

25 February 2026

Parkin delivers record annual and quarterly revenues, EBITDA and net income on the back of strong operational momentum

Parkin Company PJSC ("Parkin" or the "Company"), the largest provider of paid public parking facilities and services in Dubai, today reports its operational and financial results for the fourth quarter and the full year ended 31 December 2025.

Key Takeaways: Q4 2025 vs. Q4 2024

- Total revenues of AED 389.4 million (+47%)
- EBITDA of AED 232.9 million (+47%), EBITDA margin of 60% maintained
- Net profit of AED 183.6 million (+53%)
- Total net addition of c.22.6k new spaces across entire parking portfolio (+11%)
- Total parking transactions of 37.0 million (+0.3%)
- Average public parking utilisation rate of 23.0% (-5 p.p.)
- Total public parking seasonal card sales of 89.3k (+140%)
- Subject to shareholder approval, a cash dividend of AED 343.7 million for H2 2025 will be paid in late April 2026 (+22%)

Operational Highlights

KPIs	Units	Q4 2024	Q4 2025	% Δ	FY 2024	FY 2025	% Δ
Total number of parking spaces	'000	206.4	229.0	11%	206.4	229.0	11%
Public parking	'000	184.0	193.2	5%	184.0	193.2	5%
Developer	'000	19.2	32.2	68%	19.2	32.2	68%
Public MSCPs	'000	3.2	3.7	14%	3.2	3.7	14%
Total number of parking transactions	m	36.9	37.0	0.3%	132.2	140.8	6%
Weighted avg. public parking tariff	AED per hour	2.01	3.03	51%	2.01	2.78	38%
Avg. public parking utilisation rate	%	28.3	23.0	-5 p.p.	26.6	23.7	-3 p.p.
Public parking seasonal cards sold	'000	37.2	89.3	140%	133.7	285.1	113%
Total fines issued	'000	509.0	810.2	59%	1,670.8	2,721.8	63%
Chargeable days	Days	77	77	-	303	303	-

Financial Highlights

KPIs	Q4 2024	Q4 2025	% Δ	FY 2024	FY 2025	% Δ
Total revenues	265.0	389.4	47%	925.2	1,326.0	43%
Public parking	112.0	144.5	29%	404.6	524.5	30%
Developer parking	20.3	28.1	38%	69.5	94.0	35%
Public MSCPs	3.5	4.3	25%	11.8	14.4	22%
Seasonal cards + permits	40.5	67.4	66%	152.8	222.0	45%
Enforcement	77.0	127.1	65%	249.1	408.7	64%
Other ⁽¹⁾	11.7	18.1	54%	37.3	62.4	67%
EBITDA	158.2	232.9	47%	577.3	798.2	38%
EBITDA margin	60%	60%	0 p.p.	62%	60%	(2 p.p.)
Capital expenditure ⁽²⁾	2.8	2.1	(26%)	1,111.6	13.9	n/m
Net profit	120.0	183.6	53%	423.5	625.5	48%
Free cash flow to equity ⁽³⁾	132.4	222.3	68%	479.6	655.7	37%
Cash conversion (%) ⁽⁴⁾	98	99	1 p.p.	98	98	0 p.p.

Throughout this document, please note: n/m = not meaningful, n/a = data not available. Figures may not sum up due to rounding. Percentage changes are calculated based on rounded figures

- (1) Other consists of revenue generated from parking reservations, rental income from shop leases, mall management fees and finance income generated from cash deposits
- (2) For FY 2024, capital expenditure includes the one-off up-front payment of the concession fee paid to the RTA in exchange for the 49-year concession (AED 1.1 billion)
- (3) Free cash flow to equity is defined as net cash flows generated from / used in operating activities + net cash generated from / used in investing activities + net cash flows from financing activities
- (4) Cash conversion is defined as EBITDA, less capital expenditure, divided by EBITDA and excludes the concession payment (AED 1.1 billion)

Eng. Mohamed Abdulla Al Ali, CEO of Parkin, commented:

"We closed 2025 with a strong quarter, converting disciplined execution into higher earnings. As in prior periods, we continued to expand our operational footprint, adding both public and developer parking spaces to our portfolio, supported by Dubai's status as a world class place to live, work, visit and invest. Seasonal card sales reached record highs as customers continued to recognise the relative value offered by this product. Total transaction volumes were broadly in line with the same period last year, while utilisation moderated as expected, reflecting a greater mix of seasonal card users, as well as the addition of new parking space capacity. We also benefited from the implementation of the variable parking tariff earlier in the year. On the enforcement front, we continued to leverage our technology enabled smart scan car inspection fleet, with targeted, data-driven field inspector deployment reinforcing compliance across the network. I am pleased to report that these combined operational drivers delivered record revenue, EBITDA and net income in the fourth quarter and for the year ended 31 December 2025."

Q4 2025 Operational Performance

Total Active Parking Spaces

The total number of parking spaces as at the end of Q4 amounted to 229.0k, a 11% increase compared to Q4 2024 (206.4k). This growth was driven by additions across our entire portfolio including public, developer and multi-storey parking facilities.

Public Parking

Public parking spaces increased by 9.2k (+5%), to 193.2k spaces in Q4 2025 (Q4 2024: 184.0k). In terms of new additions, zone C (on-street parking) saw the largest increase with 5.4k spaces added, while zone D (off-street parking) benefited from the addition of 3.7k new spaces.

Zone	Total Public Parking Spaces ('000)		
	Q4 2024	Q4 2025	% Δ
A	26.6	26.6	0%
B	3.3	3.3	0%
C	114.5	119.9	+5%
D	39.6	43.3	+9%
X ⁽¹⁾	0.0	0.2	n/m
Total	184.0	193.2	5%

Following the introduction of the variable parking tariff in Dubai from April 2025, the Company's public parking portfolio was reclassified into *Standard Parking* (113.5k spaces) and *Premium Parking* (79.7k spaces) categories.

Zone	Total Public Parking Spaces ('000)	
	Q4 2025	% of Public Portfolio
Standard Parking		
A	3.3	2%
B	0.2	0%
C	80.9	42%
D	29.1	15%
	113.5	
Premium Parking		
AP	23.2	12%
BP	3.0	2%
CP	39.0	20%
DP	14.2	7%
X ⁽¹⁾	0.2	0%
	79.6	

Developer Parking

On a net basis, developer parking spaces increased from 19.2k in Q4 2024 to 32.2k in Q4 2025. This increase was as a direct result of various developer contracts signed, primarily in H2 2025.²

¹ The hourly tariff of AED 25 is only applicable during grand events. When there is no event taking place, the tariff for zone X is as per zone AP

² 9 April 2025: Al Wasl (1.1k spaces). 31 July 2025: contract with Islamic Affairs & Charitable Activities Department (2.1k spaces). 5 August 2025: agreement with Dubai Holding (29.6k paid spaces). 3 November 2025: DP World / Al Aweer Market (2.5k spaces). 30 Sept 2025: Dubai Sports City (3.1k spaces). Note: Dubai Holding and Dubai Sports City capacity will be delivered in phases; figures shown reflect contractual headline capacity at 100% implementation

Comparing the evolution of developer spaces between Q3 2025 and Q4 2025, 9.0k developer spaces were added in Q4 2025.

Total Developer Parking Spaces ('000)*			
Q3 2025 End	Q4 2025 Additions	Q4 2025 Reductions	Q4 2025 End
23.2k	9.0k	-	32.2k

*Numbers may not add due to rounding

Multi-story Car Parking (MSCP)

MSCP spaces increased by 0.4k from 3.2k in Q4 2024 to 3.7k in Q4 2025. The newly refurbished Al Rigga MSCP re-opened in July 2025, restoring access to 440 spaces, equipped with barrierless, ticketless access technology.

Parking Transactions

Parking transaction volumes in Q4 2025 were supported by continued demand for parking, driven by Dubai's solid economic growth, ongoing population expansion and resilient tourism.

Public parking transaction volumes declined marginally to 31.9 million in Q4 2025 (32.7m in Q4 2024). The modest decline reflects a shift towards seasonal card purchases as customers continued to take advantage of the value-for-money offered by the unchanged prices.

The developer parking segment recorded a 21% increase in transaction volumes, reaching 4.8 million parking transactions in Q4 2025 (Q4 2024: 4.0 million). This growth reflects the expansion of the developer portfolio following the signing of multiple contracts in H2 2025.

MSCPs transactions increased to 0.3 million parking transactions in the quarter (Q4 2024: 0.2 million), primarily driven by the reopening of the refurbished Al Rigga MSCP in July 2025.

Public Parking Utilisation

From Q2 2025, following the introduction of the variable parking tariff in April, customers capitalised on the value-for-money proposition presented by the existing seasonal card prices, helping to drive a notable increase in public parking seasonal card purchases.

As a result, overall public parking utilisation in Q4 2025 came in at 23.0% (Q4 2024: 28.3%), reflecting a partial shift from users who would normally purchase a daily pass (particularly in zones B and D), to customers opting to purchase a seasonal card. Consistent with Q2 and Q3 2025, utilisation across zones B and D experienced more of an impact when compared to zones A and C.

When interpreting the Q4 2025 public-parking utilisation rate, it should be noted that customers purchased a record 89.3k seasonal cards during the quarter, a 140% increase compared to Q4 2024 (37.2k).

The table below shows a detailed breakdown of public parking utilisation, split between peak and off-peak hours.

Public Parking Utilisation	Q4 2024		Q4 2025		p.p. Δ	
	Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
Zone A + AP	23.8%	23.2%	22.0%	23.8%	-1.8 p.p.	+0.6 p.p.

Zone B + BP*	28.1%		13.1%		13.1%	
Zone C + CP	28.2%	26.2%	20.5%	27.5%	-7.7 p.p.	+1.3 p.p.
Zone D + DP*	55.3%		23.8%		23.8%	
Total	27.6%	28.7%	19.4%	29.7%	-8.2 p.p.	+1.0 p.p.

* When calculating utilisation for zones B and D, the hourly tariff is based on the premium or standard day rate, divided by 14 chargeable hours instead of the hourly rate. For zones A and C, utilisation is calculated using the weighted average tariff for each zone, factoring in peak and off-peak rates as well as the premium and standard parking split. Utilisation is calculated as actual revenue expressed as a percentage of maximum theoretical revenue. Maximum theoretical revenue = weighted hourly tariff x 14 chargeable hours per day x number of spaces in the zone x number of chargeable days in the quarter

The table below compares public parking utilisation, split between each of the public parking zones.

Public Parking Utilisation	Q4 2024	Q4 2025	p.p. Δ
Zone A + AP	23.8%	23.3%	-0.5 p.p.
Zone B + BP	29.9%	13.9%	-16.0 p.p.
Zone C + CP	26.6%	22.7%	-3.9 p.p.
Zone D + DP	58.6%	25.1%	-33.5 p.p.
All Public Parking	28.3%	23.0%	-5.3 p.p.

Public Parking Weighted Average Hourly Tariff

The weighted average hourly tariff increased 51% to AED 3.03, following the introduction of the variable parking tariff in April 2025. As a result of the uplift in the daily parking tariff, zones B and D experienced a material increase in their weighted-average tariffs relative to zones A and C.

Public Parking Weighted Avg. Tariff			
Public Parking Zone	Q4 2024	Q4 2025	% Δ
Zone A	4.00	4.75	19%
Zone B	1.43	2.80	96%
Zone C	2.00	3.14	57%
Zone D	0.71	1.67	134%
All Zones	2.01	3.03	51%

Seasonal Cards Sales

Total seasonal card sales increased by 140% to 89.3k in Q4 2025 (Q4 2024: 37.2k). Growth was strong across all durations, with 1-month seasonal cards in particular recording the highest year-on-year increase, consistent with what was observed in Q2 and Q3 2025.

Seasonal Card Duration	Q4 2024		Q4 2025		Change Q4 2025 vs. Q4 2024	
	Zones A to D	Zones B+D	Zones A to D	Zones B+D	Zones A to D	Zones B+D
1 month	14.8	11.2	31.9	41.3	116%	269%
3 months	4.5	2.7	4.3	4.5	-4%	61%
6 months	1.1	0.4	2.3	1.1	108%	189%

12 months	2.2	0.4	3.3	0.8	50%	89%
Total	22.5	14.7	41.7	47.6	85%	224%

The growth in seasonal card sales volumes is underpinned by customers taking advantage of the temporary price gap between the variable daily tariffs effective April 2025 and the unadjusted seasonal card rates. The current cost of these seasonal cards represents a strong value proposition for frequent customers.

Seasonal Card Duration / Cost	Zones A to D	Zones B + D Only
1 month	AED 500	AED 250
3 months	AED 1,400	AED 700
6 months	AED 2,500	AED 1,300
12 months	AED 4,500	AED 2,400

Enforcement

During Q4 2025, the Company's **field enforcement team** scanned a total of 11.5 million vehicle registration plates, a 129% increase on Q4 2024 (5.0 million). Meanwhile, the Company's fleet of **smart inspection cars** scanned a total of 17.5 million vehicle registration plates, a 154% increase on the same period last year (Q4 2024: 6.9 million). Enforcement notices issued by Parkin increased by 59% year-on-year, from 509k in Q4 2024 to 810k in Q4 2025. 80% of total enforcement notices in Q4 2025 (650k) were issued in relation to **public parking** violations (Q4 2024: 424k).

The increase in scanned vehicles and fines reflects higher customer activity, the expansion of our parking portfolio, the ongoing impact of technology and efficiency based enhancements to our enforcement framework and the growth of our smart scan inspection fleet to 27 units. In February 2025, Parkin also onboarded an equivalent number of trained drivers to operate these vehicles. This enabled inspectors who had previously undertaken smart scan driving responsibilities to transition to either field or supervisory roles, effectively increasing operational inspector capacity, a capability that was not available in Q4 2024.

Q4 2025 Financial Performance

Total Revenue

Total revenue increased by 47% to a quarterly record of AED 389.4 million (Q4 2024: 265.0 million), with notable year-on-year increases in revenue generated across all business segments, particularly public parking, seasonal card / permit fees and enforcement. As at Q4 2025, revenues from developer parking and enforcement, for which Parkin is exempt from concession fees, constituted 40% of total revenues (Q4 2024: 37%).

Public parking revenue increased 29% to AED 144.5 million (Q4 2024: AED 112.0 million), supported by an increase in the weighted average hourly tariff to AED 3.03 (Q4 2024: AED 2.01) and an increase in the size of the public parking portfolio. Average revenue per public parking spot increased 23%, from AED 608 in Q4 2024 to AED 749 in Q4 2025. Revenue generated during peak hours amounted to AED 80.9 million (56% of total public parking revenue) in Q4 2025, compared to AED 52.6 million (47% of total public parking revenue) in Q4 2024.

Developer parking revenue increased 38% to AED 28.1 million in the period (Q4 2024: AED 20.3 million), supported by space growth, stronger transaction volumes and the application of the



variable tariff in relation to around one third of the developer portfolio. Average revenue per developer parking space increased by 1%, from AED 986 in Q4 2024, to AED 994 in Q4 2025.

Revenue from **seasonal cards and permits** in Q4 2025 increased 66% to AED 67.4 million, due to a record number of seasonal cards sold during the period (Q4 2024: 40.5 million).

Enforcement revenue increased by 65% to AED 127.1 million in Q4 2025 (Q4 2024: AED 77.0 million). The overall fine collection rate amounted to 81% during the quarter (Q4 2024: 85%). The lower collection rate reflects the overall growth in fine volumes and revenue.

Concession Fee Expense

As part of 49-year concession agreement, Parkin pays the RTA a variable concession fee on all revenues, except those from enforcement and developer parking. Under the terms of the agreement, the overall concession fee is capped at 27.5%.

The implementation of the variable parking tariff from April 2025 has resulted in a substantial change to the weighted average public parking tariff. Subject to ongoing discussions with the RTA, Parkin has provisioned for a blended concession rate of up to 27.0% in relation to the relevant concession revenue streams for Q2, Q3 and Q4 2025. In Q4 2025, the variable concession fee reached AED 61.2 million (Q4 2024: AED 32.7 million). The fee increase was driven by higher revenue generated by the Company's core business segments (public parking, MSCPs and seasonal cards).

Staff Costs

In Q4 2025, employee benefits expense constituted AED 34.5 million, based on a total headcount of 354 staff, compared to AED 29.1 million and 337 staff in Q4 2024. Hiring will continue during 2026 as the Company concludes building up its internal capabilities, targeting a headcount of c.390.

EBITDA

EBITDA increased 47% in Q4 2025 to AED 232.9 million (Q4 2024: AED 158.2 million), representing an EBITDA margin of 60% (Q4 2024: 60%).

Net Profit

Net income for the period increased 53% to AED 183.6 million (Q4 2024: 120.0 million). Bottom-line growth was driven by higher revenue and marginally lower finance costs, partially offset by increased operating expenses, depreciation and tax.

Free Cash Flow and Cash Conversion

In Q4 2025, the Company had generated AED 222.3 million of Free Cash Flow to Equity (Q4 2024: AED 132.4 million). The Company continues to focus on collecting receivables generated in prior periods.

The cash conversion rate in Q4 2025 was 99%, due to Parkin's strong revenue performance and capex light business model.

Borrowings

In Q1 2024, Parkin and Emirates NBD PJSC entered into an agreement for AED 1.2 billion in unsecured credit facilities, comprising of a 5-year Murabaha term financing facility of AED 1.1 billion and an AED 100 million Murabaha revolving credit facility. Both facilities carry a variable interest set at 3-month EIBOR plus a margin of 0.80% per annum.



At the end of the Q4 2025, Parkin's net debt position amounted to AED 681.2 million.³

Including the Murabaha revolving credit facility, which remains fully undrawn, the Company has available liquidity of AED 565.2 million.³

Dividend Policy

The Company intends to pay a semi-annual dividend in April and October of each year.

For FY 2025, Parkin expects to pay a minimum dividend based on the higher of:

- (i) 100% of net profit for the year, or
- (ii) Free cash flow to equity, subject to distributable reserves requirements.

Parkin declared and paid an interim dividend of AED 312.0 million (10.3999 fils per share) to eligible shareholders at the end of October 2025.

Subject to shareholder approval at the forthcoming Annual General Meeting at the end of March 2026, the Board has resolved to distribute **a cash dividend of AED 343.7 million (11.4574 fils per share) in respect of H2 2025, with payment anticipated in late April 2026** and representing a 22% increase on the H2 2024 dividend (AED 280.9 million).

Tariff Revision Request

In mid-February 2026, the Company made a formal submission to the Roads & Transport Authority (RTA), requesting various adjustments that, if approved, would increase the weighted-average public parking tariff.

Among these are proposed changes to the seasonal card structure and tariffs, designed to reduce existing price arbitrage and better align with the variable pricing introduced earlier this year. The proposals would also preserve the existing discount framework to promote long-term fairness for customers, Parkin, and the RTA.

The RTA has confirmed receipt of our proposal and will undertake a detailed review before approaching the Executive Council of Dubai for guidance and final approval.

FY 2026 Outlook

The management team is pleased to provide detailed segmental guidance for 2026. It should be noted that the projections presented are based on current information and assumptions and do not reflect any potential impact that may arise from the outcome of Parkin's tariff revision submission to the RTA.

Public Parking

Management anticipates expanding the public parking portfolio by **approximately 5,500 to 7,500 spaces** over the course of 2026. It is projected that the **public parking** segment will generate **revenue of between AED 560 – AED 610 million** (FY 2025: AED 524.5 million).

Enforcement

³ Q4 2025 Net Debt = Long-term Borrowings of AED 1,098.3m + Long-term Lease Liabilities of AED 29.1m + Short-term Lease Liabilities of AED 18.9m - Short-term bank deposits of AED 244.5m - Cash and Equivalents of AED 220.7m

³ Q4 2025 liquidity = Short-Term Bank Deposits of AED 244.5m + Cash and Equivalents of 220.7m + RCF of AED 100.0m



The continued effectiveness of Parkin's enforcement framework is anticipated to generate annual **enforcement revenue of between AED 420 – AED 460 million** (FY 2025: AED 408.7 million).

Seasonal Cards

The Company expects to capture **AED 260 – AED 280 million in revenue** from the sale of seasonal cards in 2026 (FY 2025: 211.0 million). This assumption does not consider the potential impact arising from the proposed revisions to seasonal card pricing currently under review by the RTA.

Developer Parking

The private and developer parking segment is projected to contribute **AED 110 – AED 130 million** in revenue during the year (FY 2025: 94.0 million).

It should be noted that, in 2025, Parkin entered into several low-margin developer agreements under which the Company is obliged to pay a minimum annual guarantee and / or a fixed annual fee, consistent with common market practice in the sector. As a result, while segment revenue is expected to grow in 2026, margin expansion will remain constrained. The fixed components of such agreements (minimum annual guarantee fees and the fixed annual fees), will be recognised below EBITDA as amortisation of the right-of-use asset and interest on the lease liability, increasing the Company's depreciation expense and finance costs.

Capital Expenditure

Capital expenditure for 2026 is projected at **AED 45 – AED 55 million** to cover costs in relation to several developer contracts and technology projects, including camera equipment for our smart parking lots (FY 2025: 13.9 million). The overall guided amount includes the previously announced capital expenditure of up to AED 20 million in relation to the Sports City agreement signed in late September 2025.

IR and Media Enquiries

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About Parkin Company PJSC

With a unique blend of operational excellence, technological know-how and enforcement capability spanning almost three decades, Parkin Company PJSC is the largest provider of paid public parking facilities and services in the Emirate of Dubai, with a portfolio of approximately 229k paid parking spaces, as at year end 2025.

Parkin has a dominant position in relation to Dubai's on and off-street paid public parking market and a leading share of the overall paid parking market. Under a 49-year Concession Agreement with Dubai's Roads and Transport Authority (RTA), Parkin has the exclusive right to operate a portfolio of public on and off-street parking (c.193k spaces) as well as public multi-storey car parking facilities (c.4k spaces). Parkin also operates certain developer-owned



parking facilities through partnership agreements across the Emirate (c.32k spaces) and provides barrierless, ticketless parking on behalf of Majid Al Futtain across two malls. Additional revenue streams include enforcement, the issuance of seasonal permits, parking reservations and other commercial activities.

By deploying state of the art digital payment solutions and intelligent parking management systems that utilise artificial intelligence and big data analysis, Parkin's customers successfully conducted 141m parking transactions in 2025.

Dubai's parking operations were established in 1995 under the Dubai Municipality, before becoming part of the RTA in 2005. In December 2023, Parkin Company PJSC was established through the issuance of Law No. 30 of 2023, successfully completing its initial public offering (IPO) on the Dubai Financial Market in March 2024.

Cautionary Note: Forward-looking Statements

This press release may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including terms such as "believes", "targets", "estimates", "budgets", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They may appear in a number of places throughout this release and include, but are not limited to, statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, Parkin's results of operations, financial position, liquidity, prospects, growth and industry expectations. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances outside the Company's control. Forward-looking statements are not a guarantee of future performance and the development of the industry in which the Company operates and may differ materially from those described in, or suggested by, any forward-looking statements contained in this release. In addition, even if the development of the industry in which Parkin operates is consistent with the forward-looking statements contained in this release, those developments may not be indicative of developments in subsequent periods. A number of factors could cause results and/or developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, demand, supply, industry trends, assumptions, competition, actions and activities of governmental authorities (including changes in laws, regulations or taxation), and their effect on the timing and feasibility of future projects and developments. Except as required by applicable law, rule or regulation, the Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Past performance cannot be relied on as a guide to future performance.

PARKIN COMPANY P.J.S.C.

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Pages
Directors' report	1- 2
Independent auditor's report on consolidated financial statements	3 - 8
Consolidated statement of profit or loss and other comprehensive income	9
Consolidated statement of financial position	10
Consolidated statement of cash flows	11 - 12
Consolidated statement of changes in equity	13
Notes to the consolidated financial statements	14 - 49

PARKIN COMPANY P.J.S.C.**DIRECTORS' REPORT****FOR THE YEAR ENDED 31 DECEMBER 2025**

The Board of Directors of Parkin Company P.J.S.C. (the "Company") has the pleasure in submitting the audited consolidated statement of financial position of the Company and its Subsidiary (the "Group") as at 31 December 2025 and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2025.

Board of Directors:

Ahmed Hashem Bahrozyan	(Chairman)
Ahmed Hassan Mahboub	(Vice chairman)
Muna Abdulrahman Al Osaimi	(Director)
Nasser Hamad Abu Shehab	(Director)
Alawi Ali Al Sheikh	(Director)
Mona Mohammad Bajman	(Director)
Alunood Thabit Al Ameri	(Director)

Company overview and principal activities:

The Company is listed on the Dubai Financial Market (Ticker: PARKIN) and serves as the exclusive operator of public parking services in the Emirate of Dubai. Under a 49-year concession agreement with the Roads and Transport Authority, it manages paid on-street, off-street, and multi-storey car parks, along with selected developer-owned facilities. The Company's principal activities include the operation, monitoring, and enforcement of parking services.

Performance in FY2025:

The Group delivered a record-breaking year in 2025, achieving strong financial, strategic, and operational results. Revenues, EBITDA, and net income grew robustly year on year, driven by variable parking tariffs, operational expansion, sustained transaction volumes, record seasonal card sales, and solid enforcement proceeds, reinforcing its position as a leading smart mobility provider in Dubai.

The total number of parking spaces in 2025 reached 229.0 thousand, a 11% increase from 2024, on account of both public and developer parking. During the year, the Group introduced variable pricing across the public parking portfolio, with tariffs differentiated by facility type, peak and off-peak periods, to improve parking management in high-demand areas and support smoother traffic flow.

The Group reported AED 1,308.3 million in revenue and AED 625.5 million in profit for the year. These results represent year-on-year increases of 43% and 48%, respectively, underscoring the resilience of our business model and the effectiveness of our operational execution.

In line with the Company's dividend policy, dividends of AED 312.0 million (equivalent to 10.40 fils per share) for H1 2025 was distributed during the year.

Outlook for 2026:

Looking into 2026, the Group is well positioned to capture new opportunities, supported by expected expansion across its public and developer parking portfolio revenues, while continuing to shape the future of the industry and deliver attractive, sustainable value to shareholders.

Transactions with related parties:

The consolidated financial statements disclose related party transactions and balances in note 19. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

PARKIN COMPANY P.J.S.C.
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

External auditors:

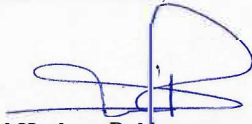
PricewaterhouseCoopers Limited Partnership Dubai Branch were appointed as external auditors of the Group for the year ended 31 December 2025. The Board of Directors has recommended the re-appointment of PricewaterhouseCoopers Limited Partnership Dubai Branch for 2026 for approval by the shareholders at the forthcoming Annual General Meeting.

Statement of disclosure to auditors:

The Directors of Parkin Company P.J.S.C. certify that as far as they are aware, there is no relevant audit information of which the Group's auditor is unaware, and that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

To the best of our knowledge, the consolidated financial statements fairly present, in all material respects, the consolidated financial position, results of operations and consolidated cash flows of the Group as of, and for, the year ended 31 December 2025.

On behalf of the Board,



Ahmed Hashem Bahrozyan
Chairman of the Board of Directors
Parkin Company P.J.S.C.
25 February 2026



Independent auditor's report

To the shareholders of Parkin Company P.J.S.C.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Parkin Company P.J.S.C. (the "Company") and its subsidiary (together the "Group") as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025;
- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated 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 consolidated 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 Group 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) as applicable to audits of financial statements of public interest entities and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Overview

Key Audit Matters	• Expected credit losses- enforcements • Enforcements revenue recognition
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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

PricewaterhouseCoopers Limited Partnership Dubai Branch
Emaar Square, Building 5, PO Box 11987
Dubai - United Arab Emirates
T: +971 4 304 3100

Independent auditor's report (continued)

To the shareholders of Parkin Company P.J.S.C.

Our audit approach (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Expected credit losses – enforcements The consolidated statement of financial position has gross trade receivables of AED 290,958 thousand as at 31 December 2025, of which AED 203,550 thousand relates to receivable from enforcements. As at 31 December 2025, the Group has recorded a loss allowance of AED 28,867 thousand against these enforcements receivable. The balance of loss allowance on enforcements receivable represents management's best estimate, as at 31 December 2025 of the expected credit losses under the expected credit loss model ("ECL Model" or "ECL") in compliance with International Financial Reporting Standard No. 9: Financial Instruments ("IFRS 9"). Management applied the approach of using historical loss rates to estimate the required ECL, adjusted to reflect current and forward-looking information on macroeconomic factors. Management has also applied judgement in areas noted above by considering the forward-looking information, including variables used in macroeconomic scenarios and their associated weightings. The specific factors that management considered in the application of its ECL model included the age of the balance, recent historical payment patterns and enforcements receivable balances written off. We considered ECL for receivable from enforcements as a key audit matter as (i) its determination involves significant management judgement; and (ii) it is sensitive to changes in management's assumptions which can have a material effect on the final estimated ECL allowance. The ECL against enforcements receivable as at 31 December 2025 and the accounting policy associated with ECL is disclosed in Note 28 and Note 4.12 respectively.	We obtained an understanding of management's assessment of the impairment of enforcements receivable, the Group's impairment provision policy and the ECL modelling methodology. We performed the following substantive audit procedures over the recognition and measurement of ECL: • We compared the Group's accounting policy and methodology for the calculation of its ECL allowance with the requirements of IFRS 9. • We tested the accuracy and relevance of the enforcements receivable aging data used in the expected credit loss model by testing the aging of receivables on a sample basis and we checked the mathematical accuracy of the calculations. • We verified the flow rate method used by the Group for the determination of expected credit losses provision by testing the key estimates used by the management as part of the calculation of (i) probability of default; and (ii) the forward-looking factors applied in the estimation process. • For the probability of default, we tested the historical loss rates calculation by extracting the enforcements historical collection information from the parking fine system and (i) verifying the mathematical accuracy of the historical loss rate calculation; and (ii) testing the accuracy of the historical collection information on a sample basis. • For forward-looking measurements, reviewed management's selection of economic indicators, scenarios and application of weightings. • We tested the appropriateness of disclosures in the consolidated financial statements against the requirements of the IFRS Accounting Standards.

Independent auditor's report (continued)

To the shareholders of Parkin Company P.J.S.C.

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the Key audit matter
Enforcements revenue recognition During the year, the Group earned total revenue of AED 1,308,302 thousand of which AED 408,653 thousand was generated from enforcements. The enforcements revenue is generated from the Parking Fine System and is validated using data maintained in Central Traffic applications. The validated enforcements revenue is manually posted to the Entity Resource Planning ("ERP") application on a monthly basis. The parking fine application is operated and controlled by Parkin whereas the ERP and Central Traffic applications are services provided by related government entities. The low value of individual transactions on enforcement revenue means individual errors would be insignificant, but difficult to detect, and the high volume of transactions means systemic failure could lead to errors that aggregate into material balances. Given this, and the fact Parkin has no control of systems that validate a key element of its total revenue, we considered this to be a key audit matter. The revenue for the year from enforcements and the accounting policy associated with the recognition and measurement of fines revenue is disclosed in Note 6 and Note 4.14 respectively.	We obtained an understanding of the enforcements revenue recognition process, financial reporting and application systems involved, interface, reports and automated and IT dependent manual controls supporting these applications and processes and we performed the following audit procedures: • Assessing the Group's accounting policy for enforcements revenue recognition and its disclosures in the consolidated financial statements in compliance with the requirements of the IFRS Accounting Standards. • We performed test of detail procedures on a sample basis to ensure that enforcements are being generated by the system for all the offences defined by the Group and that approved fine tariffs are being applied by the system based on the nature of the offence. • Performing substantive audit procedures over the reconciliation between the parking fine system and Central Traffic applications by testing a sample of individual fines generated by the parking fine system application and validated by the Central Traffic applications. • Performing substantive audit procedures over the reconciliation of enforcement revenue generated during the year, extracted from the parking fine system, with the enforcement revenue recorded in the ERP application. • We tested the appropriateness of disclosures in the consolidated financial statements against the requirements of the IFRS Accounting Standards.



Independent auditor's report (continued)

To the shareholders of Parkin Company P.J.S.C.

Other information

Management is responsible for the other information. The other information comprises the Directors' report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Group's Annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Group's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021, as amended, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's 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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.



Independent auditor's report (continued)

To the shareholders of Parkin Company P.J.S.C.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Group's 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent auditor's report (continued)

To the shareholders of Parkin Company P.J.S.C.

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Decree-Law No. (32) of 2021, as amended, we report that:

- (i) we have obtained all the information we considered necessary for the purposes of our audit;
- (ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021, as amended;
- (iii) the Group has maintained proper books of account;
- (iv) the financial information included in Directors' report is consistent with the books of account of the Group;
- (v) as disclosed in note 1 to the consolidated financial statements the Group has not purchased or invested in any shares during the year ended 31 December 2025;
- (vi) note 19 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;
- (vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021, as amended, or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2025; and
- (viii) note 13 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2025.

PricewaterhouseCoopers Limited Partnership Dubai Branch
25 February 2026

A handwritten signature in blue ink, appearing to read 'W. El Afchal'.

Wassim El Afchal
Registered Auditor Number 5454
Dubai, United Arab Emirates

PARKIN COMPANY P.J.S.C.
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER**

	Notes	2025 AED'000	2024 AED'000
Revenue	6	1,308,302	915,812
Other income	7	2,072	1,083
Finance income	8	15,607	8,275
Commission expense	9	(43,857)	(32,590)
Maintenance expense		(20,996)	(19,447)
Employee benefit expense	11	(137,698)	(103,661)
Depreciation and amortisation expense	12	(51,521)	(47,899)
Variable lease expense	16	(35,908)	(13,697)
Concession fee expense	27	(204,723)	(118,329)
Impairment loss on trade receivables	17	(15,563)	(12,311)
Finance cost	10	(59,263)	(64,027)
Other expenses	13	(69,018)	(47,850)
Profit before tax		687,434	465,359
Income tax expense	25	(61,927)	(41,869)
Profit for the year		625,507	423,490
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of employees' end of service benefits	23	(28)	8,411
Income tax relating to items that will not be reclassified to profit or loss	25	3	(757)
Total comprehensive income for the year		625,482	431,144
Basic and diluted earnings per share for profit attributable to the ordinary equity holders of the Company (AED)			
	31	0.21	0.14

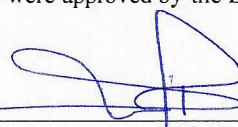
The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

PARKIN COMPANY P.J.S.C.
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER**

		2025 AED'000	2024 AED'000
ASSETS			
Non-current assets			
Property and equipment	14	33,179	29,192
Intangible assets	15	1,354,939	1,396,466
Right-of-use assets	16	40,405	7,962
		<u>1,428,523</u>	<u>1,433,620</u>
Current assets			
Trade and other receivables	17	290,347	209,799
Other asset	18	12,349	12,973
Due from related parties	19	155,134	151,514
Short-term deposits with bank	20	244,500	360,000
Cash and cash equivalents	21	220,682	42,326
		<u>923,012</u>	<u>776,612</u>
Total assets		<u>2,351,535</u>	<u>2,210,232</u>
LIABILITIES			
Non-current liabilities			
Long-term borrowings	22	1,098,304	1,097,754
Provision for employees' end-of-service benefits	23	25,751	23,098
Lease liabilities	16	29,123	22,756
		<u>1,153,178</u>	<u>1,143,608</u>
Current liabilities			
Due to related parties	19	394,296	368,053
Lease liabilities	16	18,939	7,313
Trade and other payables	24	128,791	105,324
Current tax liabilities	25	61,924	42,626
Contract liabilities	26	91,595	63,347
		<u>695,545</u>	<u>586,663</u>
Total liabilities		<u>1,848,723</u>	<u>1,730,271</u>
EQUITY			
Share capital	30	60,000	60,000
Statutory reserve	32	30,000	30,000
Treasury shares	18	(11,794)	(2,027)
Retained earnings		424,606	391,988
Total equity		<u>502,812</u>	<u>479,961</u>
Total liabilities and equity		<u>2,351,535</u>	<u>2,210,232</u>

To the best of our knowledge, the consolidated financial statements fairly present, in all material respects, the financial position, results of operations and cash flows of the Group. The consolidated financial statements were approved by the Board of Directors on 25 February 2026 and were signed on their behalf by:


 Chief Executive Officer


 Chairman of the Board of Directors

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

PARKIN COMPANY P.J.S.C.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER**

	Notes	2025 AED'000	2024 AED'000
Cash flows from operating activities			
Profit before tax		687,434	465,359
Adjustments for:			
Depreciation of property and equipment and right-of-use assets		15,405	12,352
Amortisation of intangible assets	15	36,116	35,547
Provision for employees' end-of-service benefits	23	1,937	1,932
Finance charge on employees' end-of-service benefits	23	1,144	907
Finance charge on lease liabilities	16	1,888	1,278
Other finance costs		56,231	61,842
Finance income	8	(15,607)	(8,275)
Impairment loss on trade receivables	17	15,563	12,311
Gain on termination of lease liability	7	(1,034)	-
Gain on disposal of fixed assets	7	(14)	-
Operating cash flows before changes in working capital, employees' end-of-service benefits paid and income tax paid		799,063	583,253
Changes in working capital:			
Trade and other receivables and other asset		(96,084)	(41,691)
Due from related parties		(3,620)	(120,118)
Due to related parties		26,243	50,506
Trade and other payables		22,802	72,238
Contract liabilities		28,248	1,888
		776,652	546,076
Employees' end-of-service benefits paid	23	(456)	-
Income tax paid	25	(42,626)	-
Net cash flows generated from operating activities		733,570	546,076
Cash flows from investing activities			
Payment for purchase of intangibles and property and equipment		(13,946)	(1,111,633)
Proceeds from sale of intangibles and property and equipment		79	-
Income on fixed deposits with bank		16,204	5,810
Movement in short-term deposits with bank, net	20	115,500	(360,000)
Net cash flows generated from / (used in) investing activities		117,837	(1,465,823)
Cash flows from financing activities			
Proceeds from issuance of share capital		-	60,000
Acquisition of treasury shares, net		(9,767)	(2,027)
Dividend paid	33	(592,864)	(198,774)
Proceeds of borrowings, net of transaction costs		-	1,097,000
Principle element of lease payment		(11,328)	(4,927)
Finance cost on bank borrowing paid		(57,480)	(50,071)
Finance charge on lease liability paid		(1,612)	(587)
Contribution from Parent		-	61,459
Net cash flows (used in) / generated from financing activities		(673,051)	962,073
Net increase in cash and cash equivalents		178,356	42,326
Cash and cash equivalents at the beginning of the year		42,326	-
Cash and cash equivalents at the end of the year	21	220,682	42,326

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

PARKIN COMPANY P.J.S.C.
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED 31 DECEMBER
SUPPLEMENTAL NON-CASH INFORMATION

	2025	2024
	AED'000	AED'000
Right-of-use asset additions (Note 16)	40,240	9,474
Lease liability additions (Note 16)	40,240	9,474
Lease liability termination (Note 16)	8,731	-
Intangible asset write-off (Note 15)	7,697	-
Remeasurement of employees' end of service benefits (Note 23)	(28)	8,411
End of service benefit liability of employees not transferred to the Group (Note 19)	-	25,686
Leave provision not transferred to the Group (Note 19)	-	305
Trade and other payables not transferred to the Group (Note 19)	-	70,707
Property and equipment transferred from RTA (Note 19)	-	947
Intangible assets, balances due from related parties and trade receivables transferred to RTA (Note 19)	-	(17,547)
Amounts related to employee payables receivable from RTA (Note 19)	-	30,449
Additions to intangible assets pertaining to deferred concession fee (Note 27)	-	300,000

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

PARKIN COMPANY P.J.S.C.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER**

	Share capital AED'000	Statutory reserve AED'000	Treasury shares AED'000	Retained earnings AED'000	Net parent investment AED'000	Total equity AED'000
At 1 January 2024	-	-	-	-	12,608	12,608
<i>Profit for the year</i>	-	-	-	423,490	-	423,490
<i>Other comprehensive income:</i>						
<i>Remeasurement of employees' end of service benefits, net of tax</i>	-	-	-	7,654	-	7,654
Total comprehensive income for the year	-	-	-	431,144	-	431,144
Contribution from parent (Note 2)	-	-	-	-	61,459	61,459
Other transactions with owners in their capacity as owners (Note 19)	-	-	-	(16,600)	132,151	115,551
Issuance of share capital (Note 30)	60,000	-	-	-	-	60,000
Transfer to statutory reserve (Note 32)	-	30,000	-	(30,000)	-	-
Acquisition of treasury shares (Note 18)	-	-	(2,027)	-	-	(2,027)
Transfer to retained earnings (Note 2)	-	-	-	206,218	(206,218)	-
Dividends declared and paid (Note 34)	-	-	-	(198,774)	-	(198,774)
At 31 December 2024	60,000	30,000	(2,027)	391,988	-	479,961
At 1 January 2025	60,000	30,000	(2,027)	391,988	-	479,961
<i>Profit for the year</i>	-	-	-	625,507	-	625,507
<i>Other comprehensive income:</i>						
<i>Remeasurement of employees' end of service benefits, net of tax</i>	-	-	-	(25)	-	(25)
Total comprehensive income for the year	-	-	-	625,482	-	625,482
Acquisition of treasury shares (Note 18)	-	-	(9,767)	-	-	(9,767)
Dividends declared and paid (Note 34)	-	-	-	(592,864)	-	(592,864)
At 31 December 2025	60,000	30,000	(11,794)	424,606	-	502,812

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

1 CORPORATE INFORMATION

Parkin Company P.J.S.C. (“Parkin” or the “Company”) is a Public Joint Stock Company established on 29 December 2023 in the Emirate of Dubai, United Arab Emirates (UAE) under law no. 30 of 2023 issued by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, the Ruler of Dubai, and started its operations on 1 January 2024.

The Company's registered address is Level 1, Festival Tower, Dubai Festival City, PO Box 36699, Dubai, United Arab Emirates.

Parkin is owned by Dubai Investment Fund (“DIF”, the “Parent”), which is in turn wholly owned by the Government of Dubai which is the ultimate controlling party. On 21 March 2024, DIF sold 24.99% shares of the Company through an Initial Public Offering (“IPO”) on the Dubai Financial Market (“DFM”) stock exchange. DIF therefore owns 75.01% of the Company as on 31 December 2025 and 31 December 2024.

The Company is the exclusive operator of public parking services in the Emirate of Dubai. Pursuant to a 49-year concession agreement with the Roads and Transport Authority (RTA), the Company manages paid on-street, off-street, and multi-storey car parks, as well as selected developer-owned parking facilities. The Company’s principal activities comprise the operation, monitoring, and enforcement of parking services.

As at 31 December 2025, Parkin wholly owns and controls Parkin Mobility L.L.C. (the “Subsidiary”) which was incorporated on 18 March 2025, in the UAE and is dormant as at 31 December 2025. Parkin and its Subsidiary are collectively referred to as the “Group”. In accordance with IFRS 10 “Consolidated Financial Statements”, Parkin has consolidated the Subsidiary in its consolidated financial statement as at 31 December 2025. The consolidation of the Subsidiary has had no material impact on the Group’s financial position, performance, or cash flows for the year ended 31 December 2025.

During the years ended 31 December 2025 and 31 December 2024, the Group has not purchased or invested in any external shares. Refer to Note 18 for the Group’s purchase of own shares.

2 BASIS OF PREPARATION

These consolidated financial statements for the year ended 31 December 2025 have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC interpretations).

The consolidated financial statements are presented at historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets, unless otherwise disclosed.

The preparation of consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of complexity, or areas where assumptions and estimates are significant to consolidated financial statements are disclosed in Note 5. These have been applied consistently for all years presented unless otherwise stated.

The consolidated financial statements are presented in UAE Dirhams (“AED”), which is also the functional currency of the Company and its Subsidiary. All values have been rounded to the nearest thousand (“000”), unless otherwise disclosed.

Financial results and cashflows for the year ended 31 December 2024

The transfer of the RTA Parking Business to Parkin Company P.J.S.C. was effective on 1 January 2024 and represents a capital reorganisation (Note 33). The consolidated financial statements of the Group are presented as a continuation of the RTA Parking Business. Therefore, the transfer represents the predecessor method of accounting and retrospective presentation is used. The assets and liabilities were transferred from RTA to the Company on 1 January 2024, at their predecessor carrying values and fair value measurement was not required.

As on 1 January 2024, the net parent investment amounted to AED 12.6 million. During the year ended 31 December 2024, DIF contributed an amount of AED 60 million comprising of share capital (Note 30) and the Department of Finance (controlled by the ultimate controlling party) made an additional contribution of AED 61.5 million on behalf of the Parent which is not intended to be recalled.

The sum of capital contributed by the Parent (DIF) and on behalf of the Parent and the net parent investment resulting from the transfer of the Parking Business of RTA to Parkin Company P.J.S.C. was initially recorded within net parent investment and subsequently transferred to retained earnings.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

New standards, interpretations and amendments to existing standards as adopted by the Group

The following are new standards, amendments and interpretations of IFRS Accounting Standards ("IFRS") that have been adopted by the Group. The application of these revised IFRSs, except where stated, have not had any material impact on the amounts reported for the current and prior years:

- Amendments to IAS 21: amendments regarding the Effects of Changes in Foreign Exchange Rates

New standards, interpretations and amendments issued but not yet effective

The standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group has not early adopted these standards, interpretations and amendments.

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective 01 January 2026)
- Annual Improvements to IFRS Accounting Standards – Volume 11 (effective 01 January 2026)
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (effective 01 January 2026)
- IFRS 19, 'Subsidiaries without Public Accountability' – Disclosures (effective 01 January 2027)
- IFRS 18, 'Presentation and Disclosure in Financial Statements' (effective 01 January 2027)

These standards, interpretations, and amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions with the exception of IFRS 18 whose impact is currently being evaluated by the Group.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies used in the preparation of these consolidated 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 accumulated impairment loss. The cost of property and equipment is the value of the consideration given to acquire the assets and the value of other costs 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 Group 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	5 to 15 years
Motor vehicles	5 years
Office equipment and furniture	3 to 7 years
Leasehold improvements	5 years*

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 4.12.

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 maintenance 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 Group's policies.

*The Group depreciates leasehold improvements over the lower of the useful life of the assets or the accompanying lease term.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

4.2 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of 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 are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss. The expected useful life of the intangible assets are as follows:-

Parking operation rights	49 years
Developer parking arrangements	4-10 years
Parking operation systems	4-15 years
Software	4 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and comprehensive income.

4.3 Financial instruments

Financial assets and financial liabilities (financial instruments) are recognised when the Group 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 consolidated statement of profit or loss and other 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 group otherwise these are classified as non-current. The financial instruments are classified to be measured at Amortised Cost, at Fair Value through Profit or 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 Group's financial assets consist of trade and other receivables (excluding VAT receivables and project and other advances), other asset, due from related parties, short-term deposits with bank, and cash and cash equivalents. The Group's financial liabilities consist of borrowings, lease liabilities, trade and other payables, and due to related parties.

- 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).

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

4.3 Financial instruments (continued)

- 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 consolidated statement of profit or loss and other 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 Group 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 consolidated statement of profit or loss and other 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 Group'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 the consolidated statement of profit or loss and other comprehensive income.

4.4 Trade and other receivables

A trade receivable represents the Group'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 enforcement, and commissions for processing fees from telecom operators. 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 4.13.

4.5 Trade and other payables

These represents liabilities for goods and services provided to the Group 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 consolidated 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)

4.6 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group 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 Group performs its obligations under the contract.

The Group 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.

4.7 Provisions

Provisions are recognised when the Group 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. 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 consolidated statement of profit or loss and other comprehensive income.

Provision for employee benefits:

(a) Annual Leave

An accrual is made for employees, 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 the consolidated statement of financial position. The accrual relating to annual leave and leave passage is disclosed as a current liability.

(b) Pension and social security policy

The Company 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 expense" in the consolidated statement of profit or loss and other comprehensive income.

(c) End-of-service benefits to non-UAE nationals

Provision is made for the full amount of end-of-service benefits due to the non-UAE nationals in accordance with the applicable UAE Labour Law (Federal Decree Law No. 33 of 2021), for their periods of service up to the consolidated 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 liability for employees end of service benefits recognised in the consolidated statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit plan is unfunded where no plan assets are set aside in advance to provide for future liabilities; instead, the liabilities are met out of the Group's own resources as they fall due. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method and in accordance with the labour laws of the countries in which the Group operates.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used. The net interest cost is calculated by applying the discount rate to the defined benefit obligation. This cost is included in finance costs in the consolidated statement of profit or loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in the accumulated results in the consolidated statement of changes in equity and in the statement of financial position. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated statement of profit or loss as past service costs.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

4.8 Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial assets, financial liabilities and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/ payments through the expected life of the financial assets/ liabilities, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. The future cash receipts/ payments are estimated taking into account all the contractual terms of the instrument.

4.9 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated 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.

4.10 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 Group.

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 Group 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 consolidated 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 consolidated financial statements on a recurring basis, the Group 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 Group has determined classes of assets and liabilities on the basis of their nature and characteristics.

4.11 Impairment of non-financial assets

The Group 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 Group 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 MATERIAL ACCOUNTING POLICIES (continued)

4.11 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 consolidated statement of profit or loss and other 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 Group 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 consolidated statement of profit or loss and other comprehensive income.

4.12 Impairment of financial assets

Credit-impaired financial assets

At each reporting date, the Group 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 Group expects to receive, discounted at the original effective interest rate of the financial instrument.

Trade and other receivables

For trade and other receivables, the Group applies a simplified approach in calculating Expected Credit Loss ("ECL"). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix, as disclosed in Note 28, that is based on the Group's historical recovery data adjusted for forward-looking factors and the time value of money.

The Group considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising 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
Others	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 Group has applied an average of the change in GDP% and the change in the population of UAE as macroeconomic factors.

The Group 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 MATERIAL ACCOUNTING POLICIES (continued)

4.12 Impairment of financial assets (continued)

Presentation of allowance for ECL in the consolidated 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 consolidated statement of profit or loss and other comprehensive income.

Write-offs

Write-offs are recognised when the Group 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.

4.13 Right-of-use assets and Lease liabilities

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 fulfilment 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 statement of income. Short-term leases are leases with a lease term of 12 months or less.

Group as a lessee - Right-of-use assets

The Group 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 Group 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.

The right-of-use for assets tailored and used for the provision of services under the service concession arrangement (Note 27) are included as intangible assets and not right-of-use assets, inline with IFRIC 12.

Group as a lessee - Lease liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating a lease, if the lease term reflects the Group 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 year in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the group 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 MATERIAL ACCOUNTING POLICIES (continued)

4.14 Revenue recognition

The Group 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 Group 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 Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group 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 Group 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 Group's performance as and when the Group performs;
- The Group's performance does not create an asset with an alternative use to the Group and the Group 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 Group is required to determine whether it acts as a principal or an agent.

The Group acts as a principal if it controls a promised good or service before transferring it to the customer. The Group 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 Group has discretion in establishing the price for the specified good or service, whether the Group is primarily responsible for fulfilling the promise to deliver the service or good.

Where the Group is acting as a principal, revenue is recorded on a gross basis. Where the Group is acting as an agent revenue is recorded as a net amount reflecting the margin earned. The Group has generally concluded that it is the principal in its revenue arrangement, because it typically controls the goods or services before transferring them to the customer.

Revenue is recognised in the consolidated financial statements to the extent that it is probable the at the economic benefit will flow to the Group 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 Group's activities as follows:

(a) *Parking fee*

Revenue from parking fees is recognised at a point in time when the parking ticket is issued. The transaction price is fixed and is paid upfront by the customer. Each time a parking ticket is issued to the customer to park their vehicle represents a distinct performance obligation.

Parking fees can be split into three categories as follows:

- On-street/off-street public parking fee: Revenue from on-street/off-street public parking fees paid by customers.
- Multistorey building public parking fee: Revenue from parking fees in multistorey parking buildings operated and managed by the Group.
- Developer parking fee: The parking fees for parking spaces in developer and/or private locations.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

4.14 Revenue recognition (continued)

(b) *Enforcement*

Revenue from enforcement 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 enforcement on UAE registered vehicles, 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 enforcement levied on vehicles registered in other countries are recognised as revenue when collected due to the limited enforceability of these enforcements that result in a significantly diminished probability of successful collection. The transaction price is fixed for each category of violation.

(c) *Permits and seasonal cards*

Revenue from the sale of permits and seasonal cards is recognised 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. The performance obligation is the right to park vehicles at the parking spaces for a specified duration, for the tenure of a permits or seasonal cards.

(d) *Reservations*

Revenue from reservations 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. The performance obligation is the reservation right to park vehicles in 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 Multistorey parking buildings and fixed fees received from third party operators operating the 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.

4.15 Cash and cash equivalents and short-term deposits with bank

For the purpose of the consolidated statement of cashflows, cash and cash equivalents are comprised of cash held in bank in the current accounts, deposits held at call with the bank and deposits held with bank with original maturities of three months or less.

Deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition. Deposits are presented as “short-term deposits with bank” if they have a maturity of over three months from the date of acquisition.

4.16 Contingencies

Contingent liabilities are not recognised in the consolidated 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 consolidated financial statements but disclosed when an inflow of economic benefits is probable.

4.17 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs which are subsequently carried at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is amortised over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities in case if settlement is due within 12 months otherwise, they are classified as non-current liabilities.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing cost consist of profit and other costs that an entity incurs in connection with the borrowing of funds.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

4.18 Current versus non-current classification

The Group presents assets and liabilities in the consolidated 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 Group classifies all other liabilities as non-current.

4.19 Service concession agreement

The Group applies IFRIC 12 interpretation that specifies the common characteristics of concession agreements:

- the grantor, usually a public authority, is required to provide a public service that it delegates to the concessionaire (determining criterion);
- the concession operator (Parkin), is responsible for managing the related infrastructure and performing the actual public service and is not just a simple agent acting on orders;
- the concession operator is entrusted with specific infrastructure expansion or upgrading obligations while maintaining the infrastructure in proper condition; and
- the price and the conditions (regulation) for price revision are set at the origin of the contract.

For a concession contract to be included in the scope of IFRIC 12, the infrastructure must be controlled by the grantor. Control of the infrastructure by the grantor is ensured when the following two conditions are met:

1. the grantor controls or regulates the public service, i.e. it controls or regulates the services to be provided through the infrastructure subject to the concession and determines to whom and at what price they should be provided; and
2. the grantor controls all residual interest in the infrastructure at the end of the contract. This control is usually reflected through the grantor's right to take over the infrastructure at the end of the contract.

The Company recognises an intangible asset arising from a service concession arrangement when it has a right to charge the users for use of the concession infrastructure. An intangible asset received as consideration for providing the upfront fee in a service concession arrangement is measured at fair value on initial recognition.

The concession rights are stated at cost, less accumulated amortisation and accumulated impairment loss, if any. The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Company is able to charge the public for the use of the infrastructure to the end of the concession period.

Concession agreement rights included within intangibles assets include the amount of fixed concession fee paid to RTA in accordance with the concession agreement entered with the RTA for the Parking Business and the deferred payment of AED 300 million (Note 27). These intangible assets have finite useful life and are measured at cost less accumulated amortisation and accumulated impairment loss, if any.

Amortisation is recognised on a straight-line basis over the life of the concession term.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

4.20 Value added tax

Expenses and assets are recognised net of the amount of tax, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of VAT receivables or VAT payables in the consolidated statement of financial position.

4.21 Income tax

Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised in directly in equity or in other comprehensive income.

Current Tax

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous year. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
 - is not a business combination; and
 - at the time of the transaction
 - i) affects neither accounting nor taxable profit or loss and
 - ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

4.22 Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding, excluding treasury shares. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares on formation for the effects of all dilutive potential ordinary shares.

4.23 Treasury shares

Treasury shares instruments that are reacquired (“own shares”) are recognised at cost and deducted from equity. No gain or loss is recognised in statement of profit or loss on the purchase, sale, issue, or cancellation of the Company's own equity instruments. Such own shares may be acquired and held by the entity or by a third party on behalf of the Company. Consideration paid or received shall be recognised directly in equity. Treasury shares are not included in the calculation of dividends or earnings per share.

4.24 Rounding of amounts

All amounts included in the consolidated financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

4.25 Segment reporting

For management purposes, the Group is organised into one segment, which is the Parking Business. Accordingly, the Group 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 is the Chief Executive Officer of the Company.

4.26 Dividend distribution

Dividends to the Company's shareholders are recognised in the consolidated financial statements in the year in which the dividends are approved by the Company's shareholders.

4.27 Basis of consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group applies the acquisition method of accounting to account for business combinations, except for acquisitions involving entities under common control, which are accounted for using the predecessor method. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the consolidated statement of profit or loss. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated statement of profit or loss.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

4.27 Basis of consolidation (continued)

(a) Subsidiaries (continued)

The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interests recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of financial position.

(b) Transactions eliminated on consolidation

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Changes in interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant shares acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(d) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the consolidated statement of profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

5 SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. 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 year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future periods.

Critical accounting estimates and assumptions - 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) Useful lives of property and equipment, right-of-use assets, and intangible assets

The Group'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.

5 SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)

b) *Provision for expected credit losses of trade and other receivables*

The Group 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 Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information refer to Note 4.13 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 Group'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/decrease in the macro-economic factors would result in approximately AED 1.2 million change in the provision expense to the Group for the year ended 31 December 2025 and AED 0.7 million change in the provision expense to the Group for the year ended 31 December 2024.

Critical accounting judgments - The following are the critical accounting judgments, apart from those involving estimations discussed above, that management made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(a) *Impairment of non-financial assets*

The Group 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 Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. 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 Group 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.

(d) *Determining whether RTA's voluntary right to terminate is substantive or not*

As per the terms of the concession agreement, RTA has an option to voluntarily terminate the agreement by giving notice of voluntary termination to the Company and paying the termination value as determined on the termination date based on terms of the concession agreement. The Company applies judgement in evaluating whether it is reasonably certain whether RTA will exercise the option to terminate the agreement. Based on the judgement applied, the Group believes it will not be economically beneficial for RTA to exercise the rights and voluntarily terminate this agreement as the termination payment will significantly exceed the upfront concession payment made by Parkin to acquire concession right.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**

6 REVENUE

Set out below is the disaggregation of the Group's revenue:

	2025 AED'000	2024 AED'000
<u>Recognised at a point in time:</u>		
- Parking fee		
<i>On-street/off-street public parking fee</i>	524,492	404,590
<i>Developer parking fee</i>	94,013	69,507
<i>Multistorey building public parking fee</i>	14,415	11,829
- Enforcement*	408,653	249,091
Total revenue recognised at a point in time	1,041,573	735,017
<u>Recognised over time:</u>		
- Permits and seasonal cards		
<i>Developer</i>	1,772	5,570
<i>Non-developer</i>	220,215	147,261
- Reservations	34,161	19,437
- Other services	10,581	8,527
Total revenue recognised over time	266,729	180,795
Total revenue	1,308,302	915,812

* Formerly referred to as 'fines' in the financial statements for the year ended 31 December 2024.

7 OTHER INCOME

	2025 AED'000	2024 AED'000
Recoveries from written-off receivables	1,022	1,046
Gain on termination of lease liability (Note 16)	1,034	-
Gain on disposal of fixed assets (Note 14)	14	-
Others	2	37
	2,072	1,083

8 FINANCE INCOME

	2025 AED'000	2024 AED'000
Profit on fixed deposits	15,607	8,275

9 COMMISSION EXPENSE

	2025 AED'000	2024 AED'000
<u>Service providers commission:</u>		
- Telecom operators*	36,072	28,876
- Other agencies	7,785	3,714
	43,857	32,590

* Commission charges from telecom operators include the commission payment for collection of parking fees on behalf of the Group. Additionally, the share of the SMS convenience fee received by the Group from telecom operators of AED 10.6 million has been netted off from the commission expense for the year ended 31 December 2025 (31 December 2024: AED 9.9 million).

10 FINANCE COST

	2025 AED'000	2024 AED'000
Finance cost on bank facilities*	55,681	61,088
Finance charge on lease liabilities (Note 16)	1,888	1,278
Processing fee on revolving credit facility	-	250
Unwinding of capitalised upfront fee on loan	550	504
Finance cost on employees' end-of-service benefits (Note 23)	1,144	907
	<u>59,263</u>	<u>64,027</u>

* Finance cost on bank facilities relates to a revolving credit facility and a term loan taken with Emirates NBD Bank P.J.S.C. ("ENBD") which is a related party, refer Note 19 for reference.

11 EMPLOYEE BENEFIT EXPENSE

	2025 AED'000	2024 AED'000
Salaries and wages	120,310	96,566
Other benefits and allowances	15,451	5,163
End of service benefits (Note 23)	1,937	1,932
	<u>137,698</u>	<u>103,661</u>

12 DEPRECIATION AND AMORTISATION EXPENSE

	2025 AED'000	2024 AED'000
Depreciation on property and equipment (Note 14)	7,608	10,840
Depreciation on right-of-use assets (Note 16)	7,797	1,512
Amortisation of intangible assets (Note 15)	36,116	35,547
	<u>51,521</u>	<u>47,899</u>

13 OTHER EXPENSES

	2025 AED'000	2024 AED'000
Professional fees	15,636	13,823
Advertisement and marketing	13,840	5,522
Information and technology	9,203	1,519
Transitional service expense (Note 19)	8,590	12,788
Board members' remuneration	6,310	3,860
Outsourced administrative services	5,175	-
Secretarial expense	1,351	-
Fuel and transportation	922	4,433
Insurance expense	443	450
Corporate social responsibility	356	-
Miscellaneous expenses	7,192	5,455
	<u>69,018</u>	<u>47,850</u>

14 PROPERTY AND EQUIPMENT

For the year ended 31 December 2025:

	Machinery and equipment AED'000	Motor vehicles AED'000	Office equipment and furniture AED'000	Leasehold improvements AED'000	Work in progress AED'000	Total AED'000
Cost						
At 1 January 2025	149,910	94	4,897	5,207	-	160,108
Additions	8,830	-	158	1,140	1,532	11,660
Disposals	(8,680)	-	-	-	-	(8,680)
At 31 December 2025	150,060	94	5,055	6,347	1,532	163,088
Accumulated depreciation						
At 1 January 2025	129,515	94	886	421	-	130,916
Disposals	(8,615)	-	-	-	-	(8,615)
Depreciation charge for the year	5,465	-	962	1,181	-	7,608
At 31 December 2025	126,365	94	1,848	1,602	-	129,909
Net carrying amount						
At 31 December 2025	23,695	-	3,207	4,745	1,532	33,179

For the year ended 31 December 2024:

	Machinery and equipment AED'000	Motor vehicles AED'000	Office equipment and furniture AED'000	Leasehold improvements AED'000	Work in progress AED'000	Total AED'000
Cost						
At 1 January 2024	154,700	586	6,288	-	3,600	165,174
Additions	6,693	-	3,876	5,207	-	15,776
Transfer from related party	720	-	917	-	-	1,637
Transfer to related party	(12,203)	(492)	(6,184)	-	(3,600)	(22,479)
At 31 December 2024	149,910	94	4,897	5,207	-	160,108
Accumulated depreciation						
At 1 January 2024	131,764	338	6,170	-	-	138,272
Depreciation charge for the year	9,982	-	437	421	-	10,840
Transfer from related party	329	-	361	-	-	690
Transfer to related party	(12,560)	(244)	(6,082)	-	-	(18,886)
At 31 December 2024	129,515	94	886	421	-	130,916
Net carrying amount						
At 31 December 2024	20,395	-	4,011	4,786	-	29,192

Machinery and equipment includes parking equipment, ticketing equipment, office and security equipment and communication equipment.

Land, multistorey buildings parking, 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 Group's operation, however, the title of these will remain with RTA. The Company has entered into a concession agreement with RTA (Note 27) wherein, rights are provided to the Company to use these assets against a concession fee. Accordingly, these assets are not included in the consolidated financial statements of the Group.

Management did not identify any indicators of impairment for property and equipment for all years presented.

PARKIN COMPANY P.J.S.C.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**

15 INTANGIBLE ASSETS

For the year ended 31 December 2025:

	Parking operation rights AED'000	Developer parking arrangements AED'000	Parking operation systems AED'000	Software AED'000	Intangible assets under development AED'000	Total AED'000
Cost						
At 1 January 2025	1,400,000	41,619	20,171	-	3,190	1,464,980
Additions	-	-	-	1,676	610	2,286
Write-off (Note 16)	-	(10,864)	-	-	-	(10,864)
Transferred	-	-	-	3,393	(3,393)	-
At 31 December 2025	1,400,000	30,755	20,171	5,069	407	1,456,402
Accumulated Amortisation						
At 1 January 2025	28,571	22,601	17,342	-	-	68,514
Write-off (Note 16)	-	(3,167)	-	-	-	(3,167)
Charge for the year	28,571	5,584	942	1,019	-	36,116
At 31 December 2025	57,142	25,018	18,284	1,019	-	101,463
Net carrying amount At 31 December 2025	1,342,858	5,737	1,887	4,050	407	1,354,939

For the year ended 31 December 2024:

	Parking operation rights AED'000	Developer parking arrangements AED'000	Parking operation systems AED'000	Software AED'000	Intangible assets under development AED'000	Total AED'000
Cost						
At 1 January 2024	-	-	-	28,868	3,659	32,527
Transferred under IFRIC 12*	-	41,619	28,868	(28,868)	-	41,619
Additions	1,400,000	-	1,251	-	3,190	1,404,441
Transfer to related party	-	-	(9,948)	-	(3,659)	(13,607)
At 31 December 2024	1,400,000	41,619	20,171	-	3,190	1,464,980
Accumulated amortisation						
At 1 January 2024	-	-	-	23,198	-	23,198
Transferred under IFRIC 12*	-	16,546	23,198	(23,198)	-	16,546
Charge for the year	28,571	6,055	921	-	-	35,547
Transfer to related party	-	-	(6,777)	-	-	(6,777)
At 31 December 2024	28,571	22,601	17,342	-	-	68,514
Net carrying amount At 31 December 2024	1,371,429	19,018	2,829	-	3,190	1,396,466

* Developer parking arrangements and Parking operation systems pertains to assets tailored and used for the provision of services under the service concession arrangement (Note 27) and accordingly have been included as intangible assets under IFRIC 12.

15 INTANGIBLE ASSETS (continued)

Certain software licenses for IT equipment are dedicated to Group's operation, however, the title of these will remain with RTA. The Company has entered into a concession agreement with RTA (Note 27) wherein, rights are provided to the Company to use these assets against a concession fee. Accordingly, these intangible assets are not included in the consolidated financial statements of the Group.

Intangible assets under development are not amortised until they become available for use. Management did not identify any indicators of impairment for intangible assets for all years presented.

16 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

In accordance with the Concession agreement, RTA has novated the developer contracts relating to the RTA Parking Business to Parkin, effective 1 January 2024. These developer contracts pertain to the operation and management of parking spaces within developer and/or private locations. Certain of these contracts contain a lease in accordance with the lease definition of IFRS 16.

The right-of-use assets covering the developer and/or private locations that were received as part of the Service Concession Arrangement have been transferred and included within "developer parking rights" as a part of intangible assets.

In addition to the above, the Group leased an office premises with a lease term of five years, developer / private parking arrangements with lease terms of up to ten years, and vehicle lease agreements with lease terms of four years.

Information about leases for which the Group is a lessee is presented below.

(a) Right-of-use assets

For the year ended 31 December 2025:

	Office premises AED'000	Vehicles AED'000	Developer / Private parking AED'000	Total AED'000
Cost:				
At 1 January 2025	9,474	-	-	9,474
Additions	-	8,660	31,580	40,240
At 31 December 2025	9,474	8,660	31,580	49,714
	Office premises AED'000	Vehicles AED'000	Developer / Private parking AED'000	Total AED'000
Accumulated depreciation:				
At 1 January 2025	1,512	-	-	1,512
Charge for the year	1,802	2,609	3,386	7,797
At 31 December 2025	3,314	2,609	3,386	9,309
Net carrying amount				
At 31 December 2025	6,160	6,051	28,194	40,405

For the year ended 31 December 2024:

	Office premises AED'000
Cost:	
At 1 January 2024	41,619
Transferred to intangible assets (Note 15)	(41,619)
Additions during the year	9,474
At 31 December 2024	9,474

16 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(a) Right-of-use assets (continued)

	Office premises AED'000
Accumulated depreciation:	
At 1 January 2024	16,546
Transferred to intangible assets (Note 15)	(16,546)
Charge for the year	1,512
At 31 December 2024	<u>1,512</u>
Net carrying amount	<u>7,962</u>

(b) Lease liabilities- movement

	2025 AED'000	2024 AED'000
At 1 January	30,069	27,181
Additions during the year	40,240	9,474
Lease termination during the year*	(8,731)	-
Finance charge for the year	1,888	1,278
Lease repayments during the year	(12,940)	(5,514)
Transferred to trade and other payables	(2,464)	(2,350)
	<u>48,062</u>	<u>30,069</u>

* Pertains to a termination of the lease. Accordingly, the lease liability and the accompanying intangible asset (Note 15) is written off with the difference recorded within other income in the consolidated statement of profit or loss and other comprehensive income.

(c) Lease liabilities- classification

	2025 AED'000	2024 AED'000
Current	18,939	7,313
Non-current	29,123	22,756
Balance at the end of the year	<u>48,062</u>	<u>30,069</u>

(d) Amount recognised in profit or loss

	2025 AED'000	2024 AED'000
Finance charge on lease liabilities (Note 10)	1,888	1,278
Depreciation of right-of-use assets	7,797	1,512
Variable lease payments	35,908	13,697
Gain on termination of lease liability	1,034	-

(e) Amount recognised in the statement of cash flows

	2025 AED'000	2024 AED'000
Principal element of lease payments	11,328	4,927
Interest element of lease payment	1,612	587
	<u>12,940</u>	<u>5,514</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**

16 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(f) Lease payments

Certain leases contain variable lease payment based on the revenue generated from operating the parking facilities in developer/private areas. Fixed and variable rental payments for the years ended 31 December were as follows:

	2025 AED'000	2024 AED'000
Fixed payments	12,940	5,514
Variable payments	35,908	13,697
	<u>48,848</u>	<u>19,211</u>

17 TRADE AND OTHER RECEIVABLES

	2025 AED'000	2024 AED'000
Enforcement receivables*	203,550	140,638
Telecom receivables	37,294	29,127
Police receivables	48,614	43,178
Other trade receivables	1,500	-
Less: loss allowance on enforcement receivables, telecom receivables and other trade receivables	<u>(30,516)</u>	<u>(23,211)</u>
	260,442	189,732
VAT receivable	6,136	2,974
Project and other advances	14,847	8,964
Other receivables	8,922	8,129
	<u>290,347</u>	<u>209,799</u>

* referred to as 'fines' in the financial statements for the year ended 31 December 2024.

There is no loss allowance or impairment on police receivables, VAT receivables, project and other advances and other receivables (Note 28).

Movements in the loss allowance are as follows:

	2025 AED'000	2024 AED'000
At 1 January	23,211	22,091
Write off during the year on enforcement receivables	(8,258)	(11,191)
Provision for expected credit losses for the year on the enforcement receivables	13,916	12,312
Provision for expected credit losses /(reversal) during the year on telecom receivables	147	(1)
Provision for expected credit losses for the year on the other trade receivables	1,500	-
Balance at the end of the year	<u>30,516</u>	<u>23,211</u>

The provision for expected credit losses for the year receivables has been included in "Impairment loss on trade receivables" in the consolidated statement of profit or loss and other comprehensive income. The Group writes off trade receivables when there is no realistic prospect of recovery, which is estimated by management to be at the end of five years.

18 OTHER ASSET AND TREASURY SHARES

The Company engages third-party licensed Market Makers on the Dubai Financial Market that offers liquidity provision services, to place buy and sell orders of the Company's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. The initial advance balance remitted to the liquidity providers amounted to AED 25,000,000, and the outstanding balance as of 31 December 2025, stands at AED 12,348,842 (31 December 2024: AED 12,973,299).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**

18 OTHER ASSET AND TREASURY SHARES (continued)

Below are the details relating to own shares:

	2025	2024
<i>i) Treasury shares</i>		
Number of shares outstanding	2,225,093	421,083
Nominal value per share (AED)	0.02	0.02
Share's nominal value at the end of the year (AED'000)	45	8
	2025	2024
	AED'000	AED'000
<i>ii) Treasury shares reserve</i>		
Own shares premium	11,996	2,046
Cash dividend	(247)	(27)
At the end of the year	11,749	2,019
Total treasury shares	11,794	2,027

19 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 Group, in the normal course of business, receives services from related parties. These transactions comprise services availed by the Group from the various agencies at terms determined by the management. Unless otherwise stated, the transactions are entered into at market terms. The balances are unsecured and payable in cash.

The Group has availed the exemption as per para 25 of IAS 24 Related Party Disclosure. To meet the disclosure requirements of IAS 24, the Group has disclosed the nature and amount of each individually significant transaction and there are no other transactions that are collectively significant to be disclosed.

Significant transactions and balances with related parties:

	2025 AED'000	2024 AED'000
Balances:		
Due from related parties		
<i>Entities under common control of the Government of Dubai</i>		
Roads and Transport Authority*	115,620	130,713
Digital Dubai Government Establishment	39,514	20,801
	<u>155,134</u>	<u>151,514</u>
Due to related parties		
<i>Entities under common control of the Government of Dubai</i>		
Roads and Transport Authority*	394,164	368,023
Others	132	30
	<u>394,296</u>	<u>368,053</u>

*The Group does not have an enforceable right to offset the balances due to and due from the Roads and Transport Authority and, accordingly, these balances have been presented separately in the consolidated statement of financial position. Amounts due to related parties include a deferred concession fee of AED 300 million payable to the Roads and Transport Authority.

	2025 AED'000	2024 AED'000
Loan from a related party		
<i>Entities under common control of the Government of Dubai</i>		
ENBD	<u>1,098,304</u>	<u>1,097,754</u>

The Group obtained financing facilities with ENBD, a related party, as has been disclosed in Note 22.

Cash and cash equivalents and short-term deposits with bank as disclosed in Note 21 and Note 20 respectively are held with ENBD.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**

19 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Significant transactions and balances with related parties (continued):

The Group has entered into various agreements with developers to lease and operate parking areas.

	2025 AED'000	2024 AED'000
<i>Lease liabilities balance at the end of the year (Note 16)</i>		
<i>Entities under common control of the Government of Dubai</i>		
DH Parking Management LLC	22,610	-
Dubai Commercial Assets LLC	4,650	-
Dubai Silicon Oasis Authority	2,973	5,900
TECOM Investment FZ-LLC	2,928	13,055
DCM Districts LLC	1,846	2,689
	<u>35,007</u>	<u>21,644</u>

	2025 AED'000	2024 AED'000
<i>Trade and other payables balance at the end of the year (Note 24)</i>		
<i>Entities under common control of the Government of Dubai</i>		
DCM Districts LLC	8,028	3,253
Dubai Multi Commodities Centre	3,471	2,772
DH Parking Management LLC	3,100	-
TECOM Investment FZ-LLC	1,000	1,251
Wasl LLC	687	-
Islamic Affairs and Charitable Activities Department	685	-
Dubai Healthcare city	310	-
Dubai Commercial Assets LLC	262	-
New Central Dubai Fruits and Vegetables Market LLC	37	-
Meraas Holding LLC	21	-
	<u>17,601</u>	<u>7,276</u>

Trade and other receivables balance at the end of the year (Note 17)

As on 31 December 2025, police receivables include AED 23 million (31 December 2024: AED 27 million) due from Dubai Police which is a related party.

	2025 AED'000	2024 AED'000
<i>Variable lease payments during the year (Note 16)</i>		
<i>Entities under common control of the Government of Dubai</i>		
Dubai Multi Commodities Centre	12,031	10,623
DH Parking Management LLC	4,874	-
DCM Districts LLC	2,203	2,286
Wasl LLC	370	-
Dubai Commercial Assets LLC	185	-
TECOM Investment FZ-LLC	-	788
	<u>19,663</u>	<u>13,697</u>

Lease liabilities payments during the year (Note 16)

<i>Entities under common control of the Government of Dubai</i>		
Dubai Silicon Oasis Authority	3,000	3,000
DH Parking Management LLC	3,543	-
TECOM Investment FZ-LLC	-	1,000
Dubai Commercial Assets LLC	981	-
Dubai Healthcare city	209	-
	<u>7,733</u>	<u>4,000</u>

19 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Other transactions with owners in their capacity as owners

During the year ended 31 December 2024, Parkin entered into transactions with RTA. The transactions were done so at the behest of the Government of Dubai which ultimately owns both RTA and Parkin. Accordingly, the below transactions have been recorded directly in equity.

- Employees' end-of-service benefits receivable from RTA: During the year ended 31 December 2024, RTA has agreed to reimburse Parkin for future end of service-related benefits for an amount of AED 30,449 thousand.
- Employees' end-of-service benefits not transferred: During the year ended 31 December 2024, RTA waived off AED 25,686 thousand of employees' end of service benefits for employees that were not transferred to Parkin (Note 27).
- Provision for leave not transferred: During the year ended 31 December 2024, RTA waived off AED 305 thousand of provision for leave for employees that were not transferred to Parkin.
- Trade and other payables not transferred: During the year ended 31 December 2024, RTA has waived off and taken the obligation of AED 70,707 thousand in trade payables due to third parties which were accordingly not transferred to Parkin.
- Assets and liabilities transferred from and to RTA: During the year ended 31 December 2024, the below assets and liabilities were transferred from/(to) RTA at no consideration. Accordingly, AED 16,600 was recorded directly in equity.

	Transferred from RTA	Transferred to RTA	Net amount transferred from/to RTA
	AED'000	AED'000	AED'000
Property and equipment	947	3,593	(2,646)
Intangible assets	-	6,830	(6,830)
Due from related parties	-	5,016	(5,016)
Trade receivables	-	2,108	(2,108)
Total	947	17,547	(16,600)

Key management remuneration

	2025 AED'000	2024 AED'000
Salaries and other benefits	7,289	5,941
End of service benefits	73	37
	7,362	5,978

RTA assets used by the Group: Land for on-street parking spaces, off-street parking lots, and multistorey parking buildings are owned by RTA. These assets are being used by the Group under the Concession Agreement (Note 27) for all years presented.

Transitional Service Agreement: In 2024, the Company entered into a transitional services agreement ("TSA") with RTA, effective from 1 January 2024, wherein RTA is providing 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, Administration, Marketing, and Communication, all in accordance with the terms specified in the TSA. The scope of the TSA services availed by the Company has been significantly reduced as the Group has developed its own capabilities in both the years.

During the year ended 31 December 2025, an amount of AED 8.6 million (31 December 2024: AED 12.8 million) has been charged by RTA for such transitional services and these have been included as "Transitional service expense" as a part of "Other expenses" in the consolidated statement of profit or loss and other comprehensive income.

Service concession arrangement: In 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 14 and 15). In exchange, Parkin is obligated to make a concession payment to RTA, comprising of an upfront payment of AED 1.1 billion (paid during the year ended 31 December 2024), and a deferred payment of AED 300 million (recorded under due to related parties with RTA as at 31 December 2025 and 31 December 2024), and variable performance-based payments.

The Concession Agreement is accounted for under IFRIC 12 Service Concession Arrangements. An intangible asset measured at AED 1.4 billion is recognised representing the right to charge parking fees and parking user charges from the public granted by RTA to Parkin.

20 SHORT-TERM DEPOSITS WITH BANK

	2025 AED'000	2024 AED'000
Fixed deposits with original maturity of 3 to 12 months	<u>244,500</u>	<u>360,000</u>

Short-term deposits with bank represents Wakala deposits held with a related party, ENBD, with original maturity of more than 3 months, earning profit in the range of 3.40% to 3.80% (31 December 2024: 3.75% to 4.70%) and maturing by June 2026. Profit earned from short-term deposits with original maturity of more than 3 months was AED 12.60 million for the year ended 31 December 2025 (31 December 2024: AED 6.61 million).

21 CASH AND CASH EQUIVALENTS

	2025 AED'000	2024 AED'000
<i>Cash at bank</i>		
- Current account	-	500
- Call account	682	21,826
Fixed deposits with original maturity of less than 3 months	<u>220,000</u>	<u>20,000</u>
	<u>220,682</u>	<u>42,326</u>

Bank balance represent amounts held in current accounts with a related party, ENBD operating in the UAE.

Cash in bank represents amounts held in current account, call account and Wakala deposits maintained with a related party, ENBD. The fixed deposits included as cash equivalents as on 31 December 2025 have an original maturity period of less than 3 months and earn expected profits in the range of 3.35% to 3.65% (31 December 2024: 4.05%). Profit earned from short-term deposits of less than 3 months was AED 2.81 million for the year ended 31 December 2025 (31 December 2024: AED 1.67 million).

During the year ended 31 December 2024 the Group entered into a sweeping arrangement with Mudarabah Islamic call account whereby daily available balance in the current account is transferred to the Mudarabah Islamic call account and the Group earns profit on the daily available bank balance.

As at 31 December 2025, the Group had performance guarantees outstanding amounting to AED 6.342 million (31 December 2024: Nil), held as security for the performance of obligations under certain developer parking arrangements.

22 BORROWINGS

	2025 AED'000	2024 AED'000
Term loan from ENBD	1,100,000	1,100,000
Unamortised loan cost	<u>(1,696)</u>	<u>(2,246)</u>
	1,098,304	1,097,754
Less: current portion	-	-
Non-current portion	<u>1,098,304</u>	<u>1,097,754</u>

On 26 January 2024, Parkin and ENBD entered into an agreement for AED 1.2 billion unsecured credit facilities (the "Facilities"). The Facilities include an AED 1.1 billion 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, and secondly for general corporate purposes including fees and expenses in relation to the Facilities. Principal amounts outstanding under the AED 1.1 billion Murabaha term financing facility will be due and payable in full on final maturity which is 5 years from the date of the facility agreement.

Borrowings under the term facility carries variable profit 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.

22 BORROWINGS (continued)

The Facilities contain customary representations and warranties, subject to limitations and exceptions and customary covenants restricting the Group'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.

	2025 AED'000	2024 AED'000
Undrawn revolving credit facility	<u>100,000</u>	<u>100,000</u>

The Group is also required to comply with financial covenant, leverage (Net Debt to EBITDA): 4.5x or lower tested semi-annually. The Group complied with the financial covenant for all years presented.

23 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the end of service provision for the year ended 31 December 2025 and year ended 31 December 2024 are as follows:

	2025 AED'000	2024 AED'000
As 1 January	23,098	54,356
Employees transferred back to RTA (Note 19) *	-	(25,686)
Current service cost for the year	1,937	1,932
Finance cost for the year	1,144	907
Payouts during the year	(456)	-
Remeasurement of employees' end of service benefits	28	(8,411)
Balance at the end of the year	<u>25,751</u>	<u>23,098</u>

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 2025 and 31 December 2024, 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.

* Post incorporation of the Company, certain employees remained with RTA. This amount relates to the end of service benefits for the employees not transferred.

The amounts recognised in the consolidated statement of profit or loss are as follows:

	2025 AED'000	2024 AED'000
Current service cost (Note 11)	1,937	1,932
Interest cost (Note 10)	<u>1,144</u>	<u>907</u>
Total profit or loss impact	<u>3,081</u>	<u>2,839</u>

The amounts recognised as other comprehensive income are as follows:

	2025 AED'000	2024 AED'000
Experience adjustments	592	718
Actuarial adjustments	(620)	7,693
Tax impact of actuarial adjustments	3	(757)
Total other comprehensive income	<u>(25)</u>	<u>7,654</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**

23 EMPLOYEES' END OF SERVICE BENEFITS (continued)

Actuarial assumptions used

	2025	2024
Valuation discount rate for the consolidated statement of financial position	4.10%	5.00 %
Valuation discount rate for the consolidated statement of profit or loss and other comprehensive income (p.a.)	5.00%	4.15 %
Withdrawal rate	5.00 % - 10%	5.00 % - 10%
Average salary increase rate	3.00%	5.00 %
Salary increase effective date	1st January	1st January
Duration (years)	5.39	5.41
Employee retirement age	60 years	60 years

The projected undiscounted cashflows expected in relation to the employees' end of service benefits as on 31 December 2025 and 31 December 2024 is as follows:

	2025 AED'000	2024 AED'000
Year 1	6,191	5,159
Year 2	2,056	2,457
Year 3	2,165	1,814
Year 4	2,103	1,921
Year 5	2,701	1,868
Year 6-10	9,500	9,753
Year 11 and each future year	8,187	8,309

Sensitivity analysis

The sensitivity of the key actuarial assumptions are as follows:

Change in assumption		Sensitivity of key actuarial assumptions			
		Increase/(decrease) in employees' end of service benefit			
		31 December 2025 AED'000		31 December 2024 AED'000	
Discount rate	+/-1.0%	(1,311)	1,460	(1,174)	1,306
Salary growth rate	+/-1.0%	296	(263)	152	136

24 TRADE AND OTHER PAYABLES

	2025 AED'000	2024 AED'000
Trade payables and accruals	125,883	101,623
Others	2,908	3,701
Balance at the end of the year	<u>128,791</u>	<u>105,324</u>

Trade and other payables are short-term in nature and are non-interest bearing. These are measured at amortised cost using the effective interest method.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**

25 INCOME 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 applied for the Group's financial year commencing on 1 January 2024. The Group is required to file its annual tax return and pay the declared income tax, pertaining to the financial year ended 31 December 2025, before 30 September 2026.

(i) Components of income tax expense

	2025 AED'000	2024 AED'000
Income tax		
- Current	61,924	42,626
- Deferred	-	-
Total tax expense	<u>61,924</u>	<u>42,626</u>

(ii) Reconciliation between tax expense and profit or loss multiplied by applicable tax rate

	2025 AED'000	2024 AED'000
Profit before tax	687,434	465,359
Theoretical tax charge of 0% on profit up to AED 375,000	-	-
Theoretical tax charge of 9% on profit beyond AED 375,000	61,836	41,849
Tax effect of items which are not deductible for assessable for taxation purposes	-	-
- Exempt Income	-	-
- Non-deductible expenses	91	20
Income tax recorded under profit or loss (effective tax rate of 9% (2024: 9%))	<u>61,927</u>	<u>41,869</u>
Tax effect of OCI Items that would never be reclassified to profit or loss	(3)	757
Income tax expense for the year (effective tax rate of 9% (2024: 9%))	<u>61,924</u>	<u>42,626</u>

(iii) Movement in current tax liabilities as per the consolidated statement of financial position

	2025 AED'000	2024 AED'000
At 1 January	42,626	-
Income tax expense for the year	61,924	42,626
Income tax paid	(42,626)	-
Balance at the end of the year	<u>61,924</u>	<u>42,626</u>

26 CONTRACT LIABILITIES

As of 31 December 2025, and 31 December 2024, contract liabilities consisted of AED 62.66 million and AED 41.72 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 6.16 million and AED 4.01 million represent advance payments collected from customers against parking spot reservation in public parking and multistorey buildings parking as of 31 December 2025 and 31 December 2024 respectively. The remaining amount of AED 22.77 million and AED 17.61 million relate to amounts deposited by customers in the Parking Wallet application as of 31 December 2025 and 31 December 2024 respectively.

As of 31 December 2025, and 31 December 2024, contract liabilities of AED 62.57 million and AED 41.72 million respectively, arising from seasonal cards and permits will be recognised as revenue in the next one year. Further, as of 31 December 2025 and 31 December 2024, contract liabilities of AED 6.16 million and AED 4.01 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 2025 and year ended 31 December 2024 is as follows:

	2025	2024
	AED'000	AED'000
Beginning of the /year	63,347	61,459
Add: Collection from permits and seasonal cards	242,930	151,737
Add: Collection from wallet application	106,239	88,059
Add: Collection from reservations	32,480	19,436
Less: Revenue recognised from permits and seasonal cards	(221,987)	(152,831)
Less: Revenue recognised from wallet application	(101,081)	(85,076)
Less: Revenue recognised from reservations	(30,333)	(19,437)
Ending balance	91,595	63,347

27 SERVICE CONCESSION ARRANGEMENT

On 5 February 2024, Parkin entered into a Parking Concession Agreement effective 1 January 2024 with RTA, pursuant to which RTA grants some of its mandates and powers under 2016 Parking Regulations (No. 5 of 2016) (the 2016 Parking Law. "the law"), regarding the operation, management, and supervision of parking facilities in Dubai. In respect of the Parking Concession Agreement, Parkin has made an upfront concession payment of AED 1,100 million to RTA. Further, as per the Parking Concession Agreement, Parkin has recorded a deferred concession fee of AED 300 million and a VAT payable to RTA of AED 55 million.

As on 31 December 2025 and 31 December 2024, the deferred concession fee of AED 300 million is recorded under due to related parties with RTA and the VAT payable to RTA of AED 55 million was paid to RTA during July 2024. The agreement term is for a period of 49 years unless terminated or extended as per the terms of the concession agreement. As per the terms of the concession agreement, there is no decommissioning obligations at the end of the contractual period and therefore, no liability has been recorded.

The Concession Agreement grants Parkin the right to charge parking fees and parking user charges generated by the parking facilities. RTA also grants 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 of 20% of the parking revenues quarterly which is recorded as "Concession fee expense" in the consolidated statement of profit or loss and other comprehensive income. Concession fee expense amounted to AED 204.72 million during the year ended 31 December 2025 (31 December 2024: AED 118.33 million). Additionally, in April 2025, Parkin received approval from RTA to revise its parking tariff structure and implement a variable pricing policy. This policy adjusts customer parking rates based on location and time of day. The tariff revision activates a clause in the concession agreement that modifies the variable concession fee according to a predetermined formula. As of the reporting date, Parkin and the RTA are engaged in discussions to agree on the revised concession fee, which is expected to range between 20% and 27.5%, effective from April 2025 (27.5% being the maximum rate stipulated in the Concession Agreement). In anticipation of this adjustment, management has recognized an additional provision of AED 44.46 million under "Concession fee expense" for the year ended 31 December 2025. This provision reflects the probable increase in the variable concession fee applied to revenue, based on the best estimate available at the reporting date.

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 (Note 19). Furthermore, out of a total of 450 employees from Parking Business identified as of 31 December 2024, RTA transferred 273 employees to Parkin (Note 19). Accordingly, the remaining 177 employees remained with RTA and their end of service obligation transferred back to RTA (Note 23) during the year ended 31 December 2024.

27 SERVICE CONCESSION ARRANGEMENT (continued)

Parking Operations, Parking Systems, Parking Assets: The Company has the absolute responsibility for the Dubai sideroad parking facilities, open areas parking facilities, self-operated multistorey parking facilities operations. All costs and expenses incurred in this relation are at expense of the Company.

Revisions to parking fees: The determination and adjustment of parking fees remain under the authority of the Government of Dubai. However, the Company can request fee adjustments. RTA is responsible for implementing any operational and system changes necessary for fee adjustments, ensuring that the adjusted parking fees are published in accordance with the law.

New parking facilities: During the concession period, the Company has the exclusive right and obligation to charge, collect, and retain parking fees and other user charges from users of any new parking facilities designated for public parking purposes. The Company also manages the relationship with third-party operators of multistorey parking facilities.

RTA retains all regulatory powers, including the authority to plan, develop, and allocate new parking facilities in coordination with the Government of Dubai. RTA has the right to determine when new parking areas will be paved, how parking fees will be applied, and the relevant parking fee zone. Furthermore, RTA has the right to mandate the Company to develop and/or operate multistorey parking facilities. If mandated, the Company may offer to develop the facility, subject to RTA's approval. Alternatively, the Company may assign the project to a third-party operator or develop it jointly with third parties, as agreed upon with RTA.

Termination: The Company may terminate the agreement if RTA is in breach of its obligations and if a change in law were to make it illegal or impossible for the Company to perform substantially all its obligations under the agreement. RTA may terminate the agreement by giving notice to the Company, if an insolvency event occurs, if the Company commits a prohibited act or if certain type of breaches of the agreement occur. Further, RTA also has an option to voluntarily terminate the agreement by giving notice of voluntary termination to the Company. Compensation amounts will have to be paid by either of the parties upon occurrence of certain events, that is, it will have to be paid by RTA in case of exercise of voluntary termination or breach by RTA of its obligations and will have to be paid by the Company if it commits a prohibited act. On end of the agreement, the Company shall, without consideration, transfer to RTA all rights, title and interest of assets, intellectual property rights used in Dubai parking operations.

Transitional Services Agreement

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 fixed as well as certain variable payments based on actual costs incurred.

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities and borrowings potentially expose it to a variety of financial risks including the effects of changes in market risk (including interest rate risk, price risk, foreign exchange risk and currency), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group'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 Group's exposure to each of the above risks, the Group's objectives, policies, and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors is responsible for developing and monitoring the Group's risk management policies.

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group mainly faces its interest rates risk arising on its interest-bearing liabilities such as borrowings and lease liabilities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**
28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)
Interest rate risk (continued)

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term borrowing obligations with floating interest rates. At 31 December 2025, if interest rates on borrowings had been 100 basis points higher/lower with all other variables held constant, profit for the year would have been AED 10.3 million (31 December 2024: AED 11.2 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Lease liabilities issued at fixed rates exposes the Group to fair value interest rate risk. Management monitors on periodic basis and sets limits on the level of mismatch of interest rate repricing that may be undertaken.

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 Group is not exposed to significant price risk as it does not have significant price-sensitive financial instruments.

Foreign exchange risk

Foreign exchange risk is a risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are primarily denominated in a currency that is not the Company's measurement currency. The Group is not exposed to significant foreign exchange risk as majority of its transactions are denominated in AED.

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 Group is currently not exposed to foreign exchange risk as majority of all the Group's transactions are denominated in AED.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and arises principally from trade receivables, other receivables, other asset, and receivables from related parties. The Group evaluates the concentration of risk with respect to trade receivables, other receivables, other asset, and receivables from related parties as low. The Group is exposed to credit risk primarily on trade receivables arising from enforcement, telecom operators and receivables from related parties. An impairment analysis is performed at each reporting date to measure expected credit losses. The Group is also exposed to credit risk in relation to cash and cash equivalents and short-term deposits with bank, however, the risk is considered to be minimal as the Group maintains its bank accounts with one bank in the UAE having sound credit rating (Moody's long term counterparty risk of A1). 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 enforcement

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 Group does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Group's trade receivables from enforcement receivables using a provision matrix:

31 December 2025	Expected credit loss %	Gross carrying amount AED'000	Loss allowance AED'000
Current – 395 days	7%	157,036	10,261
395+ days	40%	46,514	18,606
Total		203,550	28,867

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Impairment of trade receivables from enforcement (continued)

31 December 2024	Expected credit loss %	Gross carrying amount AED'000	Loss allowance AED'000
Current – 395 days	6%	100,902	6,520
395+ days	42%	39,736	16,689
Total		140,638	23,209

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 Group does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Group's trade receivables from telecom operators using a provision matrix.

31 December 2025	Expected credit loss %	Gross carrying amount AED'000	Loss allowance AED'000
Current – 90 days	0.01%	32,779	1
91 to 360 days	10%	4,515	148
Total		37,294	149

31 December 2024	Expected credit loss %	Gross carrying amount AED'000	Loss allowance AED'000
Current – 90 days	0.01%	29,127	2

Impairment of other trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. At each reporting date, the Group assesses whether the credit risk for the financial instrument has increased significantly. Where specific indicators of credit impairment exist, the Group measures the loss allowance as a difference between gross carrying amount and present value of estimated future cashflows. At 31 December 2025, management identified other trade receivable of AED 1.5 million as credit-impaired and assessed that no future cash flows are expected from this balance. Accordingly, a loss allowance has been recognised for the entire receivable amount of AED 1.5 million.

Set out below is the information about the credit risk exposure on the Group's from other trade receivables using a provision matrix.

31 December 2025	Expected credit loss %	Gross carrying amount AED'000	Loss allowance AED'000
91 to 360 days	100%	1,500	1,500
Total		1,500	1,500

Impairment of police receivables, other receivables and balances due from related parties

The balances due from police receivables, other receivables and balances due from related parties are subject to the impairment requirement of IFRS 9. As at 31 December 2025 and 31 December 2024, the Group has not recorded any loss allowance on these balances as the identified loss allowance is not material.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)**
28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)
Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations from its financial liabilities. The Group's objective is to maintain a balance between continuity of funding from the shareholders and flexibility through efficient cash management. The Group limited its liquidity risk by ensuring adequate funds from operations and committed credit lines are available.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Due to related parties and trade and other payables balances are due within one year and therefore are undiscounted as the impact of discounting is not material.

		Undiscounted cashflows			
	Carrying amount	Less than 1 year	Between 1-5 year	More than 5 years	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
As at 31 December 2025					
Borrowings (including future profit) (Note 22)	1,098,304	65,217	1,230,435	-	1,295,652
Lease liabilities (Note 16)	48,062	20,774	30,353	-	51,127
Due to related parties (Note 19)	394,296	394,296	-	-	394,296
Trade and other payables (Note 24)	128,791	128,791	-	-	128,791
	1,669,453	609,078	1,260,788	-	1,869,866
As at 31 December 2024					
Borrowings (including future profit) (Note 22)	1,097,754	65,217	1,360,869	-	1,426,086
Lease liabilities (Note 16)	30,069	8,448	20,948	4,050	33,446
Due to related parties (Note 19)	368,053	368,053	-	-	368,053
Trade and other payables (Note 24)	105,324	105,324	-	-	105,324
	1,601,200	547,042	1,381,817	4,050	1,932,909

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of profit distributed to the shareholder, repay debt or obtain additional financing.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (as shown in the consolidated statement of financial position), dividends payable and lease liabilities less short-term deposits with bank and cash and cash equivalents. Total capital is calculated as "total equity" as shown in the consolidated statement of financial position plus net debt.

The gearing ratio as at 31 December 2025 and 31 December 2024 is as below:

	2025 AED'000	2024 AED'000
Borrowings (Note 22)	1,098,304	1,097,754
Lease liabilities (Note 16)	48,062	30,069
Less: Short-term deposits with bank (Note 20)	(244,500)	(360,000)
Less: Cash and cash equivalents (Note 21)	(220,682)	(42,326)
Net debt	681,184	725,497
Total equity	502,812	479,961
Total capital	1,183,996	1,205,458
Gearing ratio	57.53%	60.2%

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Fair value estimation of financial instruments

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. Financial instruments comprise financial assets and financial liabilities. The Group's financial assets consist of trade and other receivables, (excluding VAT receivables and project and other advances), other asset, due from related parties, short-term deposits with bank, and cash and cash equivalents. The Group's financial liabilities consist of borrowings, lease liabilities, trade and other payables and due to related parties.

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.

29 NET DEBT RECONCILIATION

The table below sets out an analysis of the net debt and the movements in net debt for each of the years presented.

	Borrowings AED'000	Lease liability AED'000	Cash and cash equivalents AED'000	Short-term deposits with bank AED'000	Dividends AED'000	Total AED'000
Net debt as at 1 January 2024	-	27,181	-	-	-	27,181
Additional leases	-	9,474	-	-	-	9,474
Other movements	754	(6,586)	-	-	-	(5,832)
Proceeds net of transaction costs	1,097,000	-	-	-	-	1,097,000
Deposits	-	-	-	(634,500)	-	(634,500)
Withdrawals	-	-	-	274,500	-	274,500
Cashflows	-	-	(42,326)	-	-	(42,326)
Dividends declared	-	-	-	-	198,774	198,774
Dividends paid	-	-	-	-	(198,774)	(198,774)
Net debt as at 31 December 2024	1,097,754	30,069	(42,326)	(360,000)	-	725,497
Net debt as at 1 January 2025	1,097,754	30,069	(42,326)	(360,000)	-	725,497
Additional leases	-	40,240	-	-	-	40,240
Lease termination	-	(8,731)	-	-	-	(8,731)
Other movements	550	(13,516)	-	-	-	(12,966)
Deposits	-	-	-	(756,000)	-	(756,000)
Withdrawals	-	-	-	871,500	-	871,500
Cashflows	-	-	(178,356)	-	-	(178,356)
Dividends declared	-	-	-	-	529,864	529,864
Dividends paid	-	-	-	-	(529,864)	(529,864)
Net debt as at 31 December 2025	1,098,304	48,062	(220,682)	(244,500)	-	681,184

30 SHARE CAPITAL

As at 31 December 2025 and 31 December 2024, the Company's authorised, issued and paid-up capital is AED 60 million comprising of 3,000,000,000 shares with nominal value of AED 0.02 per share.

31 EARNINGS PER SHARE

	2025	2024
Profit attributable to ordinary equity holders of the Company (AED'000)	625,507	423,490
Number of ordinary shares	3,000,000,000	3,000,000,000
Number of treasury shares	(2,225,093)	(421,083)
Adjusted weighted average number of ordinary shares	2,997,774,907	2,999,578,917
Basic and diluted earnings per share for profit attributable to the ordinary equity holders of the Company (AED)	0.21	0.14

There were no instruments or any other items which could cause a dilutive effect on the earnings per share calculation.

32 STATUTORY RESERVE

In accordance with UAE Federal Decree Law No. (32) of 2021, as amended, 5% (or a higher percent if stipulated by the articles of association) of the profit for the year is required to be transferred to the statutory reserve for the Company and its Subsidiary. Such transfers are required to be made until the reserve equals 50% of the share capital in each entity. This reserve is not available for distribution, except in circumstances stipulated in the commercial laws applicable to each entity. The transfer of profit to the statutory reserve has been suspended for the Company as the reserve has reached 50% of the paid-up share capital in the prior year. The Subsidiary has no profit for the year ended 31 December 2025, and accordingly no such transfer to the statutory reserve has been made in respect of the Subsidiary.

33 CAPITAL REORGANISATION

The assets and liabilities were transferred from RTA to the Company on 1 January 2024, at their predecessor carrying values and fair value measurement was not required. The sum of capital contributed by the Parent (DIF) and on behalf of the Parent and the net parent investment resulting from the transfer of the Parking Business of RTA to Parkin Company P.J.S.C. was initially recorded within net parent investment and subsequently transferred to retained earnings.

On incorporation of the Company, DIF contributed an amount of AED 60 million comprising of share capital (Note 30) and the Department of Finance (controlled by the ultimate controlling party) made an additional contribution of AED 61.5 million on behalf of the Parent which is not intended to be recalled.

The movement in Net parent investment during the comparative year ended 31 December 2024 includes the impact of transaction with owners in the capacity as owners amounting to AED 132.2 million which comprises trade and other payables not transferred, provision for leave not transferred, employees' end of service benefits not transferred, and employees' end of service benefits receivable from RTA. Refer to Note 19 for further details.

34 DIVIDENDS

i) During the year ended 31 December 2025:

- Dividends of AED 280.9 million (equivalent to 9.36 fils per share) was declared and approved in the Annual General Assembly meeting held on 27 March 2025 which was paid on 23 April 2025.
- Dividends of AED 312.0 million (equivalent to 10.40 fils per share) was approved by the Board of Directors on 1 October 2025 which was paid on 27 October 2025.

ii) During the year ended 31 December 2024:

- Dividends of AED 198.8 million (equivalent to 6.63 fils per share) was approved by the Board of Directors on 03 October 2024, which was paid on 28 October 2024.

35 SUBSEQUENT EVENTS

On 25 February 2026, the Board of Directors proposed to distribute AED 343.7 million in dividends to the shareholders (Fils 11.46 per share). The proposed dividend is subject to approval by the shareholders at the Company's General Assembly Meeting in March 2026.

36 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors of Parkin Company P.J.S.C on 25 February 2026 and signed on its behalf by Ahmed Hashem Bahrozyan, Chairman of the Board of Directors and Mohamed Abdulla Al Ali, Chief Executive Officer.