balance as at 1 January	**55,202**	52,973
Add: Collection from permits and seasonal cards	**137,485**	115,673
Add: Collection from wallet application	**73,998**	43,872
Add: Collection from reservations	**19,861**	18,682
Less: Revenue recognised from permits and seasonal cards from current year collection	**(93,025)**	(77,378)
Less: Revenue recognised from permits and seasonal cards from prior years collection	**(42,441)**	(39,244)
Less: Revenue recognised from wallet application from current year collection	**(59,369)**	(33,939)
Less: Revenue recognised from wallet application from prior years collection	**(9,933)**	(7,122)
Less: Revenue recognised from reservations from current year collection	**(15,848)**	(14,211)
Less: Revenue recognised from reservations from prior years collection	**(4,471)**	(4,104)
As at 31 December	**61,459**	55,202

Revenue recognised that was included in the permits and seasonal cards contract liability beginning balance for the year ended 31 December 2023 amounted to AED 42,441 thousand (2022: AED 39,244 thousand).

Revenue recognised that was included in the wallet application contract liability beginning balanee for the year ended 31 December 2023 amounted to AED 9,933 thousand (2022: AED 7,122 thousand).

Revenue recognised that was included in the reservations contract liability beginning balance for the year ended 31 December 2023 amounted to AED 4,471 thousand (2022: AED 4,104 thousand).

19 PROVISIONS

The Company has recognised a provision for the amounts due to the developers in accordance with parking operation agreements.

	2023 AED'000	2022 AED'000
As at 1 January	**2,850**	1,850
Expense for the year	**-**	1,000
Transfer to payable	**(2,850)**	-
As at 31 December	**-**	2,850

20 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties include the ultimate controlling party, the shareholder, key management personnel, subsidiaries, joint venture, directors, and businesses that are controlled directly or indirectly by the ultimate controlling party, or directors or over which they exercise significant management influence. The Company, in the normal course of business, receives services from related parties. These transactions comprise services availed by the Company from the various agencies at terms determined by the management. All related party transactions are managed at the Parent level related to the Agency and are routed through the bank account managed and recorded in the books of the Parent. Unless otherwise stated, the transactions are entered into at market terms. The balances are unsecured and payable in cash via the Parent.

The Company has availed the exemption as per para 25 of IAS 24 Related Party Disclosure. To meet the disclosure requirements of IAS 24, the Company has disclosed the nature and amount of each individually significant transaction and there are no other transactions that are collectively significant to be disclosed.

The Company has entered into various agreements with city developers to lease and operate parking areas.

Significant transactions and balances with related parties:

	2023 AED'000	2022 AED'000
Balances:		
Lease liabilities balance as at 31 December (note 14)		
Dubai Silicon Oasis Authority	**8,781**	11,619
TECOM Investment FZ-LLC *	**14,917**	5,701
DCM Districts LLC*	**3,482**	-
	27,180	17,320
Trade payable balance as at 31 December (note 17)		
Dubai multi commodities center	**5,737**	4,571
Dubai Silicon Oasis Authority	**1,976**	1,976
TECOM Investment FZ-LLC *	**15,634**	11,889
DCM Districts LLC*	**3,850**	-
	27,197	18,436

20 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Significant transactions and balances with related parties (continued)

	2023 **AED'000**	2022 AED'000
Transactions:		
Variable lease payments during the year (note 14)		
Dubai multi commodities center	**10,447**	8,240
TECOM Investment FZ-LLC *	**3,150**	3,150
	13,597	11,390
Lease liabilities payments during the year (note 14)		
Dubai Silicon Oasis Authority	**3,000**	3,000
TECOM Investment FZ-LLC *	**2,350**	2,350
	5,350	5,350

* *TECOM Investment FZ-LLC and DCM Districts LLC are considered as related parties during the year ended 31 December 2023. The balance as on 31 December 2022 have been provided for comparability.*

RTA assets used by the Company – Land for on-street parking spaces, off-street parking lots, and multistorey parking buildings are owned by the Parent. These lands are being used by the Company free of charge.

The corporate building and warehouse are shared by the Company and other agencies/departments of RTA. Also, multistorey parking buildings, signages, parking lots (including fixtures such as streetlights and benches), building fixtures, security cabins, building security equipment, IT network equipment, and software for IT equipment represent assets that are dedicated to the Company's operation, however, the title of these will remain with Parent. The Company has recognised an expense for utilisation of these assets. Refer Note 9 for further details.

Further, certain multistorey parking structures include integrated bus stations within the same premises. The Company does not charge the related party for the integrated bus stations.

Road and building maintenance – The road and building maintenanee services are provided directly by the Parent's fellow agencies in the amounts of AED 10.8 million and AED 17.6 million for the years ended 31 December 2023 and 2022, respectively. These are included in the maintenance expenses.

Information Technology Services maintenance: The maintenance in regard to parking software, and parking machines in directly incurred by Parent's fellow agencies in the amount of AED 7.3 million for the year ended 31 December 2023 and AED 6.6 million for the year ended 31 December 2022. These are included in the maintenance expenses.

Vehicle utilisation – The Company utilised leased and owned vehicles that were provided by the Parent in the amounts of AED 5.0 million and AED 4.9 million for the years ended 31 December 2023 and 2022, respectively. These are included in Other expenses (Note 9).

Health insurance – The Parent has incurred insurance expenses of AED 11.6 million and AED 10.6 million for employees of the Company for the years ended 31 December 2023 and 2022, respectively. These are included in employee benefits expense (Note 10).

20 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Significant transactions and balances with related parties (continued)

Corporate costs allocation – The Company has been allocated expenses from the Parent in the amounts of AED 121.16 million and AED 110.8 million for the years ended 31 December 2023 and 2022, respectively. These costs are derived from multiple levels of the organization including shared RTA corporate expenses and shared agency expenses. The allocated corporate costs include, but are not limited to executive oversight, legal, finance, human resources, audit, strategic planning, and IT governance, and are allocated to the Company to represent the cost of providing these services. Further, the allocated key management compensation is in the amount of AED 5 million for the year ended 31 December 2023 and AED 4 million for the year ended 31 December 2022. These are intended to represent the costs of providing these services, and management believes the allocation methods are reasonable. However, the actual cost of obtaining these individual services, if the Company were a stand-alone company, could be materially different. The cost of the services provided by RTA and TRA was determined by the most relevant allocation method, primarily by relative percentage of headcount or revenue or expenditure. These costs are recorded as corporate allocation expenses in the carve-out statement of profit and comprehensive income.

Cash pooling - The Company utilises the Parent's centralised processes and systems for cash management. As a result, substantially all cash received related to the parking business is deposited and comingled with Parent's general corporate funds. The Company does not have the legal right to deposit or withdraw funds autonomously. Substantially all cash received by the Company was deposited in and commingled with RTA's general corporate funds and is not specifically allocated to the Company. The total net effect of the settlement of these transactions is reflected in the carve-out statements of cash flows as a financing activity and in the carve-out statement of changes in equity as net distribution to parent.

	31-Dec-2023 AED'000	31-Dec-2022 AED'000
Cash pooling and general activities	**(565,658)**	(528,312)
Corporate allocation	**121,157**	110,799
Net distribution to Parent	**(444,501)**	(417,513)

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise, trade and other payables. The Company's principal financial assets comprise trade and other receivables excluding staff advances and other advances. These financial assets and liabilities arise directly from Company's operations.

The Company's activities expose it to a variety of financial risks including the effects of changes in market risk (including foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by the management under policies approved by the Board of Directors.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these carve-out financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have interest-bearing assets or liabilities.

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Price risk
Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuers or factors affecting all the instruments traded in the market. The Company is not exposed to significant price risk as it does not have significant price-sensitive financial instruments.

Credit risk
Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company and arises principally from trade receivables and other receivables. The Company evaluates the concentration of risk with respect to trade and other receivables as low. The Company is exposed to credit risk primarily on trade receivables arising from fines and telecom operators. An impairment analysis is performed at each reporting date to measure expected credit losses. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Impairment of trade receivables from fines
An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions. The Company does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Company's trade receivables from fines receivables using a provision matrix:

As at 31 December 2023:	Expected credit loss %	Gross carrying amount AED'000	Loss allowance *AED'000*
Current – 395 days	7%	69,702	4,903
395 and above	42%	40,559	17,185
Total		**110,261**	**22,088**

As at 31 December 2022:	Expected credit loss %	Gross carrying amount AED'000	Loss allowance *AED'000*
Current – 395 days	4%	72,161	2,994
395 and above	42%	40,251	17,055
Total		112,412	20,049

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Impairment of trade receivables from telecom operators
An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions. The Company does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Company's trade receivables from telecom operators using a provision matrix.

As at 31 December 2023:	**Expected credit loss**	**Gross carrying amount**	**Loss allowance**
	%	**AED'000**	**AED'000**
Current – 90 days	0.01%	88,179	3
91 days – 360 days	10%	-	-
361 days and above	10%	-	-
Total		**88,179**	**3**

As at 31 December 2022:	**Expected credit loss**	**Gross carrying amount**	**Loss allowance**
	%	**AED'000**	**AED'000**
Current – 90 days	0.01%	100,969	2
91 days – 360 days	10%	16,087	1,609
361 days and above	10%	11,785	1,179
Total		128,841	2,790

Impairment of police receivables and other receivables
The balances due from police receivables and other receivables are subject to the impairment requirement of IFRS 9. As at 31 December 2023 and 2022, the Company has not recorded any impairment loss on these balances as the identified impairment loss is not material.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through efficient cash management. In the historical period, the Parent limited its liquidity risk by ensuring adequate funds from operations and Government of Dubai are available.

All balances are due within 12 months and equal to their carrying balances as the impact of discounting is not significant with the exception of lease liabilities which is disclosed in Note 14. As on 31 December 2023 and 31 December 2022, the Company does not face a significant liquidity risk on these balances.

Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risks mainly arise from sales or purchase by operating unit in foreign currencies other than the unit's functional currency.
The Company is currently not exposed to foreign exchange risk as majority of all the Company's transactions are denominated in AED.

22 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. The Company's financial assets consist of trade and other receivables. The Company's financial liabilities consist of trade and other payables. The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of the above financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and due to the value at which the instrument could be exchanged in a current transaction.

23 UAE CORPORATE TAX

On 9 December 2022, UAE Federal Decree-Law no 47 of 2022 was published setting in place a general corporate income tax for the first time. The profit threshold of AED 375,000 at which the 9% tax will apply was set in place by Cabinet Decision No 116 of 2022 which was published on 16 January 2023 and at this point the tax law was considered enacted and substantively enacted for accounting purposes. While current taxes are not payable on profits generated before the Company's financial year commencing on 1 January 2024, the existence of an enacted tax law results in the need to immediately record deferred taxes on assets and liabilities where the carrying amount differs from the tax base.

Based on the assessment performed by the management, an immaterial deferred tax impact has been noted as of and for the year ended 31 December 2023. As certain other cabinet decisions are pending as on the date of these financial statements, the Company will continue to assess the impact of these pending cabinet decision on deferred taxes as and when finalized and published.

24 SUBSEQUENT EVENTS

Commercial registration and Share Capital

On 4 January 2024, the commercial license of Parkin was issued by Department of Economic Development Dubai with the share capital comprising of 3,000,000,000 shares of AED 0.02 each, totaling AED 60 million. The share capital was fully paid up on 31 January 2024 by DIF.

Parking Concession Agreement ("Concession Agreement")

On 5 February 2024, Parkin and RTA entered into a Parking Concession Agreement effective from 1 January 2024. Under this agreement, RTA grants certain mandates and powers outlined in the 2016 Parking Regulations (No. 5 of 2016), specifically related to the operation, management, and supervision of parking facilities in Dubai, to Parkin. The concession agreement also grants Parkin the right to charge parking fees and parking user charges generated by the parking facilities. Further, RTA grants right to use real estate assets and transfers the ownership of certain assets related to Parking Business under this agreement (Refer to Notes 12 and 13). In exchange, Parkin is obligated to make a concession payment to RTA, comprising of an upfront payment of AED 1,100 million, a deferred payment of AED 300 million and variable performance-based payments.

The Concession Agreement will be accounted for under IFRIC 12 Service Concession Arrangements. An intangible asset measured at AED 1,400 million will be recognised representing the right to charge parking fees and parking user charges from the public granted by RTA to Parkin.

Transitional Services Agreement ("TSA")

On 5 February 2024, Parkin and RTA entered into a TSA effective 1 January 2024. In this arrangement, RTA will provide services to Parkin during an interim period of up to 24 months. The services include various operational and back-office functions such as Information Technology (IT), Administration, Marketing, and Communication, all in accordance with the terms specified in the TSA. In exchange, Parkin will make an annual payment of AED 12.39 million to RTA.

24 SUBSEQUENT EVENTS (continued)

Financing Agreement

On 26 January 2024, Parkin and Emirates NBD Bank PJSC entered into an agreement for AED 1,200 million unsecured credit facilities (the "Facilities"). The Facilities include an AED 1,100 million Murabaha term financing facility and AED 100 million Murabaha revolving credit facility. The purpose of the facility is firstly, towards making an upfront payment as per requirements under the Concession Agreement; secondly, for making dividend payments to Parent, and thirdly for general corporate purposes including fees and expenses in relation to the Facilities.

Borrowings under the term facility carries variable interest at 3-month EIBOR plus a margin at a rate per annum of 0.80%. The upfront fee under the Facility is 0.25% flat and commitment fee on revolving credit facility is 0.25% per annum, calculated on daily undrawn and available commitments under the revolving credit facility, and payable quarterly in arrears.

Appointment of Senior Management

Mohammad Al Ali has been appointed as the Chief Executive Officer effective 11 January 2024, Osama Al Safi as the Chief Operating Officer, and Khattab Abou Qaoud as the Chief Financial Officer for Parkin with effect from 12 January 2024.

Transfer of employees

The transfer of employees to Parkin from RTA was approved by the Director General and Chairman of the Board of Executive Directors on 2 February 2024. In total 324 employees of the Parking Business were transferred from RTA to Parkin effective 1 February 2024.

25 APPROVAL OF THE CARVE-OUT FINANCIAL STATEMENTS

The carve-out financial statements were approved by the Board of Directors of Roads and Transport Authority on 12 February 2024 and signed on its behalf by His Excellency Mattar Al Tayer, Director General and Chairman of the Board of Executive Directors and Youssef Ahmed Al Reda, CEO-Corporate Administrative Support Services.

PART 23

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Roads and Transport Authority – Parking Business

Unaudited Pro-forma financial information as at and for the year ended 31 December 2023

Roads and Transport Authority - Parking Business

UNAUDITED PRO-FORMA STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Carve-out financial statements	*Notes*	*Pro-forma adjustments*	*Unaudited pro-forma information*
	AED' 000		**AED' 000**	**AED' 000**
Revenue	779,379		-	779,379
Other income	570		-	570
Concession fee expense	-	2.1	(105,968)	(105,968)
Commission expense	(28,116)		-	(28,116)
Maintenance expense	(27,593)	2.2	11,203	(16,390)
Variable lease payments	(13,597)		-	(13,597)
Other expenses	(26,058)	2.1, 2.3	14,708	(11,350)
Employee benefits expense	(139,250)		-	(139,250)
Depreciation and amortisation	(19,375)	2.1	(28,571)	(47,946)
Corporate allocation expense	(121,157)	2.2	121,157	-
Impairment loss on trade receivables	(9,813)		-	(9,813)
Finance expense	(900)	2.5	(65,955)	(66,855)
Rent expense	-	2.6	(500)	(500)
Transitional Service Agreement expense	-	2.2	(12,394)	(12,394)
Profit for the year	**394,090**		**(66,320)**	**327,770**
Other comprehensive income	**-**		**-**	**-**
Total comprehensive income for the year	**394,090**		**(66,320)**	**327,770**

The attached notes 1 to 3 form part of these unaudited pro-forma financial information.

Roads and Transport Authority - Parking Business

UNAUDITED PRO-FORMA STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Carve-out financial statements	Notes	*Pro-forma adjustments*	*Unaudited Pro-forma information*
	AED' 000		**AED' 000**	**AED' 000**
ASSETS				
Non-current assets				
Property and equipment	26,902		-	26,902
Intangible assets	9,329	2.1	1,400,000	1,409,329
Right of use asset	25,073		-	25,073
	61,304		1,400,000	1,461,304
Current assets				
Trade and other receivables	190,927		-	190,927
Receivable from related party	-	2.4	37,413	37,413
VAT receivable	-	2.1	55,000	55,000
Cash and cash equivalents	-	2.4, 2.5, 2.8, 2.9	118,459	118,459
	190,927		210,872	401,799
Total asset	**252,231**		**1,610,872**	**1,863,103**
Liabilities				
Non-current liability				
Long term financing	-	2.5	1,097,250	1,097,250
Provision for employees' end of service benefits	54,356	2.4	(19,027)	35,329
Lease liabilities	21,644		-	21,644
	76,000		1,078,223	1,154,223
Current liabilities				
Payable to related party	-	2.1	355,000	355,000
Lease liabilities	5,537		-	5,537
Trade and other payables	96,627	2.7	(70,708)	25,919
Contract liabilities	61,459		-	61,459
	163,623		284,292	447,915
Total liabilities	**239,623**		**1,362,515**	**1,602,138**
Equity				
Accumulated net parent investment	12,608		188,357	200,965
Paid-in capital	-	2.9	60,000	60,000
	12,608		248,357	260,965
Total liabilities and equity	**252,231**		**1,610,872**	**1,863,103**

These unaudited pro-forma financial information were approved by the Board of Directors of Roads and Transport Authority on 19/02/2024 and signed on its behalf by:

Director General
Chairman of the Board of Executive Directors

CEO
Corporate Administrative Support Service

The attached notes 1 to 3 form part of these unaudited pro-forma financial information.

1. Financial information of Road and Transport Authority – Parking Business ('ParkingCo' or the 'Company')

The historical financial information about ParkingCo as at and for the year ended 31 December 2023, included in the unaudited pro-forma financial information has been derived from Road and Transport Authority (Parking Business) carve-out financial statements as at and for the year ended 31 December 2023.

The unaudited pro-forma financial information gives effect to the Pre-Offering Transactions and Contractual Arrangements (the "Transactions"), as described below, as if they had occurred from 1 January 2023 to 31 December 2023 for the purposes of the unaudited pro-forma statement of profit or loss and other comprehensive income and as at 31 December 2023 for the purposes of the unaudited pro-forma statement of financial position.

The unaudited pro-forma financial information is presented for illustrative purposes only and is not intended to represent or to be indicative of the results of operations or financial position that would have been reported by the Company had the Transactions occurred as of the dates indicated or what the financial position or results of operations would be for any future period.

The unaudited pro-forma financial information is prepared in accordance with the estimates, assumptions and judgements as described in the accompanying notes 1 to 3 (the "Applicable Criteria") and gives effect to the pro-forma adjustments that are (i) directly attributable to the Transactions; ii) expected to have a continuing impact on the financial results of operations of ParkingCo; and iii) factually supportable.

The unaudited pro-forma financial information is presented in United Arab Emirates Dirham ("AED"), which is ParkingCo's functional and presentation currency.

Pre-Offering Transactions and Contractual Arrangements:

- **Parking Concession Contract ("Concession Agreement")**
  On 5 February 2024, Parkin Company P.J.S.C ("Parkin") entered into a Parking Concession Agreement effective 1 January 2024 with Road and Transport Authority ("RTA"), pursuant to which RTA grants some of its mandates and powers under 2016 Parking Regulations (No. 5 of 2016) ***(the 2016 Parking Law)***, regarding the operation, management, and supervision of parking facilities in Dubai. The Concession Agreement grants Parkin the right to charge parking fees and parking user charges generated by the parking facilities. RTA will also grant the right to use real estate assets used in the public parking operations and ownership rights over assets used in public parking operations. In exchange, Parkin made an upfront concession payment and is obligated to make a deferred payment, due on insolvency of Parkin to RTA. Further, Parkin will pay a variable concession fee based on a percentage of the parking revenues quarterly.

  Under the same agreement, RTA will reimburse to Parkin an amount equivalent to the end-of-service related benefits (including accrued end-of-service gratuity and leave balances) due as at the date of transfer, for the employees that will be transferred to Parkin.

  Furthermore, as part of the carve-out activity, out of a total of 487 employees, RTA has earmarked 326 employees from parking business and 2 other employees to be transferred from RTA to Parkin, effective 1 February 2024. The management of Parkin plans to recruit additional employees in 2024. However, pending finalization of the details, no adjustments have been reflected in the unaudited pro-forma statement of profit or loss and other comprehensive income regarding employee benefit expenses.

- **Transitional Services Agreement ("TSA")**
  On 5 February 2024, RTA entered into a Transitional Services Agreement with Parkin effective 1 January 2024 wherein RTA shall provide services to Parkin for an interim period of up to 24 months, as defined under the TSA, for the performance of certain operations and back-office functions such as information technology (IT), administration, marketing, and communication in accordance with the TSA. In exchange, Parkin will make an annual payment of AED 12.39 million to RTA.

  The services to be provided under the TSA include the following:

  - Security & Monitoring (SMD) - Information security, data leak prevention, etc.
  - Human Resources – Talent acquisition, talent development, managing employee relations, and handling employee complaints/grievances.

- Administration services – Execution support for vehicle management, renewal of visa and other travel services for employees and their families, document management/archiving and support for general services e.g. building security, employee IDs and access cards, office telephones, office boys, catering/kitchen supplies, stationary).
- Customer happiness function services – Access to customer happiness centers, contact center support, maintaining service catalogues, and designing customer experiences as well as managing Customer Relationship Management (CRM), customer relations, Master Data Management (MDM), and golden records.
- Marketing and corporate communications – Managing marketing campaigns and all media communications.
- Procurement – Provision of all necessary insurance contracts and space in warehouse.
- Smart Services Department – Hosting parking services on RTA portal, RTA App, Dubai Drive, WhatsApp, etc.
- Information Technology (IT) - IT infrastructure and end-user support
- Intelligent Traffic Systems (ITS) – Support to updated Geographic Information System (GIS) and for parking projects under development.
- Rental for parking in the metro station – Provide parking for vehicles at Al Rashidiya metro station.
- Human Resources – Support with recruitment, payroll processing, and training programs.
- Finance – Support with accounting and financial reporting

- **Appointment of the Board of Directors ('the Board') and Senior Management for Parkin Company P.J.S.C**
  On 30 December 2023, His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai, and Chairman of The Executive Council of Dubai, issued Executive Council Resolution No. (121) of 2023, forming the Board of Directors of Parkin. The Board consists of 7 members (Chairman, Vice-Chairman, and 5 Board members). The remuneration for the Board of Directors has yet to be determined, hence its impact is not reflected in the pro-forma financial statement.

  Further, Mohammad Al Ali has been appointed as the Chief Executive Officer with effect from 11 January 2024. Osama Al Safi as the Chief Operating Officer, and Khattab Abou Qaoud as the Chief Financial Officer for Parkin with effect from 12 January 2024.

- **Term Financing and Revolving Credit Facilities Agreement**
  On 26 January 2024, Parkin entered into a 5-year financing arrangement with Emirates NBD Bank PJSC for a Murabaha term facility of AED 1,100 million and a Murabaha revolving credit facility of AED 100 million (hereinafter together referred to as 'Facilities') for the purpose of making an upfront payment to RTA under the Concession Agreement, for making dividend payment to RTA, and for general corporate funding purposes.

- **Office Lease Agreement**
  Parkin entered into a lease agreement for the office premises with RTA, for a period of one year commencing from 1 January 2024. Parkin may terminate the lease agreement, without any penalty, at any time during the term of the agreement by giving not less than two months' notice to the lessor.

- **Outsourcing Agreement**
  Parkin entered into an Outsourcing Agreement for a period of one year to obtain services covering key back-office functions such as finance and contracts & procurement.

- **Share capital**
  The share capital of Parkin of AED 60 million, comprising of 3,000,000,000 shares of AED 0.02 each, was paid up on 31 January 2024.

- **Transfer of payables**
  Effective 1 January 2024, selected contracts with developers and vendors involved with the parking business were novated to Parkin.

- **Transfer of contract liabilities**
  On 5 February 2024, the Department of Finance (DoF) compensated Parkin with funds corresponding to contract liabilities in the carve-out financial statements. These represent the balances of prepaid seasonal cards, permits, and the balance in the dedicated app wallet that Parkin would service in future periods and for which the funds were collected by DoF previously.

2. Adjustments to unaudited pro-forma financial information

The unaudited pro-forma financial information is prepared in accordance with the following estimates, assumptions, and judgments. There can be no assurance that the assumptions used in the preparations of the unaudited pro-forma information will prove to be correct. Given the long-term nature and complexity of existing and new contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to expenses already recorded.

2.1 Parking Concession Contract

Parkin entered into a Concession Agreement with RTA for the transfer of rights to the public parking operations. The agreement grants Parkin the right to collect parking fees and parking user charges generated from public parking facilities. RTA also grants the right to use real estate assets used in public parking operations and ownership rights over assets used in public parking operations. The agreement term is 49 years unless terminated or extended as per the terms of the Concession Agreement. In exchange, Parkin will incur a one-time fixed concession charge of AED 1,400 million, comprising of an upfront concession payment of AED 1,100 million and a deferred payment of AED 300 million due on the insolvency of Parkin. In addition to this, Parkin will incur a variable concession fee of 20% of parking revenues (subject to certain adjustments) on a quarterly basis. Parking revenues are defined as the sum of

(a) the parking fees and parking user charges in respect of:
   (i) sideroad parking facilities;
   (ii) open areas parking facilities;
   (iii) self-operated multistorey parking facilities; and
(b) the consideration payable by the third-party operator to Parkin in respect of third-party operated multistorey parking facilities.

The adjustments include the recognition of an intangible asset of AED 1,400 million which represents the right under the Concession Agreement and is reported at cost less accumulated amortisation and accumulated impairment losses, in the unaudited pro-forma statement of financial position.

An adjustment is also recorded to recognise a VAT receivable of 55 million related to the upfront concession payment, in the unaudited pro-forma statement of financial position.

On 16 February 2024, Parkin made the upfront concession payment of AED 1,100 million to RTA. For the purpose of the unaudited pro-forma statement of financial position, cash and cash equivalents have been adjusted to reflect this payment.

An amount of AED 28.57 million has been recorded as amortisation expense on the intangible asset under the unaudited pro-forma statement of profit or loss and other comprehensive income which is derived based on a cost of AED 1,400 million of intangible asset which will be amortised over a period of 49 years. The adjustment reflects recognition of an amortisation expense related to the intangible asset, as if the Concession Agreement had been in effect from 1 January 2023.

Concession fee expense (20% of parking revenues) amounting to AED 105.97 million has been recorded in the unaudited pro-forma statement of profit or loss and other comprehensive income in accordance with the terms of the Concession Agreement, as if the Concession Agreement had been in effect from 1 January 2023.

Further, for the purpose of the unaudited pro-forma statement of profit or loss and other comprehensive income, an adjustment has been recorded to exclude the charge of AED 18.77 million relating to assets used by ParkingCo whose title rests with RTA, as Parkin will have no control over these assets during the concession period or thereafter.

2.2 *Transitional Services Agreement ("TSA")*

Historically, ParkingCo. was managed by the Traffic and Roads Agency which was not a separate legal entity but a division of RTA. The cost of the services provided by sectors and other agencies within RTA as well as other departments within Traffic and Roads Agency to ParkingCo, which are in the nature of corporate and shared costs allocated for the purpose of the preparation of carve-out financial statements of ParkingCo. have been reversed in the unaudited pro-forma statement of profit or loss and other comprehensive income. This adjustment includes corporate allocation costs which relate to but are not limited to, executive oversight, legal, finance, human resources, audit, strategic planning, and IT governance amounting to AED 121.16 million and maintenance expenses amounting to AED 11.20 million.

Parkin entered into a Transitional Services Agreement (the "TSA") with RTA, pursuant to which Parkin will pay RTA for the provision of services to be used in the transitional period (as agreed under the TSA), an annual service cost of AED 12.39 million excluding VAT. The adjustment to expenses reflects the amount that would have been paid by Parkin, as if the TSA had been in effect from 1 January 2023.

2.3 *Outsourcing Agreement*

Parkin entered into an Outsourcing Agreement for key back-office functions such as finance and contracts & procurement. The contract is for an initial period of one year. For the purpose of the unaudited pro-forma statement of profit or loss and other comprehensive income, an adjustment has been recorded to include the charge of AED 4.06 million relating to the Outsourcing Agreement, as if the Outsourcing Agreement had been in effect from 1 January 2023.

2.4 *End-of-service benefit*

For the purpose of the unaudited pro-forma statement of financial position, an adjustment has been recorded to reflect the reversal of AED 19.03 million equivalent to the end of services benefits liability for employees of the parking business earmarked not to be transferred to Parkin.

Further, in accordance with the Concession Agreement, an amount equivalent to the end-of-service related benefits (including accrued end-of-service gratuity and leave balances) of the employees earmarked to be transferred to Parkin, has been committed by RTA. For the purpose of unaudited pro-forma statement of financial position, an adjustment of AED 37.41 million has been recorded reflecting the amount payable by RTA to Parkin.

2.5 *Term Financing and Revolving Credit Facilities Agreement*

For the purpose of the unaudited pro-forma statement of financial position, an adjustment has been recorded reflecting the recognition of Murabaha term financing facility equivalent to AED 1,100 million, reduced by the upfront processing fee of AED 2.75 million.

The Facilities carry variable interest of 3-month EIBOR plus a margin of 0.80% p.a. The interest expense on term financing facility amounting to AED 65.71 million recorded under the heading 'finance expense' in the unaudited pro-forma statement of profit or loss and comprehensive income is determined based on the quarterly EIBOR rates as disclosed on the website of Central Bank of the UAE plus 0.80% p.a. margin as per the financing terms agreed with the bank.

Further, the commitment fee (0.25% p.a. calculated on the daily undrawn and available commitments, and payable quarterly in arrears) amounting to AED 0.25 million related to the Murabaha revolving facility has also been included under the heading 'finance expense' in the unaudited pro-forma statement of profit or loss and comprehensive income.

2.6 *Office lease Agreement*

Parkin entered into a lease agreement with RTA for the office building, for 1 year commencing from 1 January 2024. As per the terms of the lease agreement, Parkin pays AED 0.5 million as rent inclusive of maintenance, utilities consumption and soft services on an annual basis. For the purpose of the unaudited pro-forma statement of profit or loss and other comprehensive income, an adjustment has been recorded to reflect the rent expense as if the lease agreement had been in effect from 1 January 2023.

2.7 *Transfer of payables*

Effective 1 January 2024, selected contracts with developers and vendors involved with parking business were novated to Parkin. For the purpose of unaudited pro-forma statement of financial position, an adjustment of AED 70.71 million has been recorded reflecting the accruals and payables that have not been transferred from RTA to Parkin as the obligation towards those liabilities has been committed by RTA.

2.8 *Transfer of contract liabilities*

On 5 February 2024, the Department of Finance (DoF) compensated Parkin with funds equivalent to AED 61.46 million corresponding to contract liabilities in the carve-out financial statements. These represent the balances of prepaid seasonal cards, permits and the balance in the dedicated app wallet that Parkin would service in future periods and for which the funds were collected by DoF previously. For the purpose of unaudited pro-forma statement of financial position, an adjustment of AED 61.46 million has been recorded reflecting the receipt of funds.

2.9 *Share capital*

The share capital of Parkin of AED 60 million, comprising of 3,000,000,000 shares of AED 0.02 each, was paid up on 31 January 2024. For the purpose of the unaudited pro-forma statement of financial position, an adjustment has been recorded to include the capital injection of AED 60 million.

3. Approval of the unaudited pro-forma financial information

The unaudited pro-forma financial information were approved by the Board of Directors of Roads and Transport Authority on 19/02/2024 and signed on its behalf by His Excellency Mattar Al Tayer, Director - General and Chairman of the Board of Executive Directors and Youssef Ahmed Al Reda, CEO-Corporate Administrative Support Services.

PART 24

GLOSSARY

"2022/2021 Carve-out Financial Statements"	the carve-out financial statements of the Parking Business as at and for the years ended 31 December 2022 and 31 December 2021, including the related notes thereto
"2023 Carve-out Financial Statements"	the carve-out financial statements of the Parking Business as at and for the year ended 31 December 2023, including the related notes thereto
"ADGM"	the Abu Dhabi Global Market
"Admission"	the admission of the Shares to trading on the DFM
"Articles"	the Articles of Association of the Company
"Board"	the board of directors of the Company
"CAGR"	compound annual growth rate
"Capital Expenditure"	the purchases of property, equipment, and intangibles assets, as disclosed in the Carve-out Statement of Cash Flows in the 2022/2021 Carve-out Financial Statements and the 2023 Carve-out Financial Statements
"Carve-out"	the process of transferring the assets, liabilities, rights and obligations relating to the Parking Business from the RTA to the Company pursuant to the Concession Agreement
"Carve-out Financial Statements"	the 2022/2021 Carve-out Financial Statements and 2023 Carve-out Financial Statements
"Chief Executive Officer"	the chief executive officer of the Company
"Chief Financial Officer"	the chief financial officer of the Company
"Closing Date"	21 March 2024
"Company" or "Parkin"	both used interchangeably throughout this Offering Memorandum to refer to the Parking Business prior to 4 January 2024 and to Parkin Company P.J.S.C. from 4 January 2024 onwards, being the date of incorporation of Parkin Company P.J.S.C.
"Concession Agreement"	the parking business concession agreement entered into between the Company and the RTA on 5 February 2024
"Copyrights Law"	Federal Law No. 38 of 2021 on copyright and neighbouring rights
"DFM"	Dubai Financial Market
"DFSA"	the Dubai Financial Services Authority
"DIF"	the Dubai Investment Fund
"DIFC"	the Dubai International Financial Centre
"Directors"	the Executive Directors and the Non-Executive Directors
"Dubai Data"	data relating to the Emirate of Dubai
"Dubai Data Law"	Law No. 26/2015 Regulating Data Dissemination and Exchange in the Emirate of Dubai
"EEA"	the European Economic Area
"ENBD"	Emirates NBD Capital PSC
"EU"	the European Union

"EUWA"	the European Union (Withdrawal) Act 2018
"EV"	electric vehicle
"Executive Directors"	the executive Directors of the Company
"FIEL"	Financial Instruments and Exchange Law
"Financial Adviser"	Rothschild & Co
"Free Cash Flow to Equity"	Net cash flows generated from/used in operating activities plus net cash generated from/used in investing activities plus net cashflows from financing activities (before any dividend payments)
"FSMA"	the Financial Services and Markets Act 2000, as amended
"FSMR"	The Financial Services and Markets Regulations 2015, as amended
"FSRA"	the ADGM's Financial Services Regulatory Authority
"GCC"	the Cooperation Council for the Arab States of the Gulf
"GDP"	nominal gross domestic product
"Global Offering"	the offering of the Shares of the Company
"Goldman Sachs"	Goldman Sachs International
"Governance Rules"	the Chairman of Authority's Board of Directors' Decision no (3/ Chairman) of 2020 Concerning approval of Joint Stock Companies Governance Guide
"HSBC"	HSBC Bank Middle East Limited
"IFRS"	"IFRS Accounting Standards, as issued by International Accounting Standards Board" for the 2023 Carve-out Financial Statements and "International Financial Reporting Standards, as issued by International Accounting Standards Board" for the purposes of the 2022/2021 Carve-out Financial Statements
"Independent Auditor"	PricewaterhouseCoopers Limited Partnership Dubai Branch
"Industry Consultant"	FTI Consulting Solutions Limited (Dubai Branch)
"Industry Report"	the report dated 27 January 2024 and prepared for the benefit of the Company by the Industry Consultant in relation to the markets in which the Company operates
"Institutional Offering"	the offering of Shares outside the US in reliance on Regulation S
"ISR"	the information security regulation issued by the Dubai Electronic Security Centre
"IT"	the Company's information technology
"Joint Bookrunners"	Abu Dhabi Commercial Bank P.J.S.C., EFG-Hermes UAE Limited acting in conjunction with EFG Hermes UAE LLC, and First Abu Dhabi Bank P.J.S.C.
"Joint Global Coordinators"	Emirates NBD Capital PSC, Goldman Sachs International, and HSBC Bank Middle East Limited
"KPIs"	key performance indicators
"Licensing Agency"	the Licensing Agency of the RTA

"Lock-up"	The Selling Shareholder has contractually agreed, for the duration of the Lock-up Period, not to (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares (excluding for the avoidance of doubt any securities issued by the Selling Shareholder), (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise, or (iii) publicly announce such an intention to effect any such transaction, in each case, without the prior written consent of the Joint Global Coordinators, such consent not to be unreasonably withheld or delayed The Company has contractually agreed, for the duration of the Lock-up Period, that neither it nor any of its affiliates nor any person acting on its or their behalf will, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed): (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any ordinary shares or warrants or other rights to purchase ordinary shares or any security or financial product whose value is determined, directly or indirectly, by reference to the price of the ordinary shares; (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the ordinary shares, in each case, whether any such transaction is to be settled by delivery of ordinary shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction. The Fatwa issued in relation to the Global Offering does not approve the transactions listed above unless such transactions are structured in a Shari'ah compliant manner.
"Lock-up Period"	the period of 180 days after Admission
"MiFID II"	Directive 2014/65/EU on markets in financial instruments, as amended
"MiFID II Product Governance Requirements"	(i) MiFID II; (ii) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (iii) local implementing measures
"NIN"	a unified investor number that a subscriber must obtain from DFM for the purposes of subscription
"Non-Executive Directors"	the non-executive Directors of the Company
"Non-IFRS measures"	certain measures that are not defined or recognised under IFRS, or any other generally acceptable accounting principles, including EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Cash Conversion and Capital Expenditure
"Offering Memorandum"	this offering memorandum
"Offer Price"	the price at which each Share is to be sold in the Global Offering

"Offer Price Range"	between AED 2.00 and AED 2.10 per Share
"Order"	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005
"OT"	the Company's operational technology
"ParkinCo Incorporation Law"	Dubai Law No. 30 of 2023 concerning the incorporation of Parkin Company P.J.S.C.
"Parking Business"	the parking business of the RTA
"Pensions Law"	Law No. 7 of 1999
"PPP"	public-private partnership
"Pre-Offering Transactions and Contractual Arrangements"	collectively, the Term Financing and Revolving Credit Facilities Agreement, the Concession Agreement, the TSA, the Lease Agreement, the capital injection by the Dubai Investment Fund received on 31 January 2024, the appointment of the Board and employees for Parkin, and the transfer of employees to Parkin
"Pricing Agreement"	the pricing agreement to the Underwriting Agreement to be executed by the Company, the Selling Shareholder and the Underwriters
"Pricing Date"	14 March 2024
"Pro forma Adjusted EBITDA"	pro forma profit for the year, excluding the impact of pro forma depreciation and amortisation, pro forma finance expense, pro forma Transitional Service Agreement expense and pro forma concession fee expense, each as set out in the Unaudited Pro Forma Financial Information
"Pro forma Adjusted EBITDA Margin"	Pro forma Adjusted EBITDA, divided by pro forma revenue
"Pro forma Cash Conversion"	Pro forma EBITDA less Capital Expenditure divided by Pro forma EBITDA
"Pro Forma EBITDA"	pro forma profit for the year excluding the impact of pro forma depreciation and amortisation, and pro forma finance expense, each as set out in the Unaudited Pro Forma Financial Information
"Pro Forma EBITDA Margin"	Pro forma EBITDA divided by pro forma revenue
"Prospectus Regulation"	Regulation (EU) 2017/1129 as amended or superseded
"Qualified Investor Offering"	90% of the Shares being offered in the Global Offering are being offered to certain investors in the Qualified Investor Offering (i) outside the United States in reliance on Regulation S and (ii) pursuant to the Exempt Offer
"Regulation S"	Regulation S under the US Securities Act
"Relevant Persons"	(i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Order; (ii) high net worth entities falling within Article 49(2)(a) to (2d) of the Order; and/or (iii) other persons to whom it may be lawfully communicated
"Relevant State"	each member state of the European Economic Area
"Rothschild & Co"	Rothschild & Co Middle East Limited
"RTA"	the Roads and Transport Authority
"RTA Agency"	an agency established under the RTA, such as the TRA, the Public Transport Agency or the Rail Agency

"Saudi Arabia"	Kingdom of Saudi Arabia
"Saudi Regulations"	the Rules on the Offer of Securities and Continuing Obligations issued by the Board of the Capital Market Authority pursuant to resolution number 3-123-2017, dated 27 December 2017G, based on the Capital Market Law issued by Royal Decree No. M/30 dated 2/6/1424H, as amended by Resolution of the Board of the Capital Market Authority number 5-5-2022 dated 5 January 2022G
"SCA"	the UAE Securities and Commodities Authority
"SEC"	the United States Securities and Exchange Commission
"Securities and Futures Act"	the Securities and Futures Act, Chapter 289 of Singapore
"Selling Shareholder"	the Dubai Investment Fund
"Senior Managers"	those individuals identified as such in "*Directors and Senior Management*"
"Shareholders"	the holders of Shares in the capital of the Company
"Shares"	the ordinary shares of the Company, having the rights set out in the Articles
"Stabilisation Period"	time period commencing on the date of trading of the Shares on the DFM and ending no later than 30 calendar days thereafter
"Stabilisation Shares"	74,970,000 Shares sold by the Selling Shareholder in connection with the Global Offering
"Stabilising Manager"	the price stabilisation manager to be appointed by the Company and the Selling Shareholder in connection with the Global Offering
"Target Market Assessment"	the product approval process which has determined that the Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II
"TEC"	the Executive Council of the Government of Dubai
"Term Financing and Revolving Credit Facilities Agreement"	the term financing and revolving credit commercial terms agreement entered into between the Company and Emirates NBD P.J.S.C. dated 26 January 2024 for an amount of AED 1.2 billion comprising Murabaha term financing and revolving credit facilities
"Unaudited Pro Forma Financial Information"	the unaudited pro forma financial information for the period 1 January 2023 – 31 December 2023
"Trademark Law"	Federal Law Number 36 of 2021
"TRA"	Traffic and Road Agency
"TSA"	the transitional services agreement entered into between the Company and the RTA on 5 February 2024
"UAE"	United Arab Emirates
"UAE Companies Law"	Federal Law No. 32 of 2021 concerning Commercial Companies and its amendments
"UAE Data Protection Law"	Federal Decree Law No. 45 of 2021 Regarding the Protection of Personal Data, which came into effect on 2 January 2022
"UAE Prospectus"	the prospectus pursuant to which the Shares are being offered in the UAE

"UK MiFIR Product Governance Requirements"	the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook
"UK Prospectus Regulation"	assimilated Regulation (EU) 2017/1129 as it forms part of the law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018
"UK Target Market Assessment"	the product approval process, which has determined that the Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, as respectively defined in paragraphs 3.5 and 3.6 of the FCA Handbook Conduct of Business Sourcebook and (ii) eligible for distribution through all permitted distribution channels
"Underwriters"	Emirates NBD Capital PSC, Goldman Sachs International, HSBC Bank Middle East Limited, Abu Dhabi Commercial Bank P.J.S.C, EFG-Hermes UAE Limited acting in conjunction with EFG Hermes UAE LLC, and First Abu Dhabi Bank P.J.S.C
"Underwriting Agreement"	the underwriting agreement entered into between the Company, the Selling Shareholder, and the Underwriters
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	the United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia
"US Securities Act"	US Securities Act of 1933
"xCube LLC"	the Stabilising Manager

ADVISORS

Joint Global Coordinators and Joint Bookrunners	Emirates NBD Capital PSC 1st floor, Emirates NBD Head Office Building Baniyas Road, Deira P.O. Box 2336, Dubai, United Arab Emirates
	Goldman Sachs International Plumtree Court, 25 Shoe Lane London EC4A 4AU United Kingdom
	HSBC Bank Middle East Limited P.O. Box 66 Dubai, United Arab Emirates
Joint Bookrunners	Abu Dhabi Commercial Bank P.J.S.C Abu Dhabi Commercial Bank Building, Shk Zayed Street, P.O. Box 939 Abu Dhabi, United Arab Emirates
	EFG-Hermes UAE Limited (acting in conjunction with EFG Hermes UAE LLC) Suite 301, The Exchange Gate Village 11, DIFC P.O. Box 30727 Dubai, United Arab Emirates
	First Abu Dhabi Bank P.J.S.C. FAB Building Khalifa Business Park Al Qurm District P.O. Box 6316 Abu Dhabi, United Arab Emirates
Financial Adviser	Rothschild & Co Middle East Limited Unit 504, Level 5, Gate District Building 03 DIFC, PO Box 506570 Dubai, United Arab Emirates
UAE legal advisers to the Company	Al Tamimi & Company Level 7, Central Park Towers PO Box 9275, Dubai, UAE
	Freshfields Bruckhaus Deringer LLP Al Fattan Currency House 2 20th floor, Trade Centre, DIFC Dubai, United Arab Emirates
United States and English legal advisers to the Company	Freshfields Bruckhaus Deringer LLP 100 Bishopsgate London EC2P 2SR United Kingdom

UAE, United States and English legal advisers to the Underwriters	White & Case LLP 5 Old Broad St, London EC2N 1DW White & Case LLP ICD Brookfield Place, Al Mustaqbal St, Trade Centre, DIFC Dubai, United Arab Emirates
Lead Receiving Bank	Emirates NBD BANK P.J.S.C. Headquarters Baniyas Road, Deira P.O. Box 777 Dubai, United Arab Emirates
Settlement Agent	Emirates NBD Capital PSC 1st floor, Emirates NBD Head Office Building Baniyas Road, Deira P.O. Box 2336, Dubai, United Arab Emirates

INDEPENDENT AUDITOR

Independent Auditor	PricewaterhouseCoopers Limited Partnership Dubai Branch Emaar Square Building 5 Dubai, United Arab Emirates

Toppan Merrill, London
24-6989-2

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