

Important announcement regarding the Offer Price Range for the Offer Shares in Parkin Company P.J.S.C. and the listing of its Shares on the Dubai Financial Market



(Incorporated in the United Arab Emirates as a Public Joint Company)

Dated: 05 March 2024

Following its announcement on **27 February 2024** of its intention to float on the Dubai Financial Market (the “DFM”) through a sale of 749,700,000 (seven hundred forty-nine million seven hundred thousand) ordinary shares with a nominal value of AED 0.02 (two fils) each, representing 24.99% (twenty-four point ninety-nine percent) of the total issued shares in the Company (the “Offer Shares”) in a public subscription (the “Offering”) in the United Arab Emirates (the “UAE”), **Parkin Company P.J.S.C.** (the “Company” or “Parkin”) hereby announces the price range for the sale of the Offer Shares (the “Offer Price Range”).

The price range has been set at between AED 2.00 to AED 2.10 per Offer Share.

The offer period for the First Tranche and the Second Tranche starts on 05 March 2024 and will close on 12 March 2024 for the First Tranche and on 13 March 2024 for the Second Tranche.

The number of ordinary shares offered for sale by the selling shareholder, the Dubai Investment Fund (the “Selling Shareholder”), including the offer to the Emirates Investment Authority (the “EIA”) and the Pensions and Social Security Fund of Local Military Personnel in the Emirate of Dubai (the “Fund”), will be 749,700,000 (seven hundred forty-nine million seven hundred thousand) ordinary shares with a nominal value of AED 0.02 (two fils) per share.

If all of the Offer Shares are subscribed for and allocated, and there is no increase in the number of Offer Shares, the Offer Shares will represent 24.99% (twenty-four point ninety-nine percent) of the total issued ordinary shares in the capital of the Company, and the Selling Shareholder reserves the right to amend the size of the Offering and the size of each Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the applicable laws of the UAE and the approval of the Securities and Commodities Authority (the “SCA”).

Each Subscriber in the First Tranche will be guaranteed a minimum allocation of up to 2,000 Shares, subject to the total number of shares allocated pursuant to the minimum guaranteed allocation in the First Tranche not exceeding the total number of shares available in the First Tranche and could therefore be lower than 2,000 Shares.

The final minimum guaranteed allocation for each Subscriber in the First Tranche shall be determined at the end of the subscription period based on the total number of the First Tranche Subscribers and the Final Offer Price.

Prior to this Offering, the Shares have not been listed on any financial market and there has been no public market for the Shares. Following the closing of the Offer Period in respect of the First Tranche and the Second Tranche the Company will apply to list its Shares on the DFM.

The Final Offer Price will be determined through the application of a book building process, whereby a subscription orders ledger will be created through the subscription orders made only by the Professional Investors. The Company will issue a press release in the UAE setting out the final offer price of the Offer Shares on or around 14 March 2024.

Listing is expected to take place on the DFM on or around Thursday 21 March 2024 (“Listing”).

The capital of the Company has been set at AED 60,000,000 (sixty million UAE dirhams) divided into 3,000,000,000 (three billion) Shares, with a nominal value of each Share being AED 0.02 (two fils). All Shares are equal in respect of all rights.

All the terms defined in the UAE prospectus in relation to the Offering published on 27 February 2024 (the “Prospectus”) and used in this announcement shall have the same meaning as set out in the Prospectus, unless otherwise indicated. This announcement should be read

in conjunction with the Prospectus.

Investment Risks

Investment in the Offer Shares involves a high degree of risk. Prospective Subscribers for Offer Shares should carefully read the “Investment Risks” and “Important Notice” sections of the Prospectus to inform themselves about factors that should be considered before investing in the Offer Shares.

Summary of the Directors’ Report

1. Snapshot on the Establishment of the Company

Name of the Company: Parkin Company P.J.S.C.

A public joint stock company incorporated in Dubai, United Arab Emirates pursuant to Dubai Law No. 30 of 2023.

Primary objects of the Company:

- Creating, planning, designing, developing, and managing public parking lots and supervising them, and applying the legislation regulating them, and in accordance with the Concession Agreement.
- Issuing permits for the participation in, and use, operation, and reservation of, public parking lots in accordance with the Concession Agreement.
- Managing, creating, developing, and designing private parking lots, investing in them, and related commercial activities, and concluding contracts with the relevant authorities concerning these parking lots inside and outside the Emirate in accordance with applicable regulations.
- Conducting the necessary studies and research related to public and private parking lots, and providing consultations and advisory services in their regard.
- Any other objectives specified in the Company’s Articles of Association.

Head office: First Floor, G+2, Old Headquarters, Umm Al Ramool, Marrakech Street, Dubai, United Arab Emirates.

Details of trade register and date of engaging in the activity: License No. 1287189, registered on 04 January 2024.

Term of the Company: 99 years.

Financial Year: 01 January to 31 December.

Independent Auditor: PricewaterhouseCoopers Limited Partnership Dubai Branch.

Major bank dealing with the Company: Emirates NBD Bank P.J.S.C.

2. List of the Company’s subsidiaries:

The Company does not have any subsidiaries.

3. Securities previously issued by the Company :

The Company has not issued any securities prior to listing its shares on the DFM.

4. Members of board directors

Name	Year of Birth	Nationality	Capacity
Ahmed Hashem Bahrozyan	1970	Emirati	Chairman, Non-executive
Ahmed Hasan Mahboub	1977	Emirati	Vice-chairman, Non-executive
Muna Abdulrahman Alosaimi	1979	Emirati	Director, Non-executive
Alawi Alsheikh-Ali	1973	Emirati	Director, Non-executive
Alunood Thabit Alameri	1983	Emirati	Director, Non-executive
Nasser Abushahab	1971	Emirati	Director, Non-executive

Mona Mohammad Bajman	1979	Emirati	Director, Non-executive
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5. Members of senior management

Name	Year of Birth	Position
Mohamed Abdulla Al Ali	1979	Chief Executive Officer
Osama Hashim Al Safi	1974	Chief Operating Officer
Khattab Abu Qaoud	1979	Chief Financial Officer
Ahmed Abdullah Alzaabi	1978	Director of Technology

6. The ownership percentage of the members of the Board of Directors, Senior Management, and their first-degree relatives in the Company and its Subsidiaries:

None of the members of the Board or the Senior Management and their first-degree relatives own any shares in the Company at the time of the Offering.

7. Statement of the memberships of the Board of Directors and the Senior Management on the board of other public joint stock companies in the UAE:

None of the members of the Board hold any memberships on the boards of directors of any public joint stock companies in the UAE

8. List of the owners of 5% or more of the Company’s shares and the number of shares owned:

Before the Offering:

Shareholder	Number of Shares	Percentage
Dubai Investment Fund	3,000,000,000	100%

After the Offering:

Shareholder	Number of Shares	Total value of shares owned*	Percentage
Dubai Investment Fund	2,250,300,000	AED 45,006,000	75.01%
Successful Subscribers at Listing	749,700,000	AED 14,994,000	24.99%

**Based on the nominal value*

Assuming all of the Offer Shares are allocated, and the Selling Shareholder sells all of the Shares being offered and the Offering size is not increased, it is expected that the Selling Shareholder will own 2,250,300,000 Shares representing approximately 75.01% (seventy-five point zero one per cent) of the Company’s share capital. The Company has presented its plan to the SCA for the Selling Shareholder to offer 24.99% (twenty-four point ninety-nine percent) of the total share capital. The Selling Shareholder reserves the right to amend the size of the Offering at any time prior to the end of the subscription period at its sole discretion, subject to applicable laws and the SCA’s approval.

9. Dividend policy:

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

Subject to the foregoing, the Company expects to distribute a minimum dividend payout of the higher of: (i) 100% of profit for the year; and (ii) Free Cash Flow to

Equity, subject to distributable reserves requirements. This dividend policy is designed to reflect the Company's expectation of strong cash flow generation and expected long-term earnings potential.

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

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

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

10. The following financial information is included in this announcement: The Carve-out Financial Statements, Unaudited Pro Forma Financial Information and of Summary Key Notes and Key Financial Indicators as of and for the Three Years Ended 31 December 2023, 31 December 2022, and 31 December 2021

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

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

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

The financial information and Non-IFRS measures presented below should be read in conjunction with "Presentation of financial and other information" and "Annex 4 Carve-out Financial Statements" in the Prospectus.

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

	For the years ended 31 December (AED'000)		
	2021	2022	2023
Revenue	590,566	686,242	779,379
Other income	293	717	570
Commission expenses	(22,426)	(25,005)	(28,116)
Maintenance expense	(33,593)	(33,777)	(27,593)
Variable lease payments	(10,785)	(11,390)	(13,597)
Other expenses	(34,026)	(36,088)	(26,058)
Employee benefits expense	(134,679)	(135,852)	(139,250)
Depreciation and amortisation	(20,396)	(20,615)	(19,375)
Corporate allocation expense	(105,741)	(110,799)	(121,157)

(Impairment loss)/reversal of Impairment loss on trade receivables	(9,318)	2,486	(9,813)
Finance expense	(392)	(320)	(900)
Profit for the year	219,503	315,599	394,090
Other comprehensive income	-	-	-
Total comprehensive income for the year	219,503	315,599	394,090

Carve-out statement of financial position

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

Carve-out statement of cash flows

	For the years ended 31 December (AED'000)		
	2021	2022	2023
Profit for the year	219,503	315,599	394,090
<i>Adjustments for:</i>			
Depreciation of property, and equipment and right-of-use assets	18,765	18,890	16,913
Amortisation of intangible assets	1,631	1,725	2,462
Finance expense (interest on lease liabilities)	392	320	900
Provision for employees' end-of-service benefits	6,187	6,316	4,971

Impairment loss/(reversal) on financial assets/reversal of impairment on trade receivables	9,318	(2,486)	9,813
<i>Operating cash flows before movements in working capital and employees' end-of-service benefits paid:</i>			
(Increase)/decrease in trade and other receivables	(132,350)	52,788	26,940
Increase in trade and other payables	22,756	25,541	3,737
Increase in provision	750	1,000	-
Increase in contract liabilities	3,282	2,229	6,257
	150,234	421,922	466,083
Employees' end-of-service benefits paid	(1,967)	(2,538)	(11,844)
Net cash flows generated from operating activities	148,267	419,384	454,239
Cash flows from investing activities			
Purchases of property, equipment, and intangibles assets	(11,928)	(2,418)	(4,422)
Proceeds from the sale of property and equipment	-	5,897	34
Net cash (used in)/generated from investing activities	(11,928)	3,479	(4,388)
Cash flows from financing activities			
Principal element of lease payments	(4,958)	(5,030)	(4,450)
Interest element of lease payment	(392)	(320)	(900)
Distribution to Parent	(130,989)	(417,513)	(444,501)
Net cash used in financing activities	(136,339)	(422,863)	(449,851)
Net cash movement during the year	-	-	-
Cash at the beginning of year	-	-	-
Cash at the end of year	-	-	-

Carve-out statement of changes in equity

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

Certain Non-IFRS Measures

Set out below are certain measures that are not defined or recognised under IFRS, or any other generally acceptable accounting principles, including EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Cash Conversion, and Capital Expenditure. The Company believes that these Non-IFRS measures provide valuable information as these measures are used by the Company's management to evaluate the efficiency of a company's operations and its ability to employ its earnings toward payment of debt, capital expenditures and working capital requirements. There are no generally accepted principles governing the calculation of these

measures and the criteria upon which these measures are based can vary from company to company. These measures, by themselves, do not provide a sufficient basis to compare the Company's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity. The Company has presented these Non-IFRS measures because it believes these are helpful to investors and financial analysts in highlighting trends in the overall business of the Company. For more information on the definitions of the Non-IFRS measures, see "Presentation of Financial and Other Information"

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

Notes:

- EBITDA is defined as profit for the year excluding depreciation and amortisation, tax, and finance expense. During the periods presented, there were no corporate taxes incurred.
- EBITDA Margin is EBITDA divided by revenue.
- Adjusted EBITDA is defined as profit for the year excluding depreciation and amortisation, tax, finance expense, and corporate allocation expense. During the periods presented there were no corporate taxes incurred.
- Adjusted EBITDA Margin is Adjusted EBITDA divided by revenue.
- Cash Conversion is defined as EBITDA less Capital Expenditure, divided by EBITDA.
- Capital Expenditure is defined as the purchases of property, equipment, and intangibles assets.

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

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

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

Note: During the period presented, there have been no corporate taxes incurred.

Cash Conversion

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

	<i>For the years ended 31 December</i>		
	2021	2022	2023
Profit for the year (AED'000)	219,503	315,599	394,090

Depreciation and amortisation (AED'000)	20,396	20,615	19,375
Finance expense (AED'000)	392	320	900
EBITDA (AED'000)	240,291	336,534	414,365
(less) Capital Expenditure (AED'000)	(11,928)	(2,418)	(4,422)
	228,363	334,116	409,943
(divided by) EBITDA (AED'000)	240,291	336,534	414,544
Cash Conversion	95%	99%	99%

Selected Unaudited Pro Forma Financial Information

The selected unaudited pro forma financial information set forth below as at and for the year ended 31 December 2023 has been derived from the Unaudited Pro forma Financial Information, included elsewhere in the Prospectus and gives effect to the Pre-Offering Transactions and Contractual Arrangements, as described under "Material Agreements" of the Prospectus, as if they had occurred as at 01 January 2023 (in the case of the unaudited Pro Forma Statement of Profit or Loss and other Comprehensive Income for the year ended 31 December 2023) and as at 31 December 2023 (in the case of the unaudited Pro Forma Statement of Financial Position as at 31 December 2023). The selected unaudited pro forma financial information is not intended to show what the actual results of operations would have been had such transactions actually occurred on such dates, nor is it intended to forecast the Company's results of operations for any future period. The selected unaudited pro forma financial information should be read in conjunction with "Third Section: Financial Disclosures", "Annex 4 Carve-out Financial Statements", and "Annex 5 Unaudited Pro Forma Financial Information" included in the Prospectus.

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

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

	<i>For the year ended 31 December 2023</i>		
	Carve-out Financial Statements	Pro forma adjustments	Unaudited Pro forma
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Revenue	779,379	-	779,379
Other income	570	-	570
Concession fee expense	-	(105,968)	(105,968)
Commission expense	(28,116)	-	(28,116)
Maintenance expense	(27,593)	11,203	(16,390)
Variable lease expense	(13,597)	-	(13,597)
Other expenses	(26,058)	14,708	(11,350)
Employee benefits expense	(139,250)	-	(139,250)
Depreciation and amortisation	(19,375)	(28,571)	(47,946)
Corporate allocation expenses	(121,157)	121,157	-
Impairment loss on trade receivables	(9,813)	-	(9,813)
Finance expense	(900)	(65,955)	(66,855)
Rent expense	-	(500)	(500)
Transitional Service Agreement expense	-	(12,394)	(12,394)
Profit for the year	394,090	(66,320)	327,770

Other comprehensive income	-	-	-
Total comprehensive income for the year	394,090	(66,320)	327,770

Unaudited pro forma statement of financial position **As at 31 December 2023**

	Carve-out Financial Statements	Pro forma adjustments	Unaudited Pro forma
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Non-current assets			
Property and equipment	26,902	-	26,902
Intangible assets	9,329	1,400,000	1,409,329
Right-of-use asset	25,073	-	25,073
	61,304	1,400,000	1,461,304
Current assets			
Trade and other receivables	190,927	-	190,927
Receivable from related party	-	37,413	37,413
VAT receivable	-	55,000	55,000
Cash and cash equivalents	-	118,459	118,459
	190,927	210,872	401,799
Total assets	252,231	1,610,872	1,863,103
Liabilities			
Non-current liability			
Long term financing	-	1,097,250	1,097,250
Provision for employees' end of service benefits	54,356	(19,027)	35,329
Lease liabilities	21,644	-	21,644
	76,000	1,078,223	1,154,223
Current liabilities			
Payable to related party	-	355,000	355,000
Lease liabilities	5,537	-	5,537
Trade and other payables	96,627	(70,708)	25,919
Contract liabilities	61,459	-	61,459
	163,623	284,292	447,915
Total liabilities	239,623	1,362,515	1,602,138
Equity			
Accumulated net parent investment	12,608	188,357	200,965
Paid-in capital	-	60,000	60,000
	12,608	248,357	260,965
Total liabilities and equity	252,231	1,610,872	1,863,103
Pro Forma Key Performance Indicators			
Set out below are certain pro forma key performance indicators measures, including Pro Forma EBITDA, Pro Forma EBITDA Margin, Pro Forma Adjusted EBITDA, Pro Forma Adjusted EBITDA Margin, and Pro Forma Cash Conversion (the "Pro Forma Key Performance Indicators").			
			For the year ended 31 December 2023
Pro forma EBITDA (AED'000) ⁽¹⁾			442,571
Pro forma EBITDA Margin ⁽²⁾			57%
Pro forma Adjusted EBITDA (AED'000) ⁽³⁾			560,933
Pro forma Adjusted EBITDA Margin ⁽⁴⁾			72%
Pro forma Cash Conversion ⁽⁵⁾			99%

Notes:

1. Pro Forma EBITDA is defined as pro forma profit for the year, excluding pro forma depreciation and amortisation, and pro forma finance expense, each as set out in the Unaudited Pro Forma Financial Information
2. Pro Forma EBITDA Margin is defined as Pro forma EBITDA divided by pro forma revenue as set out in the Unaudited Pro Forma Financial Information.
3. Pro Forma Adjusted EBITDA is defined as pro forma profit for the year, excluding pro forma depreciation and amortisation, pro forma finance expense, pro forma TSA expense, and pro forma concession fee expense, each as set out in the Unaudited Pro Forma Financial Information.
4. Pro Forma Adjusted EBITDA Margin is defined as Pro Forma Adjusted EBITDA divided by pro forma revenue as set out in the Unaudited Pro Forma Financial Information.
5. Pro Forma Cash Conversion is Pro Forma EBITDA less Capital Expenditure divided by Pro Forma EBITDA.

Pro Forma EBITDA, Pro Forma EBITDA Margin, Pro Forma Adjusted EBITDA, and Pro Forma Adjusted EBITDA Margin

The Company defines “Pro Forma EBITDA” as pro forma profit for the year, excluding pro forma depreciation and amortisation and pro forma finance expense, each as set out in the Unaudited Pro Forma Financial Information. “Pro Forma EBITDA Margin” is Pro Forma EBITDA divided by pro forma revenue as set out in the Unaudited Pro Forma Financial Information. The Company defines “Pro Forma Adjusted EBITDA” as pro forma profit for the year, excluding pro forma depreciation and amortisation, pro forma finance expense, pro forma TSA expense, and pro forma concession fee expense, each as set out in the Unaudited Pro Forma Financial Information. “Pro Forma Adjusted EBITDA Margin” is Pro Forma Adjusted EBITDA divided by pro forma revenue as set out in the Unaudited Pro Forma Financial Information. Pro Forma EBITDA, Pro Forma EBITDA Margin, Pro Forma Adjusted EBITDA, and Pro Forma Adjusted EBITDA Margin are key performance metrics reviewed by the Directors. The Directors believe Pro Forma EBITDA provides additional useful information to illustrate the impact of the Pre-Offering Transactions and Contractual Arrangements on the Company’s underlying trading performance to date. The Directors believe Pro Forma Adjusted EBITDA provides additional useful information to illustrate the impact of the Pre-Offering Transactions and Contractual Arrangements on the performance of the Company, excluding the additional corporate allocation expense relating to the concession fee payable by the Company to the RTA pursuant to the Concession Agreement. The following table provides a reconciliation from pro forma profit for the year to Pro Forma EBITDA and Pro Forma Adjusted EBITDA for the period indicated.

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

The Company defines “Pro Forma Cash Conversion” as Pro Forma EBITDA less Capital Expenditure divided by Pro Forma EBITDA. The Directors believe that Pro Forma Cash Conversion provides additional useful information for prospective investors because it

illustrates the impact of the Pre-Offering Transactions and Contractual Arrangements on the Company’s profitability available for the operation of the business after Capital Expenditure. The following table provides a reconciliation from Pro Forma profit for the year to Pro Forma Cash Conversion for the period indicated.

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

11. Independent Auditors

The 2022/2021 Carve-out Financial Statements and the 2023 Carve-out Financial Statements included in the Prospectus have been audited by PricewaterhouseCoopers Limited Partnership Dubai Branch (“PwC”) as stated in their independent auditor’s reports appearing herein (which each contains an emphasis of matter paragraph drawing attention to the fact that as described in Note 1 and Note 2 to the 2022/2021 Carve-out Financial Statements and Note 1 and Note 2 to the 2023 Carve-out Financial Statements, the Parking Business has not operated as a separate entity. Therefore, the Carve-out Financial Statements are not necessarily indicative of results that would have occurred if the Parking Business had been a separate stand-alone entity during the years presented or of future results of the Parking Business).

