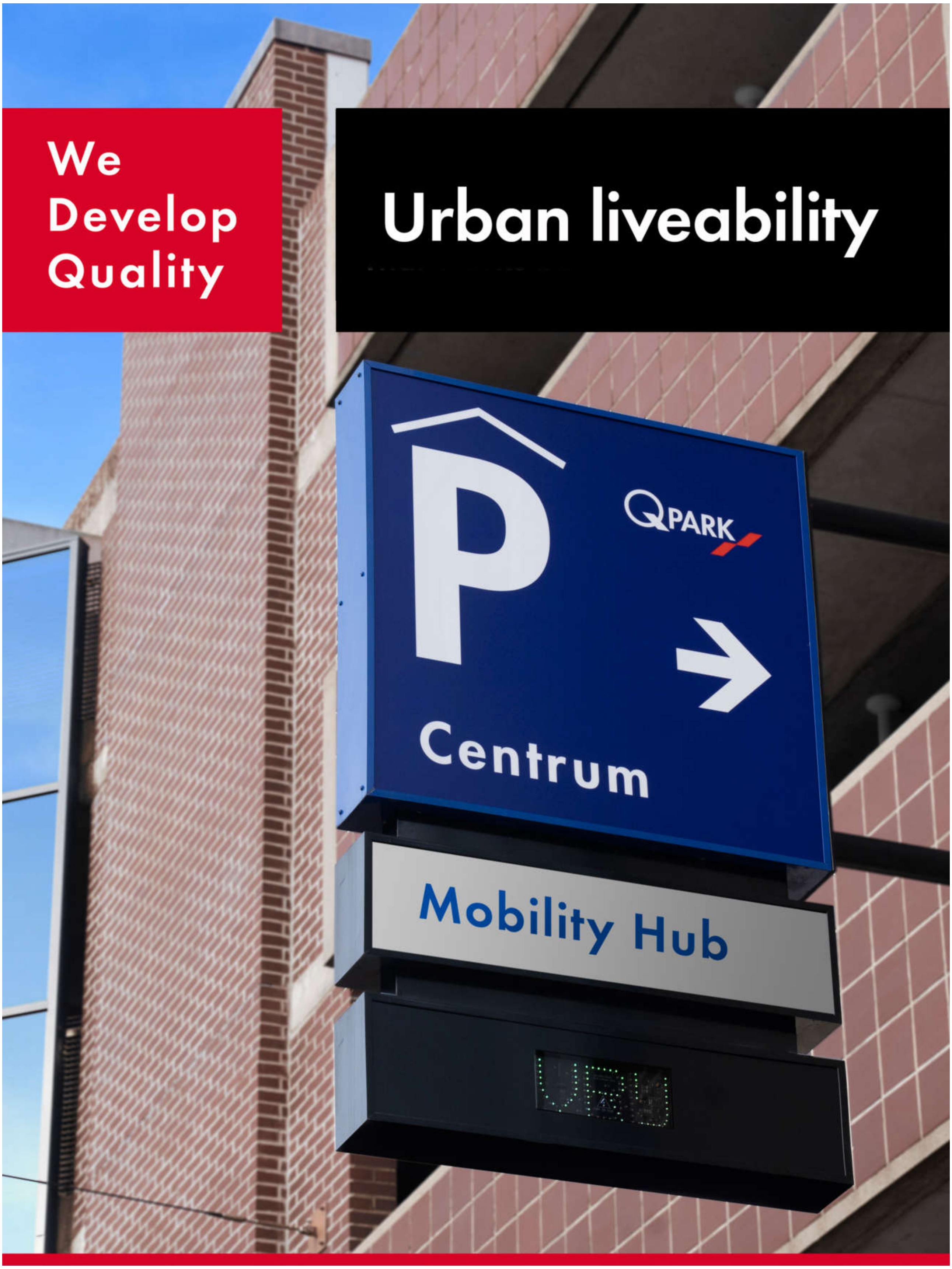
ANNUAL CSR REPORT 2024

We Develop Quality

Urban liveability



Quality in parking

REVIEW OF BUSINESS

General

The 2024 financial year demonstrated strong performance across multiple areas. Building on the momentum from late 2023, we achieved further growth, with underlying net revenues increasing by 13.3% and operating results before depreciation rising by 10.7%. This success was driven by our ongoing pricing initiatives, positive volume developments in our like-for-like business, and another record year in portfolio expansion, marked by four noticeable acquisitions.

The positive growth in our like-for-like business was driven by our digital strategy, which further boosted pre-booking revenues and the adoption of our Q-Park App, both enabled by our PaSS platform. With increases of 32% and 45%, respectively, 2024 set new records for revenues generated through our digital solutions.

Our EV Charging Programme drove a revenue increase of 57.9% compared to the previous financial year. Our parking facilities now feature around 6,800 charging points (2023: 4,100), with 4,700 owned and operated by us (2023: 3,000), reaffirming our commitment to supporting the energy transition.

On the cost side, inflationary pressures remained, driven primarily by Consumer Price Index-linked lease indexations and wage increases. However, the impact of these cost increases was more than offset by our proactive pricing strategies and higher volumes, as reflected in our overall strong performance.

On the shareholder front, we are pleased to announce the addition of two new investors to our existing group of ultimate shareholders. Pontegadea Inversiones (“Pontegadea”) has acquired a 20% stake, while Interogo Holding (“Interogo”), through its infrastructure investment fund Inter Infrastructure Capital, has acquired an 18% stake in the company from existing shareholders. We welcome these new shareholders as long-term partners, whose commitment to sustainability and value creation aligns perfectly with Q-Park's strategic direction.

Significant portfolio developments

2024 was another outstanding year for portfolio development, marked by four strategic acquisitions and multiple new contract additions and renewals.

In April, we successfully acquired a company with a strategic concession contract in Metz, France, initially signed in 2023.

In June, we completed the acquisition of Britannia Parking Group Limited, a UK-based parking company with operations in multiple cities, further expanding our footprint in the UK.

In July, we strengthened our presence in Germany with the acquisition of Optimal Parken GmbH & Co. KG, adding seven locations in the North Rhine-Westphalia region.

Finally, in December, we completed the acquisition of the SAGS Group in France. This acquisition significantly enhances our presence across the entire off- and on-street parking value chain, particularly in the Auvergne-Rhône-Alpes region, where SAGS' alpine teams bring unique operational expertise, and in Île-de-France (Paris region).

Further to these acquisitions, we secured 12 new contracts and renewals to our portfolio in 2024:

- Netherlands: Three contract renewals and two new contracts. Two in Amsterdam and two in Rotterdam, further consolidating our presence in these key cities, along with a renewal in Dordrecht.
- France: Two new concession contracts in Neuilly-sur-Seine and Montigny, despite a setback in Marseille, where we lost a renewal tender.
- Germany: Expansion through two new lease agreements in Heidelberg and Cologne.
- United Kingdom: Strengthened our Manchester portfolio with the addition of The Grand, a new lease contract.

- Denmark: A successful lease renewal in Vesterport South in Copenhagen and the acquisition of a parking facility in Randers.

These strategic additions reinforce our commitment to growth and operational excellence, ensuring a stronger presence across key Western European markets.

Operationally, the seamless transition of the Amsterdam on-street management contract, effective 1 January 2024, ensured uninterrupted service for the city's residents. Additionally, the integration of the Park Rite acquisition in Ireland, finalised in August 2023, is progressing as planned.

Furthermore, in 2024, we initiated operations for 26 projects, expanding our portfolio to over 5,300 parking facilities (2023: 3,600) and increasing the number of parking spaces to over 1 million (2023: 706,000).

Revenue and operating result

The reported net revenue amounted to EUR 943.0 million (2023: EUR 831.1 million) with a reported operating result before depreciation, amortisation and impairments of EUR 302.0 million (2023: EUR 303.2 million).

These figures are not fully comparable as they are impacted by non-operating and incidental items and financial lease accounting for certain lease contracts. For comparison reasons the revenue and operating result have been adjusted for:

- other non-operating and incidental items;
- fixed lease expenses related to financial leasing which, based on Dutch GAAP, are recorded as interest expenses and repayment on financial lease debt;
- underlying constant exchange rate adjustments with respect to our UK and Danish operations to enhance the comparability of the financial figures.

The following tables show the comparable underlying net revenue and operating result before depreciation, amortisation and impairments.

Reported net revenue amounted to EUR 943.0 million versus EUR 831.1 million in 2023. On the one hand, the total revenue increase of EUR 111.9 million (or 13.5%) is driven by our pricing initiatives in combination with volume growth of our like-for-like business. On the other hand, portfolio growth following the recent acquisitions also contributed significantly to our revenue performance.

Like-for-like parking revenues were up 4.9% compared to 2023, driven by the like-for-like short-term parking revenues (STP) which were up 5.5% driven by pricing initiatives and a further volume increase. Like-for-like long-term parking revenues (LTP) increased by 3.4% versus 2023 primarily as a result of pricing.

(x EUR million)	**2024**	**2023**
Reported net revenue	943.0	831.1
Adjustments:		
Other non-operating and incidental items	-0.2	-2.5
Underlying constant exchange rate adjustments	-4.0	0.3
Underlying net revenue	**938.8**	**828.9**

(x EUR million)	2024	2023
Operating result before depreciation, amortisation and impairments	302.0	303.2
Adjustments:		
Other operating income	-	-
Other non-operating and incidental items	32.3	3.8
Adjustment of fixed lease amounts finance leases to operating result	-77.2	-75.1
Underlying constant exchange rate adjustments	-0.5	-0.1
Underlying operating result before depreciation, amortisation and impairments	**256.6**	**231.8**

The operating result before depreciation, amortisation and impairments reached EUR 302.0 million versus EUR 303.2 million in 2023. The decrease of EUR 1.2 million reflects the increase in reported net revenue, which was offset by movements in total costs, driven by incidental items.

The underlying operating result, before depreciation, amortisation, and impairments, was EUR 256.6 million, an increase of EUR 24.8 million (10.7%) compared to 2023. Adjusted non-operating and incidental items amounted to EUR 32.3 million, up from EUR 3.8 million in 2023. This normalisations in 2024 were largely driven by incidental costs related to the minority stake sale process (EUR 21.2 million), expenses associated with refinancing and acquisitions completed in 2024 (EUR 2.0 million) and shareholder management fees (EUR 5.3 million).

Reported lease expenses increased by EUR 20.4 million, primarily due to higher fixed lease expenses (EUR 6.8 million) as a result of contractual lease indexations in combination with new business additions (mainly Britannia). Variable lease expenses increased by EUR 13.6 million as a result of improved revenue performance in 2024 and the recent acquisitions, driven by Britannia and the full year impact of the 2023 Park Rite acquisition.

Reported operating expenses of parking facilities increased by EUR 25.1 million. The increase is largely driven by the acquisition of Britannia and the full year impact of the 2023 Park Rite acquisition in combination with the operational start of the Amsterdam on-street management contract. On a like-for-like basis these operating expenses showed an increase due to annual cost indexation in combination with a steeper increase of property taxes.

Reported wages and salaries, social security premiums and pensions increased by EUR 53.6 million. This increase is primarily due to significantly higher staff levels following the acquisitions of Park Rite, Britannia and City Parkeringsservice in combination with the new labour-intensive Amsterdam on-street management contract. There was also the impact of annual salary increases combined with the impact of a substantial rise in statutory minimum wages. Furthermore, the total wages and salary costs include other non-operating and incidental items related to the minority stake sale.

Other operating expenses increased by EUR 14.0 million compared to the same period in 2023. This increase is primarily due to the aforementioned additional non-operating and incidental items related to the 2024 refinancing transactions and minority stake sale process. Adjusted for these items, the other operating expenses were well under control and showed a modest increase mainly attributable to the recent acquisitions in combination with the impact of annual indexations.

Cash flow

In 2024, total cash flow amounted to EUR -2.0 million versus EUR -25.7 million in 2023. The improvement in total cash flow is predominantly driven by movements in the loan portfolio in combination with dividends and investments in acquisitions as described hereafter.

Cash flow from operating activities amounted to EUR 288.7 million versus EUR 287.1 million in 2023. The decrease in reported operating result before depreciation, amortisation and impairments is compensated by the net impact of positive movements in long-term receivables/payables and working capital, offset by increased corporate income tax paid.

Cash flow from investment activities amounted to EUR -234.3 million versus EUR -129.3 million in 2023. Investments in existing facilities amounted to EUR -84.3 million (2023: EUR -67.2 million). The increase in existing business capex was primarily driven by larger refurbishment projects and timing differences in regular maintenance. The acquisition and expansion investments amounted to EUR -150.0 million (2023: EUR -69.7 million) and are primarily driven by the aforementioned acquisitions. The disposals in 2023 of EUR 7.6 million related to a compensation payment received for investments in early-terminated contract in France.

Cash flow from financing activities came in at EUR -56.4 million (2023: EUR -183.5 million). The movement in financing cash flow is driven by movements in the loan portfolio. In 2024, two bond issuances were executed for an amount of EUR 980.0 million in total which is primarily used to repay EUR 915.0 million of outstanding bonds. The revolving credit facility (RCF) was drawn for EUR 130.0 million during the fourth quarter of 2024 and dividends were distributed to shareholders for EUR 110.0 million. The interest paid on loans and bank balances amounted EUR -50.7 million (2023: EUR -48.0 million) which was primarily driven by the impact of the higher interest rates on refinanced bonds. The interest and repayment component on financial lease obligations amounted to EUR -77.2 million versus EUR -75.1 million in 2023.

Financing

At year-end 2024, the Group financing agreements primarily consisted of senior secured notes of EUR 1,610 million and an RCF of EUR 270 million. The bonds are listed on The International Stock Exchange (TISE) in Guernsey and comprise of four tranches:

- EUR 630 million senior secured fixed rate notes due in 2027 with an interest rate of 2.0%.
- EUR 430 million senior secured fixed rate notes due in 2029 with an interest rate of 5.125%.
- EUR 550 million senior secured fixed rate notes due in 2030 with an interest rate of 5.125%.

At year-end 2024, the total outstanding loans with credit institutions amounted to EUR 239.6 million and included the drawn part of the RCF of EUR 130.0 million and a corporate bank loan of EUR 30.0 million. The remaining amount of EUR 79.6 million relates to bilateral loan facilities in primarily France, Denmark and Ireland.

The total net debt position excluding restricted cash and the shareholder loan at year-end 2024 was EUR 1,737.1 million versus EUR 1,494.4 million at year-end 2023. The total financial expenses on bonds and loans amounted to EUR -64.5 million (2023 EUR -50.1 million), resulting in an average interest percentage on loans of 3.8% which is higher compared to 2023 (3.1%) as a result of increased interest rates on recently refinanced bonds.

Following changes in the Dutch fiscal unity structure the outstanding amount of the shareholder loan including accrued interest is cancelled in full without any payment. After the cancellation no further shareholder loan remains (year-end 2023: EUR 52.7 million).

Taxation

As the Group is present in seven Western European countries, it is subject to different tax regimes. The total tax expense in 2024 amounted to EUR -21.6 million representing an average tax rate on the result for the year of 96% (2023: EUR 11.6 million and 52%). This average tax rate is impacted by the effect of permanent differences related to goodwill amortisation, non-deductible interest expenses and other non-deductible costs. Furthermore, the tax pressure is affected by incidental items with an impact of EUR -1.7 million (2023: EUR 26.0 million). The higher incidental items in 2023 primarily resulted from tax rate changes in the United Kingdom in combination with the recognition of the full amount of deferred tax losses in also the United Kingdom following the strong recovery of results and anticipated further utilisation of these losses in the coming years. Excluding the effect of incidental items and permanent differences, the effective tax rate for 2024 would be approximately 26%, which is in line with the average of the applicable tax rates of the countries in which we operate.