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REVIEW OF BUSINESS

General

After a record 2019, the 2020 financial year started with very good results in January and February. In March 2020 everything changed with the European outbreak of the COVID-19 pandemic significantly impacting our business and financial results.

While long-term parking revenues remained fairly stable throughout the year, our short-term parking revenues were strongly impacted by the stringent government lockdown measures to contain the virus. For a number of weeks our short-term parking revenues came to a virtual standstill as people worked from home and were only allowed or advised to go out for essential or permitted purposes. The effect of these measures was most severe in the period March to May. During the second quarter of the year following the easing of restrictions, customers immediately started to return to our facilities resulting in a strong recovery of our short-term parking revenues and cash flow. This recovery continued over summer. Still impacted by the absence of events (cinemas, theatres and mass events), working from home policies and continued restrictions on travel, short-term parking revenues in the third quarter reached on average 80% of levels in the comparable period in 2019. Post summer the first signals of a second wave of the pandemic became noticeable. Increasing infections and hospitalisations led to the reinstatement of government restrictions from October 2020 onwards, with all countries being in some sort of lockdown situation again.

The COVID-19 crisis is not over and the spread of the virus and resulting government restrictions remain volatile in the early path of 2021. The impact on our business in the first months of 2021 is evident but the magnitude and duration is difficult to assess. In order to anticipate and adapt to changing circumstances, we accelerated our focus on the digital presence to offer our customers more flexible, seamless and/or contactless parking solutions. Furthermore, the actions taken to mitigate the impact of the crisis on our business remain in place and are continuously monitored and adjusted when necessary:

- I We have our cross-functional COVID-19 response team in place in order to:
 - I Safeguard employee health, welfare and their ability to perform their roles in providing services to our customers;
 - I Monitor government restrictions in the different countries and impact on revenues, costs and liquidity and take mitigating actions where possible;
 - I Limit capital expenditure to that required for safety purposes and commitments that are critical for the business and therefore cannot be postponed;
 - I Reduce (discretionary) costs wherever possible without harming the long-term strength of our company;
 - I Monitor our liquidity position and draw on available funding sources whenever required;
 - I Make selective use of economic stimulus and government support programmes available;
- I At the same time, we accelerated our focus on providing the best customer experience under the given circumstances by:
 - I Keeping our parking facilities open as much as possible as people were advised to avoid public transport;
 - I Decreasing physical contact points by enabling and promoting digital payment and contactless and cashless parking solutions;
 - I Introducing new, more flexible product offerings and digital pre-booking tools.

While our business has been significantly impacted by the pandemic, the past twelve months also showed that as soon as restrictions are eased, people quickly start to return to our facilities with a direct recovery in revenues. In addition, we have used this unprecedented period not only to secure our ongoing business and safety, but also to enhance the agility and efficiency of our company and accelerate the roll-out of our digital roadmap. Our liquidity buffers remain solid and with vaccination

programmes now underway in all our countries, we believe to be well-positioned to take advantage of new opportunities in the European parking market once the lockdown restrictions are eased again and the post-COVID-19 recovery sets in.

Significant portfolio developments

During 2020, P1 (acquired in September 2019) was fully integrated into our Dutch operations and all planned synergies have been realised. As part of this integration, we successfully divested Q-Park Contacts BV, a call centre business that at the time of acquisition was considered to be non-core to our business model.

Despite the COVID-19 driven market interruption, we have been able to grow our portfolio by means of acquisitions and by adding new lease and concession contracts.

On 2 January 2020, we acquired 100% of the shares in Universparkering ApS, via our subsidiary Q-Park Operations Denmark A/S. Universparkering is a small sized private parking company in Denmark. The company was founded in 2002 and has a focus on managing private parking facilities. The main activity of the company is patrolling private parking facilities and issuing control fees if regulations are violated.

In December 2020 we opened the Steendok facility, the first of two prestigious underground construction projects in the former dock area in Antwerp. With four parking levels, the facility provides parking space for some 900 cars and 125 bicycles. Development of the second facility with a similar capacity will commence in 2021 and is expected to open in the second quarter of 2022.

In France where the majority of our business consists of concession contracts, we have won new contracts in Chartres and Paris. Furthermore, we continued the construction of new parking facilities in Toulon and Chambéry.

New lease contracts were added to the portfolio in the Netherlands, Germany and the United Kingdom.

Net revenue

The reported net revenue amounted to EUR 489.2 million (2019: EUR 749.7 million) with a reported operating result before depreciation, amortisation and impairments of EUR 113.9 million (2019: EUR 347.4 million). These figures are not fully comparable as they are impacted by significant events such as the disposal of the Nordics business in 2019, other 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:

- | The revenue and operating result from the Nordics business included in the 2019 reported figures;
- | Other non-operating and incidental items;
- | UK sale & lease back adjustment 2019 fixed lease costs to represent a full year lease in 2019;
- | Fixed lease expenses related to financial leasing which, based on Dutch GAAP, are recorded as interest expenses and repayment on financial lease debt.

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

(x EUR million)	2020	2019
Reported net revenue	489.2	749.7
<i>Adjustments:</i>		
Elimination of Nordic revenues	-	-75.7
Other non-operating and incidental items	-1.8	-
Adjusted net revenue	487.4	674.0

The adjusted net revenue amounted to EUR 487.4 million versus EUR 674.0 million in 2019. The decrease in revenues is driven by the sharp decline in short-term parking revenues following the COVID-19 measures as implemented by governments. The like for

like revenue (LFL) was down by 31.7% compared to 2019, driven by the LFL short-term parking revenues which were down by 40.8%. The LFL LFL long-term parking revenues remained almost flat at -0.6%.

(x EUR million)	2020	2019
Operating result before depreciation, amortisation and impairments	113.9	347.4
<i>Adjustments:</i>		
Elimination of Nordic operating result	-	-8.7
Elimination of book gain on Nordic disposal	-	-69.9
Other non-operating and incidental items	8.0	15.6
UK sale & lease back adjustment fixed lease costs	-	-4.5
Adjustment of fixed lease amounts finance leases to operating result	-69.0	-63.6
Adjusted operating result before depreciation, amortisation and impairments	52.9	216.3

The adjusted operating result before depreciation, amortisation and impairments amounts to EUR 52.9 million versus EUR 216.3 million in 2019. The decrease in operating result of EUR 163.4 million is driven by the aforementioned adjusted revenue decline of EUR 186.6 million.

Adjusted lease expenses were EUR 19.2 million lower compared to 2019 primarily due to lower revenue related variable lease expenses (EUR 27.0 million) partly off-set by increased fixed lease expenses (EUR 7.8 million) due to portfolio additions and acquisitions in late 2019 and early 2020.

Total adjusted personnel costs were EUR 1.9 million lower compared to 2019 mainly due to reduced staffing and a positive impact of COVID-19 government support programmes such as temporary unemployment schemes.

Despite the recent acquisitions of P1 (September 2019) and UniversParkering (January 2020), we have managed to reduce our total operating expenses in 2020 by EUR 2.2 million. These savings were driven by the effects of the transformation programme and related cost saving initiatives, such as energy savings following the LED implementation and the positive effects of increased central procurement processes.

Furthermore, strict discipline on controllable costs resulted in lower costs of maintenance, marketing and travel. Next to that the decline in revenues resulted in reduced cost of money management and property taxes. These cost savings were partly offset by higher ICT expenses as a result of portfolio additions, increased data security measures and the accelerated roll-out of our digital roadmap.

Cash flow

In 2020, total cash flow amounted to EUR -45.5 million versus EUR 220.8 million in 2019.

The cash flow from operating activities amounted to EUR 125.6 million which is a decrease of EUR 113.1 million compared to 2019 (EUR 238.7 million). This decrease is primarily attributable to the impact of COVID-19 measures on short-term parking revenues. This is partly compensated by positive working capital movements of EUR 22.3 million primarily as a result of timing differences with respect to quarterly lease payments.

The cash flow from investment activities amounted to EUR -78.3 million versus EUR 208.5 million in 2019 which included the positive cash flow of the Nordics disposal (EUR 355.7 million). Adjusted for divestments, the investment cash flow in 2020 amounted to EUR -82.1 million compared to EUR -147.2 million in 2019. Investments in existing facilities decreased by EUR 13.0 million due to strict control on capital expenditure as a COVID-19 response. Acquisition and expansion investments amounted to EUR -40.8 million compared to EUR -92.9 million in 2019. The decrease is primarily related to the larger acquisition of P1 in the Netherlands in 2019.

The cash flow from financing activities amounted to EUR -92.8 million versus EUR -226.4 million in 2019. The cash flow (incl. capitalised bank fees) from newly issued and repaid loans amounted to EUR 262.2 million. This positive cash flow effect is primarily related to the revolving credit facility (RCF) drawn at the end of March 2020 as response to the

COVID-19 crisis to ensure a solid liquidity position. At the end of 2020 most of this balance is still included in our cash position (EUR 225.6 million). Shareholder distributions amounted to EUR 250.0 million (2019: EUR 487.4 million) and consisted of dividends and interest, and repayments on the shareholder loan. All shareholder distributions were executed before the outbreak of the COVID-19 crisis and no distributions have been made or planned to be made since the outbreak. The interest cost paid on loans amounted EUR -36.8 million (2019: EUR -33.7 million). The interest and repayment component on financial lease obligations amounted to EUR 69.0 million versus EUR 63.6 million in 2019. The increase is primarily related to sale & lease back transactions for UK real estate in 2019 which under Dutch GAAP qualify as financial lease contracts.

Financing

In February 2020 the existing financing agreement was fully repaid and replaced by an inaugural bond issuance to secure our liquidity needs for the short and medium term. The new financing agreements consist of senior secured notes of EUR 1,455 million and a Revolving Credit Facility of EUR 250 million. The bonds are listed on The International Stock Exchange (TISE) in Guernsey and as per December 31, 2020 comprise of three tranches:

- | EUR 425 million senior secured fixed rate notes due in 2025.
- | EUR 630 million senior secured fixed rate notes due in 2027.
- | EUR 400 million senior secured floating rate notes due in 2026.

The total net debt position excluding a shareholder loan at the end of 2020 was EUR 1,492.1 million (2019: EUR 1,158.4 million). The movement in net debt is primarily related to shareholder distributions made early in 2020. The total financial expenses on bank debt were EUR 36.3 million (2019: EUR 34.0 million), resulting in an average interest percentage on loans of 2.2% (2019: 2.8%).

In addition to the bank debt, we have a shareholder loan with an outstanding amount at the end of 2020 of EUR 52.7 million (2019: EUR 78.9 million) with an interest percentage of 7.0%. This shareholder loan has been used to refinance part of the Q-Park Group's former financing positions during the acquisition in 2017 and is subordinated to the external bank debt.

Taxation

As the company is present in seven different European countries, it is subject to different tax regimes.

The total tax expense in 2020 amounted to EUR -0.2 million (2019: EUR 6.9 million) representing a tax pressure on the result for the year of 0% (2019: 117%). This tax pressure is significantly impacted by the effect of permanent differences related to goodwill, non-deductible interest expenses and other non-deductible costs. Furthermore, the tax pressure is affected by incidental items with a negative impact of EUR 27.7 million primarily resulting from adjustments on deferred tax positions as a consequence of corporate income tax rate changes in the Netherlands where earlier lowering of income tax rates was reversed as a mitigating response to finance COVID-19 support programmes and true-ups on 2019 positions.

Excluding the effect of incidental items and permanent differences, the effective tax rate for 2020 would be approximately 25%. Which is in line with the average of the applicable tax rates of the countries we operate in.