
CONTENTS

ABOUT US	4
I Performance highlights	6
I Key figures	8
I Profile	9
EXECUTIVE BOARD REPORT	12
I Message from the board	14
I External analysis	20
I Our strategy	24
I Review of business	28
I Corporate social responsibility	40
I Future outlook	43
CORPORATE GOVERNANCE	46
I Risk Management	48
I Codes & standards	55
SUPERVISORY BOARD REPORT	58
ANNUAL ACCOUNTS	64
I Consolidated balance sheet as per 31 December	67
I Consolidated income statement	69
I Consolidated statement of comprehensive income	70
I Consolidated statement of changes in shareholders' equity	71
I Consolidated statement of cash flows	73
I Notes to the consolidated annual accounts	74
I Company balance sheet as per 31 December	118
I Company profit and loss account	120
I Notes to the company annual accounts	121
OTHER INFORMATION	132
GLOSSARY	138

RISK MANAGEMENT

A business must take some risks to create value. Having a risk management policy allows Q-Park to take risks in a managed and controlled manner. Q-Park makes strategic, operational, financial, and reputational risks controllable by carefully weighing risks and returns against each other. Effective risk management is integrated into Q-Park's daily operations.

Q-Park deploys a top-down risk management policy in which strategic risk management is executed at corporate level and operational risk management in the regions. Responsibility for operational risk management lies primarily with regional and functional management. The Executive Board however bears the ultimate responsibility for managing the risks the company faces.

Risk management and internal control

Ongoing identification and assessment of risks is part of Q-Park's governance and periodic business review. Q-Park's Enterprise Risk Management (ERM) policy is designed to provide senior management with an understanding of the key business risks the company faces. It also provides methods and processes to manage the risks that might hamper the business achieving key objectives and to initiate actions required to mitigate these risks.

The Executive Board and the Audit Committee periodically review these risks and the related mitigation controls and procedures. These bodies provide complementary insights into existing and emerging risks that are subsequently included in the policy. Q-Park's ERM policy influences the formation of controls and procedures, and the focus of business planning and performance process.

Risk appetite

Factors which determine Q-Park's risk appetite include the international spread of its business, the robustness of its balance sheet, strength of cash flows, and a commitment to conservative financial management. Q-Park's risk appetite varies per objective and risk category:

- I **Strategic:** Taking strategic risks is an inherent part of how Q-Park does business. In pursuing growth as a strategic ambition, Q-Park is prepared to take risks in a responsible way taking account of our stakeholders' interests.
- I **Operational:** Depending on the type of operational risk, Q-Park takes a cautious to averse approach. We give the highest priority to ensuring the safety of our employees and customers, delivering the highest level of service and protecting the company's reputation.
- I **Financial:** Q-Park pursues a conservative financial strategy, including a balanced combination of self-insurance and commercial insurance coverage.
- I **Compliance:** Q-Park is averse to the risk of non-compliance with relevant laws or regulations, or non-compliance with our own codes, contractual agreements, and covenants.
- I **Fraudulent and unethical behaviour:** Q-Park and all our associates are committed to acting with honesty, integrity, and respect. Q-Park is fully averse to risks relating to fraudulent behaviour and applies a zero-tolerance policy.

Main risks

The following risk overview highlights the main risks which might prevent Q-Park achieving its strategic, operational, and financial objectives. The risks described are not an exhaustive list of the risks Q-Park faces. There may be additional risks which do not constitute a direct threat in the short-term, or risks which management deems immaterial or otherwise common to most companies, but which could at some time have a material adverse effect on Q-Park's financial position, results, operations, or liquidity.

Strategic

<i>Risk description</i>	<i>Risk management measures</i>
Regulatory changes to inner-city parking National or local governments could implement measures which are potentially unfavourable to the parking sector, for instance as a result of pressure from public opinion, pressure groups, or election results. For example, the debate on banning traffic within city boundaries could adversely affect inner-city parking, resulting in lower revenue, and diminished profitability.	<ul style="list-style-type: none"> Cooperate with governments, NGOs, and businesses. Ensure geographic diversification of Q-Park's portfolio over ten countries and a further spread across multiple indirect markets. Invest extensively in online platforms and value-added services to become a proactive business partner for local authorities.
Economic environment Factors that potentially influence parking prices include pressure from the general public and retailers, political changes, or a long-term fall in GDP. Lower parking prices would significantly impact Q-Park's profitability and cash flows.	<ul style="list-style-type: none"> Cooperate with governments, NGOs, and businesses. Highlight the relevance of regulated and paid parking to society. Use calculation models to set different parking tariff steps, start tariff, and whole-day tariffs. Simulate the effects of changing these parameters to align prices with the local circumstances and market situation. Strengthen the commercial, customer, and market intelligence organisation.
Competitive environment and economic conditions The parking market is characterised by intense competition between existing players. Competition from new technologies is also disrupting the current parking market, resulting in an increased focus on ICT developments.	<ul style="list-style-type: none"> Invest extensively in online platforms and PMSs to prepare the organisation for modern access and payment solutions. Closely monitor developments in payment services and initiatives taken by new parking service providers. Enter into joint ventures where collaboration offers opportunities for both parties. Ensure geographic diversification of Q-Park's portfolio and a further spread across multiple indirect markets.
Dependency on non-parking business and functional development location A car parking service is an indirect service which depends on other external factors (e.g. offices, shopping centres, leisure amenities). New consumer behaviour (e.g. online shopping, working from home) or changes in the	<ul style="list-style-type: none"> Ensure geographic diversification of Q-Park's portfolio and a further spread across multiple indirect markets.

popularity of certain stores or locations pose a risk of a significant decrease in demand for parking services and, consequently, a decrease in Q-Park's business and revenue.

Manage portfolio with focus on large multifunctional inner-city locations.

Operational

<i>Risk description</i>	<i>Risk management measures</i>
Safety and liability	
The safety of our customers and employees is our top priority. If an employee or a customer sustains injury while at work or while visiting one of Q-Park's parking facilities, this could impact Q-Park's reputation.	<ul style="list-style-type: none">Adhere to health and safety procedures relating to employees and customers.Invest in maintenance to ensure clean and closed parking facilities with proper instructions for visitors.Training and development to focus on personal safety and safety measures in and around our parking facilities.
Dependency risks, interruptions, and business continuity	
Continuity of the company and its business is crucial. Continuity depends on a number of factors, including suppliers. Q-Park is particularly vulnerable regarding PMSs, ICT, and infrastructure.	<ul style="list-style-type: none">Use different systems from independent suppliers where operational efficiency remains the primary objective.Conduct preventive maintenance and make targeted investments.Connect QCR to all parking facilities to assist in the event of business interruptions.Operate 24-hour service desk.
ICT and information security	
Given the increasing use of mobile communication and the professionalism of cybercriminals, the company must focus constantly on continuity of ICT systems and on ensuring the security of crucial information and sensitive customer data (e.g. payment card details, passwords). The theft of crucial or sensitive data could result in reputation damage, information leakage to competitors, as well as claims against the company.	<ul style="list-style-type: none">Comply with PCI DSS.Invest in ICT platform and related security policy.Centralise ICT systems allowing central enforcement of security measures.Take multiple measures to secure confidentiality and integrity of data, including continuity measures in conjunction with outsourcing partners.
Staffing and retention	
Good, experienced, and knowledgeable people are the foundation of Q-Park and its success. The company must ensure that it is able to employ and retain the right people.	<ul style="list-style-type: none">Implement a system for performance measurement and annual reviews.Ensure effective employer branding and communication to the labour market.Develop training and opportunities for all employees.
Ethics and integrity	
Ethics and integrity are important conditions for confidence in Q-Park. Behaviour deemed to be unethical could lead to loss of revenue and reputation.	<ul style="list-style-type: none">Implement code of ethics and whistle-blower policy.Ensure Executive Board and senior management demonstrate 'tone at the top'.

-
- | Implement a zero-tolerance strategy.
 - | Encourage non-cash payments and hire external parties for cash collection.
-

Financial

<i>Risk description</i>	<i>Risk management measures</i>
Valuation of investment property and goodwill Q-Park owns a considerable amount of investment property and goodwill. If the economic climate deteriorates and potential fair value adjustments and impairments are not identified, determined, or communicated in a timely fashion, Q-Park could incur reputational damage.	<ul style="list-style-type: none">Conduct investment property valuation annually.Ensure extensive valuation process with multiple controls over input and output.Employ an independent valuer to conduct the valuations.
Financing Given that Q-Park is a capital-intensive company, access to external financing is crucial for continuity. A liquidity risk could arise if external financing is not available to Q-Park when refinancing is required.	<ul style="list-style-type: none">Adopt a financing policy.Agree long-term loans.Enable early refinancing and a spread with different expiration dates for external loans.Consult regularly with external debt providers to discuss the ongoing business, results, and strategy.
Interest rate risks Q-Park has a significant external debt subject to variable interest rates, thereby exposing the company to fluctuations in interest rates. A significant increase in variable interest rates would have a negative impact on results.	<ul style="list-style-type: none">Seek a mix of fixed and variable interest rates for financing operations, combined with the use of interest rate instruments.Adopt an interest rate policy in which at least half of the bank debt is covered by interest rate derivatives with a maximum volatility per annum.
Currency risk Q-Park's functional currency is the euro. Given that Q-Park also operates in countries with a different functional currency, Q-Park is exposed to fluctuations in those currencies, which may result in unfavourable results.	<ul style="list-style-type: none">Monitor and report periodically on currency risk exposure.Optimise currency risk through natural hedges (external debt in foreign currency equal to the exposure).

Compliance and reporting

Risk description

Financial statement does not give a true and fair view

If misstatements are made such that the financial statements do not give a true and fair view of the company's financial position, financial performance, and cash flows, users of the financial statements would be incorrectly informed.

Risk management measures

- | Maintaining common accounting policies, reporting processes, and standard chart of accounts.
- | Maintaining a risk and control matrix.
- | Monitor critical access and segregation of duties.
- | Actively involve all stakeholders and request for responsibility.

Non-compliance with European and national laws

Changes in the legal and regulatory environment tend to increase the risk of non-compliance with local, national, and international laws and regulations, as well as tax legislation. Failure to comply with applicable regulations could lead to fines, claims, and reputational damage.

- | Implement risk and control systems and processes aimed at compliance with all applicable laws and regulations.
- | Establish corporate functions to monitor local risks and challenges from a group perspective (e.g. tax, finance, and legal).
- | Involve local external specialists where necessary (e.g. tax).