

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30
JUNE 2025 (UNAUDITED)**

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025**

	Pages
Independent auditor's review report on condensed consolidated interim financial statements	1
Condensed consolidated interim statement of profit or loss and other comprehensive income	2
Condensed consolidated interim statement of financial position	3
Condensed consolidated interim statement of cash flows	4 - 5
Condensed consolidated interim statement of changes in equity	6
Notes to the condensed consolidated interim financial statements	7 - 32



Review report on condensed consolidated interim financial statements to the Board of Directors of Parkin Company P.J.S.C.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of profit or loss and other comprehensive income of Parkin Company P.J.S.C. and its subsidiary (the "Group") for the three-month and six-month periods ended 30 June 2025, the condensed consolidated interim statement of financial position as at 30 June 2025 and the related condensed consolidated interim statements of cash flows and changes in equity for the six month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers Limited Partnership Dubai Branch
07 August 2025

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

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	For the three-month period ended		For the six-month period ended	
		30 June 2025	30 June 2024	30 June 2025	30 June 2024
		(unaudited) AED'000	(unaudited) AED'000	(unaudited) AED'000	(unaudited) AED'000
Revenue	6	316,585	204,496	585,719	419,773
Other income	7	254	191	482	388
Finance income	8	3,128	789	7,061	789
Commission expense	9	(10,944)	(6,925)	(20,108)	(14,509)
Maintenance expense		(5,906)	(4,311)	(10,106)	(7,827)
Employee benefit expense	11	(34,572)	(25,508)	(69,336)	(43,933)
Depreciation and amortisation expense	12	(11,650)	(13,000)	(22,811)	(25,703)
Variable lease expense	16	(5,140)	(2,333)	(9,270)	(6,024)
Concession fee expense	27	(49,183)	(26,663)	(82,517)	(55,367)
Impairment (loss)/reversal on trade receivables	17	(5,973)	692	(6,722)	(7,549)
Finance costs	10	(14,521)	(16,528)	(29,525)	(28,128)
Other expenses	13	(18,926)	(6,468)	(29,658)	(13,501)
Profit before tax for the period		163,152	104,432	313,209	218,409
Income tax expense	25	(14,766)	(9,389)	(28,263)	(19,636)
Profit after tax for the period		148,386	95,043	284,946	198,773
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		148,386	95,043	284,946	198,773
 Basic and diluted earnings per share for profit attributable to the ordinary equity holders of the Company (AED)					
	34	0.05	0.03	0.10	0.07

The accompanying notes 1 to 37 form an integral part of these condensed consolidated interim financial statements.

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

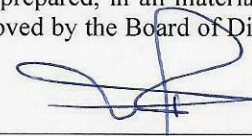
		As at	
		30 June 2025	31 December 2024
		(unaudited)	(audited)
	Notes	AED'000	AED'000
ASSETS			
Non-current assets			
Property and equipment	14	33,740	29,192
Intangible assets	15	1,379,748	1,396,466
Right of use asset	16	7,068	7,962
		<u>1,420,556</u>	<u>1,433,620</u>
Current assets			
Trade and other receivables	17	305,199	209,799
Other asset	18	10,700	12,973
Due from related parties	19	131,633	151,514
Short-term deposits with bank	20	341,000	360,000
Cash and cash equivalents	21	92,456	42,326
		<u>880,988</u>	<u>776,612</u>
Total assets		<u><u>2,301,544</u></u>	<u><u>2,210,232</u></u>
LIABILITIES AND EQUITY			
LIABILITIES			
Non-current liabilities			
Long-term borrowings	22	1,098,029	1,097,754
Provision for employees' end-of-service benefits	23	23,847	23,098
Lease liabilities	16	20,460	22,756
		<u>1,142,336</u>	<u>1,143,608</u>
Current liabilities			
Due to related parties	19	390,245	368,053
Lease liabilities	16	7,495	7,313
Trade and other payables	24	124,468	105,324
Provision for taxation	25	70,889	42,626
Contract liabilities	26	83,487	63,347
		<u>676,584</u>	<u>586,663</u>
Total liabilities		<u><u>1,818,920</u></u>	<u><u>1,730,271</u></u>
EQUITY			
Share capital	30	60,000	60,000
Statutory reserve	31	30,000	30,000
Treasury shares	18	(3,443)	(2,027)
Retained earnings		396,067	391,988
Total equity		<u>482,624</u>	<u>479,961</u>
Total liabilities and equity		<u><u>2,301,544</u></u>	<u><u>2,210,232</u></u>

To the best of our knowledge, the condensed consolidated interim financial statements are prepared, in all material respects, in accordance with IAS 34. The condensed consolidated interim financial statements were approved by the Board of Directors on 07 August 2025 and were signed on its behalf by:

Chief Executive Officer



Chairman of the Board of Directors



The accompanying notes 1 to 37 form an integral part of these condensed consolidated interim financial statements.

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

		For the six-month period ended	
		30 June 2025	30 June 2024
		(unaudited)	(unaudited)
	Notes	AED'000	AED'000
Cash flows from operating activities			
Profit before tax		313,209	218,409
Adjustments for:			
Depreciation of property and equipment and right of use assets		4,484	7,118
Amortisation of intangible assets	15	18,327	18,585
Provision for employees' end-of-service benefits	23	1,077	718
Finance charge on lease liabilities	16	597	613
Other finance costs		28,928	27,515
Finance income		(7,061)	(789)
Impairment loss on trade receivables	17	6,722	7,549
Operating cash flows before changes in working capital and employees' end-of-service benefits paid		366,283	279,718
Changes in working capital			
Trade and other receivables and other asset		(99,849)	(100,917)
Due from related parties		19,881	(144,288)
Due to related parties		22,192	119,803
Trade and other payables		2,143	(12,210)
Contract liabilities		20,140	1,388
		330,790	143,494
Employees' end-of-service benefits paid	23	(328)	-
Net cash flows generated from operating activities		330,462	143,494
Cash flows from investing activities			
Payment for purchase of intangibles and property and equipment		(9,747)	(1,100,000)
Income from short-term deposits with bank		7,647	789
Encashment of short-term deposits with bank		360,000	-
Placement of short-term deposits with bank	20	(341,000)	(151,000)
Net cash generated from / (used in) investing activities		16,900	(1,250,211)
Cash flows from financing activities			
Proceeds from issuance of share capital		-	60,000
Acquisition of treasury shares, net		(1,416)	(5,135)
Dividend paid	33	(280,867)	-
Proceeds of borrowings, net of transaction costs		-	1,097,000
Principle element of lease payment		(378)	(458)
Finance cost on bank borrowing paid		(14,444)	-
Finance charge on lease liability paid		(127)	(47)
Contribution from Parent		-	61,459
Net cash (used in)/ generated from financing activities		(297,232)	1,212,819
Net increase in cash and cash equivalents		50,130	106,102
Cash and cash equivalents, at the beginning of the period		42,326	-
Cash and cash equivalents, at the end of the period		92,456	106,102

The accompanying notes 1 to 37 form an integral part of these condensed consolidated interim financial statements.

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (continued)****SUPPLEMENTAL NON-CASH INFORMATION**

	For the six-month period ended	
	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000
Right-of-use asset additions (Note 16)	-	9,474
Lease liability additions (Note 16)	-	9,474
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
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 37 form an integral part of these condensed consolidated interim financial statements.

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

	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
Total comprehensive income for the period	-	-	-	198,773	-	198,773
Contribution from parent (Note 2)	-	-	-	-	61,459	61,459
Other transactions with owners in their capacity as owners (Note 19)	-	-	-	-	132,151	132,151
Issuance of share capital (Note 30)	60,000	-	-	-	-	60,000
Transfer to statutory reserve (Note 31)	-	19,877	-	(19,877)	-	-
Acquisition of treasury shares (Note 18)	-	-	(5,135)	-	-	(5,135)
Transfer to retained earnings (Note 2)	-	-	-	206,218	(206,218)	-
At 30 June 2024 (unaudited)	60,000	19,877	(5,135)	385,114	-	459,856
At 1 January 2025	60,000	30,000	(2,027)	391,988	-	479,961
Total comprehensive income for the period	-	-	-	284,946	-	284,946
Acquisition of treasury shares (Note 18)	-	-	(1,416)	-	-	(1,416)
Dividends declared and paid (Note 33)	-	-	-	(280,867)	-	(280,867)
At 30 June 2025 (unaudited)	60,000	30,000	(3,443)	396,067	-	482,624

The accompanying notes 1 to 37 form an integral part of these condensed consolidated interim financial statements.

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025

1 DESCRIPTION OF BUSINESS AND PRINCIPAL ACTIVITIES

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 2024 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, UAE.

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 30 June 2025.

The principal activities of the Company include offering convenient and cost-effective parking solutions for both residents and visitors in Dubai. Parkin is responsible for operating, overseeing, monitoring, inspecting, and enforcing parking services in public areas, such as on-street parking, off-street parking, multistorey car parks, and designated developer zones within Dubai. The parking fares are collected through various payment channels including the Roads and Transport Authority ("RTA") website, cash, nol cards, and smart applications.

The condensed consolidated interim financial statements for the three and six-month periods ended 30 June 2025 have been reviewed, not audited. The comparative information for the condensed consolidated interim statement of financial position is based on the audited financial statements as at 31 December 2024. The comparative information for the condensed consolidated interim statements of profit or loss and other comprehensive income, changes in equity and cash flows, and related explanatory notes, for the six-month period ended 30 June 2025 is based on the unaudited condensed interim financial statements for the three and six-month period ended 30 June 2024.

As at 30 June 2025, Parkin wholly owns and controls Parkin Mobility LLC (the "Subsidiary") which was incorporated on 18 March 2025, in the UAE and is currently dormant. 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 condensed consolidated interim financial statements as at 30 June 2025. The consolidation of the Subsidiary has had no material impact on the Group's financial position, performance, or cash flows for the three and six-month periods ended 30 June 2025.

2 BASIS OF PREPARATION

These condensed consolidated interim financial statements for the three and six-month period ended 30 June 2025 have been prepared in accordance with International Accounting Standard (IAS): 34 "Interim Financial Reporting" and applicable requirements of the United Arab Emirates laws.

The condensed consolidated interim financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Company's financial statements for the year ended 31 December 2024.

The condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim financial statements are disclosed in Note 5. These have been applied consistently for all periods presented unless otherwise stated.

The condensed consolidated interim 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.

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)

2 BASIS OF PREPARATION (continued)

Financial results and cashflows for the period ended 30 June 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 36). The condensed consolidated interim 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 six-month period ended 30 June 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

There are no new standards issued, however, there are a number of amendments to standards which are effective from 1 January 2025 and have been explained in the Company's annual financial statements for the year ended 31 December 2024. These amendments do not have a material effect on the Group's condensed consolidated interim financial statements for the three and six-month periods ended 30 June 2025.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2024 unless otherwise stated, except for the policies set out below and the adoption of new and amended standards as mentioned in Note 3.

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 income. 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 condensed consolidated interim statement of profit or loss.

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 condensed consolidated interim statement of profit or loss.

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

(a) Subsidiaries (continued)

Non-controlling interests in the results and equity of subsidiaries are shown separately in the condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and the condensed consolidated interim 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 condensed consolidated interim 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 JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the condensed consolidated interim 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 significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the preparation of the financial statements of the Company as at and for the year ended 31 December 2024 unless otherwise stated.

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)

6 REVENUE

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

	For the three-month period ended		For the six-month period ended	
	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000
<u>Recognised at a point in time:</u>				
- Public parking fee				
<i>On-street/off-street parking fee</i>	132,203	89,597	245,057	188,908
<i>Developer parking fee</i>	22,286	14,338	42,456	30,896
<i>Multistorey parking building fees</i>	3,233	2,649	6,437	5,569
- Enforcement	96,745	54,556	178,561	107,138
Total revenue recognised at a point in time	254,467	161,140	472,511	332,511
<u>Recognised over time:</u>				
- Permits & seasonal Cards				
<i>Developer</i>	163	2,571	163	4,904
<i>Non-developer</i>	51,866	34,590	94,560	69,194
- Parking reservations	6,992	4,176	13,511	8,588
- Other services	3,097	2,019	4,974	4,576
Total revenue recognised over time	62,118	43,356	113,208	87,262
Total revenue	316,585	204,496	585,719	419,773

7 OTHER INCOME

	For the three-month period ended		For the six-month period ended	
	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000
Recoveries from written-off violations	254	191	480	388
Miscellaneous income	-	-	2	-
	254	191	482	388

8 FINANCE INCOME

	For the three-month period ended		For the six-month period ended	
	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000
Profit on short term deposits	3,128	789	7,061	789

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)

9 COMMISSION EXPENSE

	For the three-month period ended		For the six-month period ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	AED'000	AED'000	AED'000	AED'000
Service charges - telecom operators*	8,889	6,401	16,617	13,445
Service charges - other agencies	2,055	524	3,491	1,064
	10,944	6,925	20,108	14,509

* Service charges from telecom operators include the commission payment for collection of parking fees on behalf of the Company. Additionally, the share of the SMS convenience fee received by the Company from telecom operators of AED 2.6 million and AED 5.2 million has been netted off from the commission expense for the three-month and six-month periods ended 30 June 2025 respectively (AED 2.2 million and AED 4.6 million for the three-month and six-month periods ended 30 June 2024 respectively).

10 FINANCE COST

	For the three-month period ended		For the six-month period ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	AED'000	AED'000	AED'000	AED'000
Finance cost on bank borrowing*	14,088	16,086	28,653	27,286
Finance cost on lease liabilities (Note 16)	295	351	597	613
Unwinding of capitalised upfront fee on loan	138	91	275	229
	14,521	16,528	29,525	28,128

* Finance cost on bank borrowing relates to 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 BENEFITS EXPENSE

	For the three-month period ended		For the six-month period ended	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	AED'000	AED'000	AED'000	AED'000
Salaries and wages	30,125	24,238	59,473	41,918
Other benefits and allowances	3,919	815	8,786	1,297
End of service benefits (Note 23)	528	455	1,077	718
	34,572	25,508	69,336	43,933

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)

12 DEPRECIATION AND AMORTISATION EXPENSE

	For the three-month period ended		For the six-month period ended	
	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000
Depreciation on property and equipment (Note 14)	1,899	3,258	3,590	6,515
Depreciation on right-of-use assets (Note 16)	450	450	894	603
Amortisation of intangible assets (Note 15)	9,301	9,292	18,327	18,585
	11,650	13,000	22,811	25,703

13 OTHER EXPENSES

	For the three-month period ended		For the six-month period ended	
	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000
Professional fees	2,922	964	4,953	1,612
Transitional service expense (Note 19)	1,981	4,654	4,592	10,431
Advertisement and marketing	6,316	5	8,181	5
Fuel and transportation	551	-	1,592	-
Information and technology	2,713	-	3,755	-
Insurance expenses	97	-	208	-
Miscellaneous expenses	4,346	845	6,377	1,453
	18,926	6,468	29,658	13,501

14 PROPERTY AND EQUIPMENT

For the six-month period ended 30 June 2025:

	Machinery and Equipment AED'000	Motor Vehicles AED'000	Office Equipment and furniture AED'000	Leasehold improvements AED'000	Total AED'000
Cost					
At 1 January 2025	149,910	94	4,897	5,207	160,108
Additions	7,064	-	150	924	8,138
At 30 June 2025 (unaudited)	156,974	94	5,047	6,131	168,246
Accumulated depreciation					
At 1 January 2025	129,515	94	886	421	130,916
Depreciation charge for the period	2,560	-	480	550	3,590
At 30 June 2025 (unaudited)	132,075	94	1,366	971	134,506
Net carrying amount					
At 30 June 2025 (unaudited)	24,899	-	3,681	5,160	33,740

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)

14 PROPERTY AND EQUIPMENT (continued)

For the year ended 31 December 2024

	Machinery and Equipment AED'000	Motor Vehicles AED'000	Office Equipment and furniture AED'000	Capital work in progress AED'000	Leasehold improvements 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
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For the six-month period ended 30 June 2024:

	Machinery and Equipment AED'000	Motor Vehicles AED'000	Office Equipment and furniture AED'000	Capital work in progress AED'000	Total AED'000
Cost					
At 1 January 2024	154,700	586	6,288	3,600	165,174
Additions	5,004	-	-	-	5,004
At 30 June 2024 (unaudited)	159,704	586	6,288	3,600	170,178

Accumulated depreciation

At 1 January 2024	131,764	338	6,170	-	138,272
Depreciation charge for the period	6,428	49	38	-	6,515
At 30 June 2024 (unaudited)	138,192	387	6,208	-	144,787

Net carrying amount

At 30 June 2024 (unaudited)	21,512	199	80	3,600	25,391
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Machinery & Equipment includes parking equipment, ticketing equipment, office and security equipment and communication equipment. Land, multistorey parking buildings, signages, parking lots (including fixtures such as streetlights and benches), building fixtures, security cabins, building security equipment, and IT network equipment represents assets that are dedicated for 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 current and will not be included in the future financial statements of the Group.

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

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)

15 INTANGIBLE ASSETS

For the six-month period ended 30 June 2025:

	Concession agreement rights AED'000	Concession rights - developer parking AED'000	Concession rights - 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	-	209	-	1,197	203	1,609
Transferred	-	-	-	3,393	(3,393)	-
At 30 June 2025 (unaudited)	1,400,000	41,828	20,171	4,590	-	1,466,589
Accumulated Amortisation						
At 1 January 2025	28,571	22,601	17,342	-	-	68,514
Charge for the period	14,286	3,127	469	445	-	18,327
At 30 June 2025 (unaudited)	42,857	25,728	17,811	445	-	86,841
Net carrying amount						
At 30 June 2025 (unaudited)	1,357,143	16,100	2,360	4,145	-	1,379,748

For the year ended 31 December 2024:

	Concession agreement rights AED'000	Concession rights - developer parking AED'000	Concession rights - 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

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)****15 INTANGIBLE ASSETS (continued)***For the six-month period ended 30 June 2024:*

	Concession agreement rights AED'000	Concession rights - developer parking AED'000	Concession rights - 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*	-	41,619	28,868	(28,868)	-	41,619
Additions	1,400,000	-	1,251	-	-	1,401,251
At 30 June 2024 (unaudited)	1,400,000	41,619	30,119	-	3,659	1,475,397
Accumulated Amortisation						
At 1 January 2024	-	-	-	23,198	-	23,198
Transferred*	-	16,546	23,198	(23,198)	-	16,546
Charge for the period	14,285	3,011	1,289	-	-	18,585
At 30 June 2024 (unaudited)	14,285	19,557	24,487	-	-	58,329
Net carrying amount						
At 30 June 2024 (unaudited)	1,385,715	22,062	5,632	-	3,659	1,417,068

* Concession rights - developer parking and concession rights - 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.

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 periods presented.

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 current and will not be included in the future financial statements of the Group.

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR
THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)****16 LEASE**

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 different areas in Dubai. Certain of these contracts contain a lease in accordance with the lease definition of IFRS 16.

Parkin leases developer parking areas that have been tailored for the provision of parking services under the Service Concession Arrangement. Accordingly, such assets have been acquired for the purposes of the Service Concession Arrangement. After entering into the Service Concession Arrangement (Note 27), the right to use such assets have been transferred and included within "Concession rights - developer parking" as a part of intangible assets.

In addition to the above leases, the Group has also entered into an office lease in March 2024 for a period of 5 years and a developer lease in May 2024 for six parking areas in Dubai for a period of 4 years.

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

(a) Right-of-use assets

For the six-month period ended 30 June 2025:

	30 June 2025 AED'000
Cost:	
At 1 January 2025 and 30 June 2025 (unaudited)	<u>9,474</u>
	30 June 2025 AED'000
Accumulated depreciation:	
At 1 January 2025	1,512
Charge for the period	<u>894</u>
At 30 June 2025 (unaudited)	<u>2,406</u>
Net carrying amount (unaudited)	<u><u>7,068</u></u>

For the year ended 31 December 2024:

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

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)

16 LEASE (continued)

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

	31 December 2024 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 (audited)	<u>1,512</u>
Net carrying amount (audited)	<u>7,962</u>

For the six-month period ended 30 June 2024:

	30 June 2024 AED'000
Cost:	
At 1 January 2024	41,619
Transferred to intangible assets (Note 15)	(41,619)
Additions during the period	9,474
At 30 June 2024 (unaudited)	<u>9,474</u>

For the six-month period ended 30 June 2024:

	30 June 2024 AED'000
Accumulated depreciation:	
At 1 January 2024	16,546
Transferred to intangible assets (Note 15)	(16,546)
Charge for the period	603
At 30 June 2024 (unaudited)	<u>603</u>
Net carrying amount (unaudited)	<u>8,871</u>

(b) Lease liabilities- movement

	30 June 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000	30 June 2024 (unaudited) AED'000
At 1 January	30,069	27,181	27,181
Additions during the period/year/period	-	9,474	9,474
Finance charge for the period/year/period	597	1,278	613
Lease repayments	(505)	(5,514)	(505)
Transferred to trade payables and accruals	(2,206)	(2,350)	(1,675)
	<u>27,955</u>	<u>30,069</u>	<u>35,088</u>

(c) Lease liabilities- classification

	30 June 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
Current	7,495	7,313
Non-current	20,460	22,756
Balance at the end of the period/ year	<u>27,955</u>	<u>30,069</u>

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)

16 LEASE (continued)

(d) Amount recognised in profit or loss

	For the three-month period ended		For the six-month period ended	
	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000
Finance cost on lease liabilities	295	351	597	613
Depreciation on right-of-use asset	450	450	894	603
Variable lease payments not included in the measurement of lease liabilities	5,140	2,333	9,270	6,024
	5,885	3,134	10,761	7,240

(e) Amount recognised in the statement of cash flows

	For the six-month period ended	
	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000
Principal element of lease payments	378	458
Interest element of lease payment	127	47
	505	505

Variable lease not included in the measurement of lease liabilities amounts to AED 9.3 million (30 June 2024: AED 6.0 million).

(f) Lease payments

Certain leases of developer parking areas contain variable lease payment based on the revenue generated from operating the parking facilities in such areas. Fixed and variable rental payments for the six-month periods ended 30 June were as follows:

	For the six-month period ended	
	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000
Fixed payments in relation to lease liabilities	505	505
Variable leases	9,270	6,024
	9,775	6,529

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)****17 TRADE AND OTHER RECEIVABLES**

	30 June 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000	30 June 2024 (unaudited) AED'000
Enforcement receivables*	166,707	140,638	120,718
Telecom receivables	46,476	29,127	74,484
Police receivables	98,501	43,178	33,070
Less: loss allowance on enforcement and receivables from telecom operators	(26,234)	(23,211)	(23,717)
	285,450	189,732	204,555
VAT receivable	3,753	2,974	55,027
Project and other advances	6,423	8,964	5,905
Other receivables	9,573	8,129	8,943
	305,199	209,799	274,430

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

Trade and other receivables are measured at amortised cost using the effective interest method.

There is no allowance for expected credit losses or impairment incurred for trade and other receivables from police receivables, VAT receivables, other receivables, project and other advances (Note 28).

Movements in the loss allowance on receivables relating to telecom operators and Enforcement are as follows:

	30 June 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000	30 June 2024 (unaudited) AED'000
At 1 January	23,211	22,091	22,091
Write off during the period/ year/ period for enforcement	(3,699)	(11,191)	(5,923)
Impairment loss for period/ year/ period for enforcement receivables	6,720	12,312	6,514
Impairment loss/(reversal) for telecom receivables	2	(1)	1,035
Balance at the end of the period / year / period	26,234	23,211	23,717

The provision for impaired receivables has been included in "Impairment loss on trade receivables" in the condensed consolidated interim statement of profit 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 the average customer useful life, which is five years. There is no contractual amount outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity.

18 OTHER ASSET AND TREASURY SHARES

The Company engages a third-party licensed Market Maker 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. At 30 June 2025, the Market Maker held 850,000 (31 December 2024: 421,083) of Company's shares on behalf of the Company at par value and recorded the premium paid over and above par value as own share reserve of AED 3,521,073 (31 December 2024: AED 1,203,877), which is classified under equity as at 30 June 2025. Further, during the period ended 30 June 2025, net gain of AED 829,837 (31 December 2024: AED 841,597) and other movements of AED 68,381 (31 December 2024: Nil) has been recognised in equity under treasury shares. The initial advance balance remitted to the liquidity provider amounted to AED 15,000,000, and the outstanding balance as of 30 June 2025, stands at AED 10,700,471 (31 December 2024: AED 12,973,299).

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)****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.

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

Significant transactions and balances with related parties:

	30 June 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
Balances:		
Due from related parties		
<i>Entities under common control of the Government of Dubai</i>		
Roads and Transport Authority*	100,543	130,713
Digital Dubai Government Establishment	<u>31,090</u>	<u>20,801</u>
	<u>131,633</u>	<u>151,514</u>
Due to related parties		
<i>Entities under common control of the Government of Dubai</i>		
Roads and Transport Authority*	390,192	368,023
Dubai Investment Fund	<u>53</u>	<u>30</u>
	<u>390,245</u>	<u>368,053</u>

* With respect to the balance due to and due from Roads and Transport Authority, the Group does not have an enforceable right to offset, and therefore these have been presented separately. Due to related parties includes AED 300 million deferred concession fee to Roads and Transport Authority.

	30 June 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
Loan from a related party		
<i>Entities under common control of the Government of Dubai</i>		
ENBD Bank P.J.S.C.	<u>1,098,029</u>	<u>1,097,754</u>

The Group obtained a financing facility 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.

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

	30 June 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
Lease liabilities balance at the end of the period/year (Note 16)		
Dubai Silicon Oasis Authority	5,946	5,900
TECOM Investment FZ-LLC	11,601	13,055
DCM Districts LLC	<u>2,771</u>	<u>2,689</u>
	<u>20,318</u>	<u>21,644</u>

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)

19 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Significant transactions and balances with related parties (continued):

	30 June 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
<i>Trade payable balance at the end of the period/year (Note 24)</i>		
Dubai Multi Commodities Centre	3,240	2,772
TECOM Investment FZ-LLC	2,926	1,251
DCM Districts LLC	2,725	3,253
Dubai Healthcare City	209	-
Wasl LLC	142	-
	9,242	7,276

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

As on 30 June 2025, police receivables include AED 76 million (31 December 2024: AED 27 million) due from Dubai Police which is a related party.

	For the three-month period ended		For the six-month period ended	
	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000
<i>Transactions:</i>				
Variable lease payments during the period (Note 16)				
Dubai Multi Commodities Center	2,794	2,269	5,566	5,172
TECOM Investment FZ-LLC	-	787	-	787
DCM Districts LLC	-	65	2,203	65
Wasl LLC	370	-	370	-
	3,164	3,121	8,139	6,024
Lease liabilities during the period (Note 16)				
TECOM Investment FZ-LLC	1,000	-	1,675	-
	1,000	-	1,675	-

Other transactions with owners in their capacity as owners

During the six-month period ended 30 June 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 six-month period ended 30 June 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 six-month period ended 30 June 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 six-month period ended 30 June 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 six-month period ended 30 June 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.

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)****19 RELATED PARTY BALANCES AND TRANSACTIONS (continued)**

Significant transactions and balances with related parties (continued):

Key management and directors' remuneration

	For the three-month period ended		For the six-month period ended	
	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000
Key management				
Salaries and other benefits	1,795	1,531	3,590	2,888
End of service benefits	14	10	45	18
	<u>1,809</u>	<u>1,541</u>	<u>3,635</u>	<u>2,906</u>

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) during the period ended 30 June 2025 and the comparative periods presented.

Road and building maintenance: For all periods presented the use of such services is covered under the Concession Agreement and TSA.

Information Technology Services maintenance: For all periods presented, the use of such services is covered under the Concession Agreement and TSA.

Vehicle utilisation: For the periods presented, the use of such services is covered under the Concession Agreement and TSA.

Health insurance: For the period ended 30 June 2024, the use of such services is covered under the Concession Agreement and TSA. The Group ceased health insurance under TSA from June 2024, engaging directly with the vendor.

Transitional Service Agreement

On 5 February 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 (IT), Administration, Marketing, and Communication, all in accordance with the terms specified in the TSA. During the three-month and six-month period ended 30 June 2025, an amount of AED 1.98 million and AED 4.59 million respectively (30 June 2024: AED 4.65 million and AED 10.43 million respectively) 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 condensed consolidated interim statement of profit or loss and other comprehensive income.

Parking Concession Agreement ("Concession Agreement")

On 5 February 2024, Parkin and RTA entered into a Parking Concession Agreement effective from 1 January 2024. Under this agreement, RTA grants certain mandates and powers outlined in the 2016 Parking Regulations (No. 5 of 2016), specifically related to the operation, management, and supervision of parking facilities in Dubai, to Parkin. The concession agreement also grants Parkin the right to charge parking fees and parking user charges generated by the parking facilities. Further, RTA grants right to use real estate assets and transfers the ownership of certain assets related to Parking Business under this agreement (Refer to Notes 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), plus VAT of AED 55 million (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 30 June 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.

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)****20 SHORT-TERM DEPOSITS WITH BANK**

	30 June 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
Wakala deposits	341,000	360,000

These represent deposits held with a related party, ENBD Bank PJSC operating in the UAE, with original maturity of more than 3 months, earning interest in the range of 3.80% to 3.95% (31 December 2024: 3.75% to 4.70%) and maturing by September 2025. Profit earned from short-term deposits with original maturity of more than 3 months was AED 2.56 million and AED 6.31 million for the three-month and six-month period ended 30 June 2025 (AED 0.38 million for the three-month and six-month periods ended 30 June 2024).

21 CASH AND CASH EQUIVALENTS

	30 June 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
<i>Cash at bank</i>		
- Al Islami current account	500	500
- Mudarabah Islamic call account	15,956	21,826
Wakala deposits	76,000	20,000
	92,456	42,326

Bank balance represent amounts held in current accounts with a related party, ENBD Bank PJSC 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 30 June 2025 have an original maturity period of less than 3 months and earn expected profits in the range of 3.85% to 3.95% (31 December 2024: 4.05%). Profit earned from short-term deposits of less than 3 months was AED 0.50 million and AED 0.62 million for the three-month and six-month period ended 30 June 2025 (AED 0.41 million for the three-month and six-month periods ended 30 June 2024).

During the year ended 31 December 2024 the Company 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 Company earns profit on the daily available bank balance.

22 BORROWINGS

	30 June 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
Term loan from ENBD	1,100,000	1,100,000
Unamortised loan cost	(1,971)	(2,246)
Total borrowing	1,098,029	1,097,754
Less: current portion	-	-
Non-current portion	1,098,029	1,097,754

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 interest at 3-month EIBOR plus a margin at a rate per annum of 0.80%. The upfront fee under the Facility is 0.25% flat and commitment fee on revolving credit facility is 0.25% per annum, calculated on daily undrawn and available commitments under the revolving credit facility, and payable quarterly in arrears.

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)****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.

	30 June 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
Revolving credit facility	100,000	100,000
Facility used	<u>-</u>	<u>-</u>
Financing facility available	<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 periods presented.

23 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the end of service provision for the six-month period ended 30 June 2025 and year ended 31 December 2024 are as follows:

	30 June 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
As 1 January	23,098	54,356
Employees transferred back to RTA (Note 19) *	-	(25,686)
Current service cost for the period/ year	1,077	1,932
Finance cost for the period/ year	-	907
Payouts during the period/ year	(328)	-
Remeasurement of employees' end of service benefits	<u>-</u>	<u>(8,411)</u>
Balance at the end of the period/ year	<u>23,847</u>	<u>23,098</u>

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

24 TRADE AND OTHER PAYABLES

	30 June 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
Trade payables and accruals	120,065	101,623
Payables to employees	3,552	2,400
Other payables	851	1,301
Balance at the end of the period/ year	<u>124,468</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.

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 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.

(i) Components of income tax expense

	For the three-month period ended		For the six-month period ended	
	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000
Income tax				
- Current	14,766	9,389	28,263	19,636
- Deferred	-	-	-	-
Total tax expense	14,766	9,389	28,263	19,636
Profit after tax	148,386	95,043	284,946	198,773

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

	For the three-month period ended		For the six-month period ended	
	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000	30 June 2025 (unaudited) AED'000	30 June 2024 (unaudited) AED'000
Profit before tax	163,152	104,432	313,209	218,409
Theoretical tax charge of 0% on profit up to AED 375,000	-	-	-	-
Theoretical tax charge of 9% on profit beyond AED 375,000	14,675	9,389	28,172	19,636
Tax effect of items which are not deductible for assessable for taxation purposes	-	-	-	-
- Exempt Income	-	-	-	-
- Non-deductible expenses	91	-	91	-
Income tax expense for the period	14,766	9,389	28,263	19,636

(iii) Movement in provision for taxation as per the condensed consolidated interim statement of financial position

	30 June 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000	30 June 2024 (unaudited) AED'000
At 1 January	42,626	-	-
Income tax expense for the period / year / period	28,263	42,626	19,636
Balance at the end of the period / year / period	70,889	42,626	19,636

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)

26 CONTRACT LIABILITIES

As of 30 June 2025, and 31 December 2024, contract liabilities consisted of AED 58.96 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 4.51 million and AED 4.01 million represent advance payments collected from customers against parking spot reservation in public parking and multistorey parking buildings as of 30 June 2025 and 31 December 2024 respectively. The remaining amount of AED 20.02 million and AED 17.61 million relate to amounts deposited by customers in the RTA Parking Wallet application as of 30 June 2025 and 31 December 2024 respectively.

As of 30 June 2025, and 31 December 2024, contract liabilities of AED 58.96 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 30 June 2025 and 31 December 2024, contract liabilities of AED 4.51 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 period ended 30 June 2025 and year ended 31 December 2024 is as follows:

	30 June 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
Beginning of the period/year	63,347	61,459
Add: Collection from permits and seasonal cards	111,966	151,737
Add: Collection from wallet application	50,274	88,059
Add: Collection from reservations	13,579	19,436
Less: Revenue recognised from permits and seasonal cards	(94,723)	(152,831)
Less: Revenue recognised from wallet application	(47,870)	(85,076)
Less: Revenue recognised from reservations	(13,086)	(19,437)
Ending balance	83,487	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 30 June 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 condensed consolidated interim statement of profit or loss and other comprehensive income. Concession fee expense amounted to AED 82.51 million during the six-month period ended 30 June 2025 (30 June 2024: AED 55.37 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 finalise the revised concession fee, which is expected to range between 20% and 27.5%, effective from April 2025. In anticipation of this adjustment, management has recognized an additional provision of AED 9.92 million under "Concession fee expense" for the three-month period ended 30 June 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).

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)

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 ("TSA")

On 5 February 2024, RTA entered into a Transitional Services Agreement with Parkin effective 1 January 2024 wherein RTA shall provide services to Parkin for an interim period of up to 24 months, as defined under the TSA, for the performance of certain operations and back-office functions such as information technology (IT), administration, marketing, and communication in accordance with the TSA. In exchange, Parkin will make fixed as well as certain variable payments based on actual costs incurred.

The services to be provided under the TSA include the following:

- Security & Monitoring – Information security, data leak prevention, etc.
- Human Resources – Talent acquisition, talent development, managing employee relations, and handling employee complaints/grievances.
- Administration services – Execution support for vehicle management, renewal of visa and other travel services for employees and their families, document management/archiving and support for general services e.g. building security, employee IDs and access cards, office telephones, catering/kitchen supplies, stationary).
- Customer happiness function services – Access to customer happiness centres, contact center support, maintaining service catalogues, and designing customer experiences as well as managing Customer Relationship Management, customer relations, Master Data Management, and golden records.
- Marketing and corporate communications – Managing marketing campaigns and all media communications.
- Procurement – Provision of all necessary insurance contracts and space in warehouse.
- Smart Services Department – Hosting parking services on RTA portal, RTA App, Dubai Drive, WhatsApp, etc.
- Information Technology – IT infrastructure and end-user support
- Intelligent Traffic Systems – Support to updated Geographic Information System and for parking projects under development.
- Provide space for Parkin vehicles at selected metro stations.
- Human Resources – Support with recruitment, payroll processing, and training programs.
- Finance – Support with accounting related matters.

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise trade and other payables, due to related parties, bank borrowings and lease liabilities. The Group's principal financial assets comprise cash and cash equivalents, short-term deposits with bank, other asset, trade and other receivables excluding staff advances and other advances and due from related parties. These financial assets and liabilities arise directly from the Group's operations.

The Group's activities expose it to a variety of financial risks including the effects of changes in market risk (including foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The 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 condensed consolidated interim 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.

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.

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 30 June 2025, if interest rates on borrowings had been 100 basis points higher/lower with all other variables held constant, profit for the period would have been AED 6.03 million (30 June 2024: AED 4.46 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.

The Group does not hedge its exposure to interest rate risk.

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.

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.

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)****28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)****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:

30 June 2025 (unaudited)	Expected credit loss %	Gross carrying amount AED'000	Loss allowance AED'000
Current – 395 days	6%	123,204	7,960
395+ days	42%	43,503	18,272
Total		166,707	26,232

31 December 2024 (audited)	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.

30 June 2025 (unaudited)	Expected credit loss %	Gross carrying amount AED'000	Loss allowance AED'000
Current – 90 days	0.01%	46,476	2

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

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

The balances due from police receivables and other receivables, project and other advances and balances due from related parties are subject to the impairment requirement of IFRS 9. As at 30 June 2025, 30 June 2024 and 31 December 2024, the Group has not recorded any impairment loss on these balances as the identified impairment loss is not material.

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 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 30 June 2025					
Borrowings (including future interest) (Note 22)	1,098,029	65,217	1,263,043	-	1,328,260
Lease liabilities (Note 16)	27,955	8,501	18,859	3,375	30,735
Due to related parties (Note 19)	390,245	390,245	-	-	390,245
Trade and other payables (Note 24)	124,468	124,468	-	-	124,468
	1,640,697	588,431	1,281,902	3,375	1,873,708
As at 31 December 2024					
Borrowings (including future interest) (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

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.

29 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 condensed consolidated interim 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 condensed consolidated interim statement of financial position plus net debt.

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)****29 CAPITAL RISK MANAGEMENT (CONTINUED)**

The gearing ratio as at 30 June 2025 and 31 December 2024 is as below:

	30 June 2025 (unaudited) AED'000	31 December 2024 (audited) AED'000
Borrowings (Note 22)	1,098,029	1,097,754
Lease liabilities (Note 16)	27,955	30,069
Less: Short term deposits with bank (Note 20)	(341,000)	(360,000)
Less: Cash and cash equivalents (Note 21)	(92,456)	(42,326)
Net debt	692,528	725,497
Total equity	482,624	479,961
Total capital	1,175,152	1,205,458
Gearing ratio	58.93%	60.18%

30 SHARE CAPITAL

The share capital of the Company comprised of 3,000,000,000 shares of AED 0.02 each. All shares are authorised, issued and fully paid up.

31 STATUTORY RESERVE

In accordance with UAE Federal Decree Law No. (32) of 2021, 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 six-month period ended 30 June 2025, and accordingly no such transfer to the statutory reserve has been made in respect of the Subsidiary.

32 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. The Group's financial assets consist of trade and other receivables, (excluding VAT receivables and staff advances 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 financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of the above financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and due to the value at which the instrument could be exchanged in a current transaction.

33 DIVIDENDS

Dividends of AED 280.9 million (equivalent to 9.3622 fils per share) was declared and approved in the Annual General Assembly meeting held on 27 March 2025 which was subsequently paid on 23 April 2025.

PARKIN COMPANY P.J.S.C. AND ITS SUBSIDIARY**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025 (continued)****34 EARNINGS PER SHARE**

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	For the three-month period ended		For the six-month period ended	
	30 June 2025 (unaudited)	30 June 2024 (unaudited)	30 June 2025 (unaudited)	30 June 2024 (unaudited)
Profit attributable to ordinary equity holders of the Company (AED'000)	148,386	95,043	284,946	198,773
Weighted average number of ordinary shares for basic and diluted EPS (number)*	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Weighted average number of treasury shares for basic and diluted EPS (number)	850,000	1,877,179	850,000	1,877,179
Weighted average number of ordinary shares after adjusting treasury shares for basic and diluted EPS (number)*	2,999,150,000	2,998,122,821	2,999,150,000	2,998,122,821
Basic and diluted earnings per share for profit attributable to the ordinary equity holders of the Company (AED)	0.05	0.03	0.10	0.07

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

* Weighted average number of ordinary shares takes into account the weighted average effect of changes in own shares during the period.

35 IMPACT OF SEASONALITY ON THE BUSINESS

The Group is subject to moderate seasonal fluctuations; interim period revenue and earnings are typically sensitive to the traffic activity that tends to slow down during the summer months. As a result of moderate seasonal fluctuations, results for any quarter are not necessarily indicative of the results that may be achieved for any other quarter or for the full fiscal year.

36 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 in the comparative period 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.

37 APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved by the Board of Directors of Parkin Company P.J.S.C on 07 August 2025 and signed on its behalf by Ahmed Hashem Bahrozyan, Chairman of the Board of Directors and Mohamed Abdulla Al Ali, Chief Executive Officer.