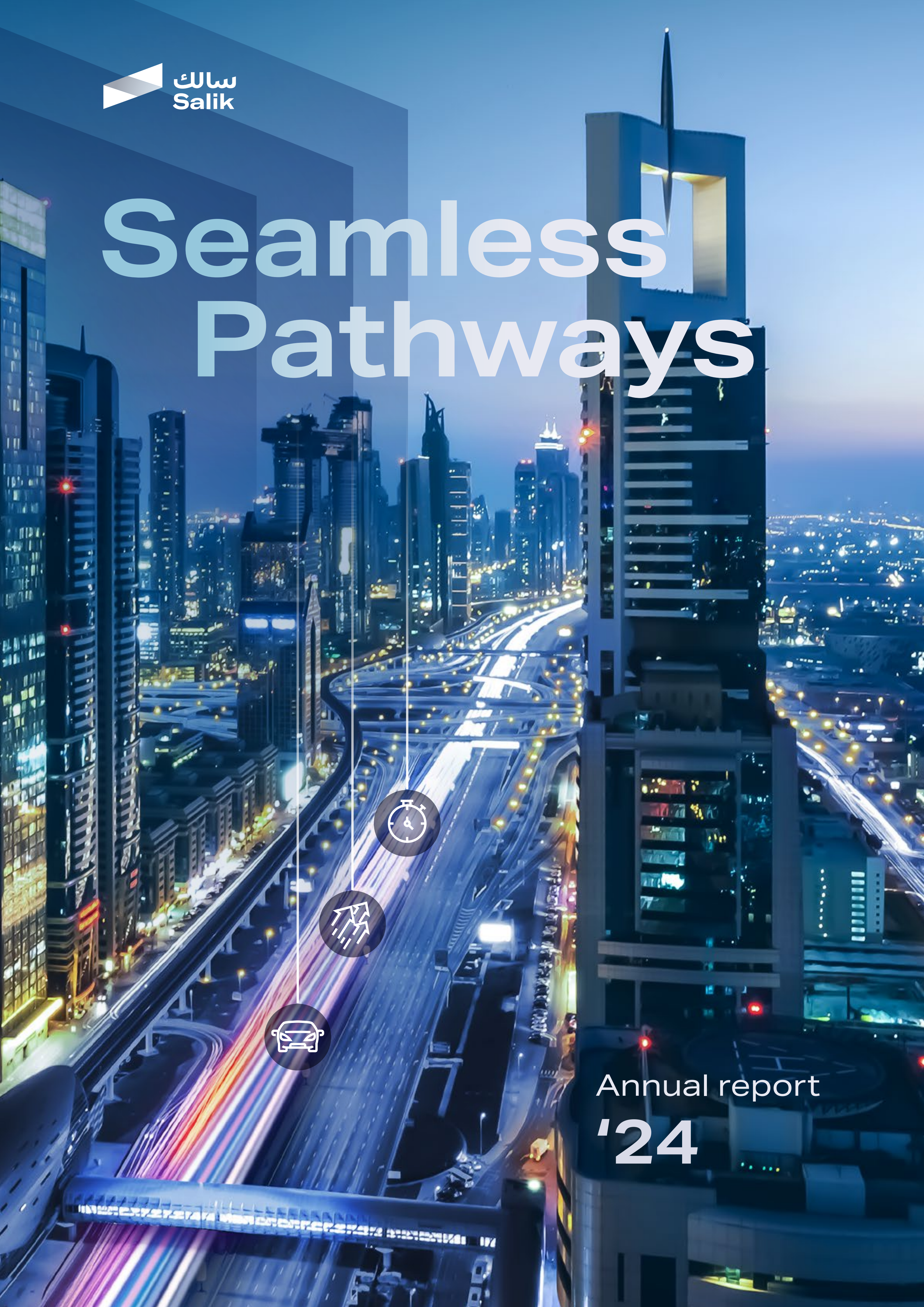
سالك
Salik

Seamless Pathways

Annual report
'24



About the Report

Dear readers,

This is the Integrated Annual Report of Salik Company P.J.S.C. (from now on referred to as 'Salik' or the 'Company'), covering the calendar year from 1 January to 31 December 2024, unless stated otherwise. The previous annual report can be found on the Company's website.

All financial data correspond to the financial statements for the same period, reflecting the Company's boundaries and reporting timeline. This report also contains a sustainability section that condenses our sustainability initiatives and outcomes. To learn more, please refer to our 2024 sustainability report. Together, these reports consistently disclose operational, financial, environmental, social, and governance performance.

The report is based on applicable regulations and standards, including the Corporate Governance Guide[1] and DFM Listing Rules. For the sustainability-related data, we reference the Global Reporting Initiative (GRI) 2021 Standards and the Dubai Financial Market (DFM) Guide to ESG Reporting (the relevant indexes are included in the sustainability report).

Disclaimer

In this Integrated Annual Report of Salik Company P.J.S.C. ('Salik' or the 'Company'), any reference to 'partnership' is intended solely to describe cooperation and collaboration with third parties and should not be construed as an indication of Salik holding any equity stake or ownership interest in the entities referred to.

Furthermore, any reference to 'Parking Management' within this report is specifically intended to refer to barrier-free and payment parking solutions and does not imply any broader scope of parking operations or management beyond these solutions.

This disclaimer should be read in conjunction with the entire report to ensure accurate interpretation of the Company's statements and strategic initiatives.

No statement in this document is intended to be nor may be construed as a profit forecast. Any statements made in this document which could be classed as 'forward-looking' are based upon various assumptions, including management's examination of historical operating trends, data contained in the Company's records, and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant risks, uncertainties, and contingencies. Forward-looking statements are not guarantees of future performance. Risks, uncertainties, and contingencies could cause the actual results of operations, financial condition, and liquidity of the Company to differ materially from those results expressed or implied in the document by such forward-looking statements. No representation or warranty is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved. No reliance should be placed on any forward-looking statement. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of this communication. Furthermore, no representation or warranty is made as to the accuracy, completeness, or reliability of the information contained in this document. The information, statements, and opinions provided herein do not constitute a public offer under any applicable legislation nor an offer to sell or solicitation of an offer to buy Salik Shares. In the event of any discrepancy or error in the numbers presented in this document, the information provided in the official financial statements shall prevail. We do not accept any liability for errors or omissions in the information contained herein.

[1] Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 with amendments made by SCA's Board of Directors Decision No. 2/R.M of 2024.

Glossary

AED – Arab Emirates Dirham

ANPR – Automatic Number Plate Recognition

DFM – Dubai Financial Market

ESG – Environmental, Social and Governance

GRI – Global Reporting Initiative

OCR – Optical Character Recognition

RFID – Radio Frequency Identification

RTA – Roads and Transport Authority

SDG – Sustainable Development Goals

About Salik

Salik is the exclusive operator of Dubai's advanced free flowing tolling system and, under a 49 year Concession Agreement with Dubai's Roads and Transport Authority (RTA), provides a technologically advanced, seamless, barrier-free roadway toll system until 2071.

The word 'Salik' means 'open' or 'clear' in Arabic and in this spirit, the Salik company enables the seamless and convenient mobility of over four million vehicles in Dubai. With best-in-class Radio Frequency Identification (RFID) and Automatic-Number-Plate-Recognition (ANPR) technologies at ten automatic gates (including two new gates opened in November, 2024), Salik keeps Dubai moving rapidly along its chosen pathway as one of the world's fastest-growing cities.

Salik's operations have earned industry accolades, including the Toll Excellence Award from the International Bridge, Tunnel, and Turnpike Association.

In 2024, Salik reached several milestones, including:

- The addition of two strategically located toll gates, enhancing traffic management and efficiency.
- New partnerships, such as barrier-free parking solutions and innovative insurance services, reinforcing customer-focused mobility.

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Providing seamless pathways

Salik is the exclusive operator of Dubai's advanced tolling system and provides a technologically advanced, free-flowing, barrier-free roadway toll system in the Emirate of Dubai until 2071.

'Salik', which means seamless mobility in Arabic, enables the seamless and convenient mobility of over four million vehicles in Dubai. With best-in-class Radio-Frequency-Identification (RFID) and Automatic-Number-Plate-Recognition (ANPR) technologies at ten automatic gates, Salik optimises the performance of the world's leading smart urban roadway networks to keep Dubai moving fast along its chosen pathway as one of the world's fastest growing cities.

Salik's own growth pathways include increasing revenues from tolls and parking payment solutions, data monetisation, and advertising.

2 new
strategically located toll gates

NEW
seamless parking at Dubai Mall and insurance services for drivers

01. Strategic Review

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Chairman's Statement

I am confident that Salik will continue along its seamless path and deliver value for all of our stakeholders in the future, particularly given our ongoing commitment to sustainability.

Mattar Al Tayer
Chairman | Board of Directors

498.1 million
Revenue Generating Trips

AED **1.2** billion
FY 2024 Dividends

Dear shareholders,
2024 marked another year of significant progress for Salik in the context of the continuing economic growth of the Emirate of Dubai. Further increases in population, business and leisure activities, domestic traffic and tourism led to growth in revenue-generating trips.

Growing with Dubai

Salik's vision, to foster its global leadership in providing sustainable and smart mobility solutions, aligns closely with the Dubai Economic Agenda D33, to double Dubai's economy by 2033 and with the Dubai Social Agenda 2033, to triple the number of Emiratis working in the private sector. And as a strategic partner of the government we strive to align to the RTA's Strategic Plan 2024-2030, to make Dubai the world's best city for living.

Further progress in 2024

As a result of the work of our team and the quality of our operations we recorded 498.1 million revenue generating trips and net income of nearly AED 1.2 billion in 2024. This represents an increase of 8.0% and 6.1% respectively on the previous year.

Since our successful IPO in 2022, we have made great progress and this is gratifying, given our responsibilities to our new shareholders.

This achievement will also further assist in enhancing the reputation of Dubai's capital markets as well as the value of Dubai's infrastructure assets.

Throughout the year, Salik reached several key strategic milestones, including the introduction of several new ancillary revenue streams, such as the launch of a barrier-free parking payment solution in July 2024, in collaboration with Emaar Malls, and the launch of tailored motor insurance solutions in the UAE in November 2024, in collaboration with Liva. November 2024 also marked our announcement of Salik's geographical expansion beyond the Emirate of Dubai for the first time, having collaborated with Parkonic, the largest private parking operator in the UAE, to provide drivers with easy, secure and quick parking payment services across the country.

In addition, Salik also expanded its offering within its core tolling business, a continued area of strategic focus, having introduced two new toll gates which became operational in November 2024, further enhancing traffic management and efficiency across the Emirate of Dubai.

In December 2024, Salik was assigned strong investment grade credit ratings by leading agencies Moody's and Fitch, of A3 and A- respectively, which are testament to the strong business we have built and the solid financial position from which we operate. The ratings reflect the Company's strong balance sheet, robust liquidity position and high cash flow generation.

Dividends

Thanks to our financial performance, and in line with our dividend policy, AED 550 million in dividends was distributed in April 2024, representing 100% of Salik's distributable net profit for the second half of 2023. Furthermore, AED 544.7 million was distributed in September 2024, representing 100% of Salik's distributable net profit for the first half of 2024.

Consistent with our commitment to providing shareholders with value, Salik plans to distribute AED 619.8 million during the second quarter of 2025, representing 100% of Salik's distributable net profit for the second half of 2024, subject to shareholder approval at the Annual General Meeting (AGM) in April. The scale of these distributions is a key element in our capital management and strategy.

A successful strategy

During the year we were successful in executing our corporate strategy, growing our core tolling business with the addition of two new toll gates and developing our ancillary services by introducing seamless parking and insurance services for drivers.

In 2024, Salik made a significant step in fostering responsible business practices and supporting a sustainable future for the UAE by joining the United Nations Global Compact and aligning with a set of its Sustainable Development Goals. Our 2024 Sustainability Report and the Sustainability Review in this report map out our objectives and performance in environmental stewardship, people happiness, and responsible governance.

For example, our two new toll gates are solar-powered and we plan to make all our toll gates solar-powered in the medium term; we provided toll exemptions for people of determination, public transport and school buses; we achieved a 92% customer happiness rate; and our Board and management continued to act to high professional and ethical standards.

Our performance in 2024 demonstrates the logic of our strategy and is clearly a reflection of the dedication and commitment of our team and partners. I would therefore like to express my appreciation for their contribution.

Outlook

Whereas the future is never assured, I have full confidence that Salik's core tolling business, backed by our long term, productive relationship with the RTA, as well as our growing ancillary revenues, can continue to thrive in tandem with Dubai's ongoing rapid development. I am confident that Salik will continue its seamless path and deliver for all our stakeholders in the future, particularly given our ongoing commitment to sustainability.

Salik has made significant progress in 2024 and our positive guidance for 2025 reflects the contribution from the two new toll gates, alongside the recently launched ancillary revenue streams and the introduction of variable pricing. Salik expects total revenue growth to be in the range of 28-29% year-on-year 2025 EBITDA margin is expected in the range of 68-69%. On a normalised basis, excluding the contribution from the two new gates and the introduction of variable pricing, total revenue is expected to increase 4-5% year-on-year in 2025.

Our revenue-generating trips through Salik gates increased by 8% compared to 2023, driven by business growth and the addition of revenue-generating trips from the two new gates launched at the end of November 2024.

Ibrahim Sultan Al Haddad
Chief Executive Officer

CEO's Statement

AED **1.6** billion
EBITDA 2024

68.9%
EBITDA margin 2024

Salik has had another year of remarkable progress and development in our role as one of the world's smartest mobility network operators. Working closely with our partners, in particular the government of Dubai, we have recorded further increases in economic activity, domestic growth, tourism, traffic and consequentially positive impacts on all our key metrics.

In 2022, we had our historic, award-winning listing on the Dubai Financial Market (DFM), and clearly this has been a successful, seamless journey for our Company and all our new shareholders, whom we have welcomed.

Thanks to the vision, plans, guidance and initiatives of our government, under the leadership of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister of the UAE, Ruler of Dubai, Salik has been operating in a healthy and positive environment in which we can prosper. I would like to express my sincere gratitude and appreciation for the wise leadership of the Government of Dubai, and to the Board of Directors, the executive management, and the entire Salik team for their valuable contribution to the progress of the company.

There is no doubt that Dubai's international attractiveness and domestic growth have stimulated increasing traffic flows and that this has provided Salik with the ideal basis for achieving increased revenues. Using advanced technology, Salik ensures a seamless experience for an increasing number of users, whether their journeys are for work or leisure.

Record results

For the year ended 31 December 2024, Salik posted another set of record results, including revenues of AED 2.3 billion, an EBITDA of AED 1.6 billion, at an industry-leading margin of 68.9%. Revenue generating trips, revenues, EBITDA and net profit, as well as cashflow and our capex-light strategy, enabled us to maintain an attractive dividend policy, thereby providing our shareholders with a significant return on their investment.

Our core business

Our toll gates recorded increased revenue generating trips, up 8.0% on 2023.

From November 2024, Salik benefited from additional revenue generating trips, following the opening of the new toll gates, strategically located at Business Bay Crossing on Al Khail Road and Al Safa South on Sheikh Zayed Road. The gates aim to to improve the flow of traffic across Dubai's road network and improve transportation efficiency across the city through the use of alternative routes with greater capacity.

From the end of January 2025 and in accordance with instructions received from the RTA, we introduced variable pricing on our toll roads in order to further improve transportation efficiency across the city by incentivising drivers to travel off peak. The new pricing model is expected to generate an additional revenue between AED 60 million and AED 110 million on an annual basis.

New revenue streams

In addition to growing our core business through increased toll traffic and gates, Salik utilises world-class experience and advanced technology to give drivers additional, added-value services. As vehicles become more of a digital platform, Salik can offer users relevant products and seamless ways to transact.

Our initiatives in 2024 included a new collaboration with Liva Group, a leading multi-line insurer in the GCC, to send drivers smart reminders for their insurance renewals so that they can connect with Liva's portal to transact.

We also launched seamless parking management solutions at Dubai Mall in July and, starting in 2025, across the UAE with Parkonic.

There are considerable opportunities for further services and benefits to drivers, particularly given the advances in digital technology and the attractiveness of Salik to myriad corporate partners.

A year of progress, partnerships and technical advances

Our approach is to serve the needs of time-pressured drivers. The modern world is demanding for them and we want to make their daily lives easier. To this end, we have been at the forefront of digital technology and have been working with partners to give them seamless journeys and added benefits.

We have set out our strategy clearly and have applied it consistently across our business. This comprises achieving increasing revenues from our core tolling business, developing a forward-thinking organisation aligned with the ESG goals of the Emirate of Dubai and the United Nations, growing ancillary revenues from related-based services, and of course, managing our business so that we can make it, so far as we are able, future-proof.

Credit ratings

We are delighted to have been assigned investment grade ratings of A3 by Moody's and A- by Fitch. Making our credit ratings public underscores our commitment to transparency and demonstrates our confidence in Salik's financial position. These ratings offer us greater future flexibility in the financial markets.

Serving our stakeholders

We recognise that maximising revenues and efficient capital management is vitally important but above and beyond financial performance we define our role as one of service to all our stakeholders. Salik conducts research into the needs and expectations of our stakeholders and strives to meet the highest ESG standards, on local and international levels. To this end we have established a range of metrics so that our performance can be measured.

Salik is an efficient, environmentally-driven, tech-based company with an eco-friendly, paperless office at Festival Tower. Nearly 100% of our customers use digital services – each transaction saves around 12 kilogrammes of CO_2 emissions. During FY 2024, we exempted owners of almost 17,000 electric vehicles from the tag activation fee. Our two new toll gates are solar-powered and we plan to convert the others over the next few years. We also provide tariff exemptions for charities, schools, people of determination, ambulances and buses, resulting in an 8.9 million free-of-charge trips during the year, an increase of 8.9% over on 2023.

At year end, we had 48 full-time employees, including 10 women and 15 Emiratis, and aim to increase their representation in future, as well as providing the encouragement and training to advance their careers.

86% of our Board is composed of non-executive independent directors, who provide valuable, objective advice and judgment.

Dividends

Given our financial performance, Salik distributed AED 550 million in dividends in April 2024, representing 100% of Salik's distributable net profit for the second half of 2023. The Company distributed a further AED 544.7 million in September 2024, representing 100% of Salik's distributable net profit for the first half of 2024. Salik plans to distribute AED 619.8 million during the second quarter of 2025, representing 100% of Salik's distributable net profit for the second half of 2024, subject to shareholder approval at the Annual General Meeting (AGM) in April. This is in line with our stated dividend policy.

Looking ahead

The economy of Dubai and more broadly, the UAE, is growing by all measures and Salik is playing an important role in this development. Working closely with the RTA we plan to grow our business in line with our vision and clear, focused strategy.

Having delivered a strong financial performance in 2024, we expect total revenue growth to be in the range of 28-29% year-on-year, including the impact of the two new gates introduced 24 November 2024, in addition to the implementation of the variable pricing starting in January 2025, with EBITDA margin expected in the range of 68-69%. On a normalised basis, excluding the contribution from the two new gates and the variable pricing, total revenue is expected to increase 4-5% year-on-year in 2025.

At a Glance

With a rapidly growing population and booming economy, Dubai relies on seamless traffic flow across its major highways. These roads are the city's lifeline, linking bustling business hubs to tourism hotspots and vibrant residential communities.

Customer focus

The Company enjoys a 92% customer satisfaction rate, which reflects our commitment to meeting the needs of drivers. Salik conducts regular research to learn about drivers and develop products and services, such as user-friendly apps, to make their lives easier.

Mission

Enable people to spend their time doing what matters the most by providing a seamless and convenient mobility experience.

Vision

To be the global leader in providing sustainable and smart mobility solutions.

Key aspirations

- provide outstanding customer experience
- deliver innovation and operational excellence
- to be the trusted and collaborative partner in the mobility ecosystem
- to have transparency and robust governance
- to be a people centered organisation

Values

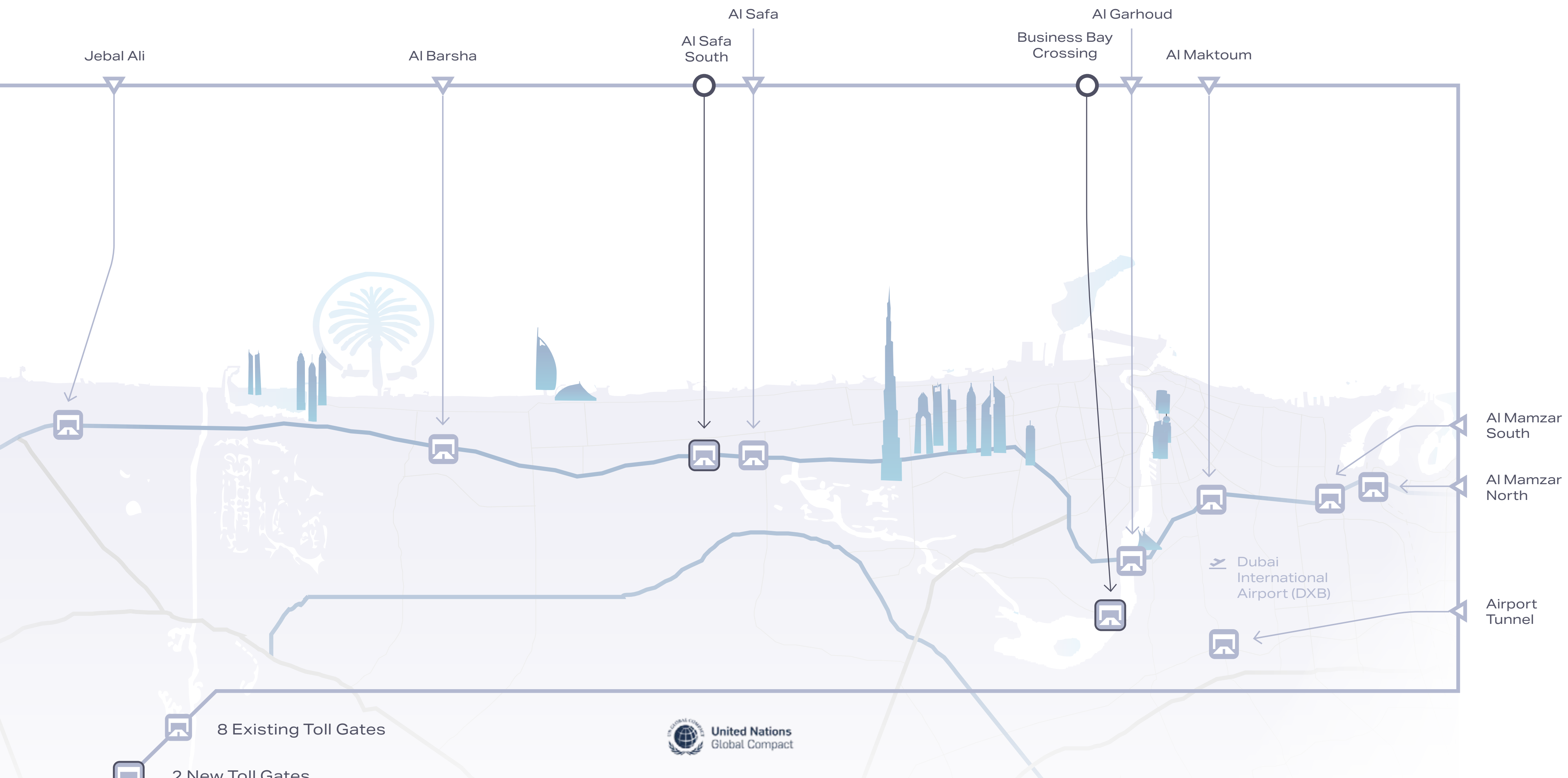
Salik's operations and strategic decision making are governed by five critical values:

- customer excellence
- sustainable growth
- responsible business practices
- fairness
- transparency

Salik's toll gates

Salik's ten toll gates are strategically positioned along Sheikh Zayed Road as well as Al Khail Road, the main corridor connecting Dubai's notable landmarks, serving also as a crucial link between Abu Dhabi and the Northern Emirates. With its high-quality digital platform, Salik is perfectly placed to serve millions of daily commuters and support business and leisure.

Given that over 60% of Dubai's residents rely on private vehicles, Salik plays a pivotal role in the Emirate's transport network. Cutting-edge Radio-Frequency Identification (RFID) and Automatic Number Plate Recognition (ANPR) technologies at each of Salik's ten automated gates keep the city's world-class roadway network running smoothly.



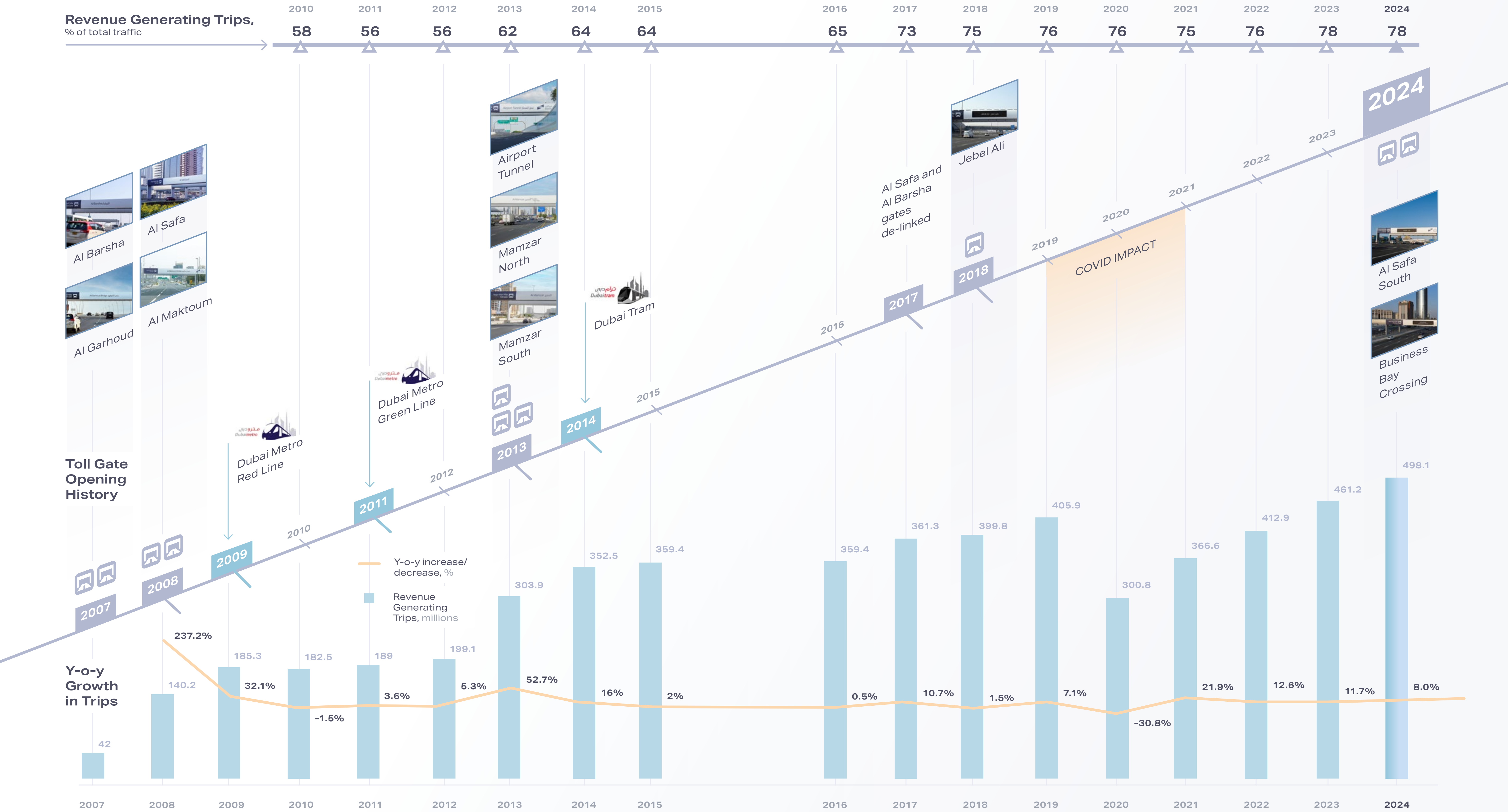
Concession agreement

Salik's concession agreement with Dubai's Roads & Transport Authority (RTA) secures exclusive rights to operate current and future toll gates in Dubai until June 2071, within a clear regulatory framework designed to foster growth and efficiency. This ensures seamless mobility in one of the world's fastest-growing economies. The 2022 IPO of a 24.9% stake in Salik offered investors a unique opportunity to participate in Dubai dynamic growth through a high-quality infrastructure asset.

United Nations Global Compact

In July 2024, Salik joined the United Nations Global Compact, the world's largest corporate sustainability initiative, furthering its commitment to responsible business and a sustainable future for the UAE.

History of Salik



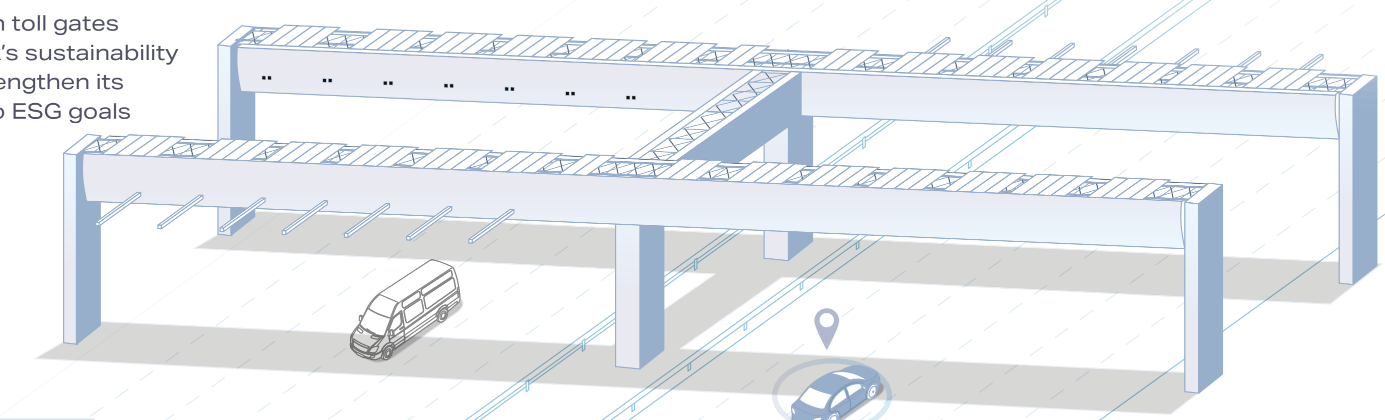
How Salik Works

Salik's ten toll gates are located along the Sheikh Zayed Road and Al Khail Road, the main highways connecting Dubai's key landmarks and areas as well as connecting Abu Dhabi with the Northern Emirates and the main thoroughfare for traffic.

Solar powered gates

Salik's Jebel Ali toll gate received approximately 21% of its power requirements from solar panels in 2023, and new gates are almost 90% solar powered.

Solar panels on toll gates enhances Salik's sustainability efforts and strengthen its commitment to ESG goals



Step 1

Vehicle approaches the toll gate

Step 2

Sensor detects the RFID activated tag on the car windscreen

Step 3

Deducts Toll Fee from the driver's Salik account

Through an easy-to-access and navigate Smart Salik app, drivers can create an account, charge it up, monitor usage, settle violations and provide feedback.

Salik also has partnerships with both the RTA App and Careem, now allows users to conveniently order Salik tags alongside its existing services such as ordering taxis, groceries, and renting cars and bikes.

New Salik tags

Salik offers the option to design customized tags.

Seamless mall parking

Since the launch of its partnership with Emaar on launch in July 1, 2024, Salik's advanced technology has provided seamless, barrier-free parking for Dubai Mall visitors. The system offers automatic, ticketless fee collection by recognising vehicle plates and deducting applicable charges directly from Salik user accounts across the Fashion, Grand, and Cinema parking zones.

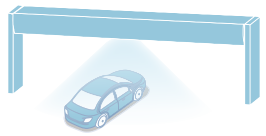
Salik has also partnered with Parkonic, the UAE's largest private parking operator, to integrate its eWallet system across Parkonic's 107 locations and future sites, marking Salik's first geographical expansion beyond the Emirate of Dubai. This collaboration, effective in Q1 2025, supports the UAE's smart-city goals and will provide seamless parking payment solutions while boosting Salik's ancillary revenue streams.

Salik provides barrier-free parking at Dubai Mall

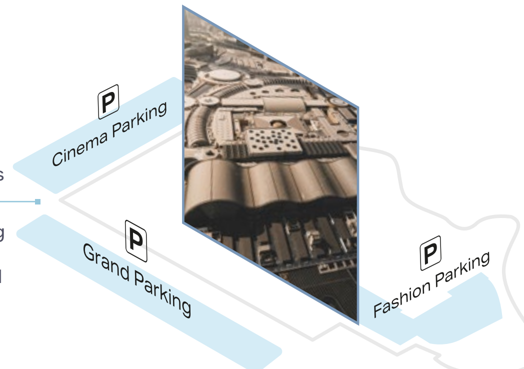
01 Cameras read vehicle license plates upon entry and exit

02 Parking fee collection is 100% ticketless

Fees are automatically deducted from Salik user accounts



Barrier-free parking is in use across the Fashion, Grand and Cinema parking zones.



Business Model

Inputs

Strong macroeconomic backdrop

Salik is uniquely positioned for organic growth, driven by the ongoing expansion of Dubai's economy. Forecasts predict stable annual growth rates of 2.8% to 4.2% through 2026. The Emirate's plans for sustainable development are underpinned by the Dubai Economic Agenda D33, which will continuously provide strong tailwinds for Salik's core business. D33 is a critical driver of economic growth and diversification for Dubai, setting out plans for the ambitious goals of doubling the size of Dubai's economy over the next decade and consolidating its position among the top three global cities. As Dubai builds out its population and economy in the years ahead, investors are poised to benefit from the economic resilience of the UAE and the Emirate of Dubai.

Financial resilience

Salik's capital structure has been efficiently utilised for financial resilience, providing the Company with the financial flexibility to optimise debt servicing costs while ensuring an adequate and stable dividend stream that is resilient and maintained through potential economic slowdowns. Salik currently has the debt capacity and operational cash flow to fund the valuation of any potential future gates.

Exclusive concession agreement

Salik's concession agreement with the RTA guarantees exclusive rights to Salik to operate the Emirate of Dubai's toll gates until June 2071. Designed to operate efficiently in an effective, clear and balanced regulatory framework that supports growth, Salik ensures seamless mobility in one of the world's fastest-growing economies. The Emirate's transportation and storage sector grew by 5.3% year-on-year during the first 9 months of 2024.

New growth initiatives

Salik's investment case is broad-based and derives only in part from its position as the sole toll gate operator of Dubai's road network, which allows it to benefit from the growth momentum generated by Dubai's ambitious urban expansion. To supplement its core business, Salik is currently pursuing additional growth levers through ancillary revenue streams, including private parking payments, insurance services and data monetisation.

Capex-light

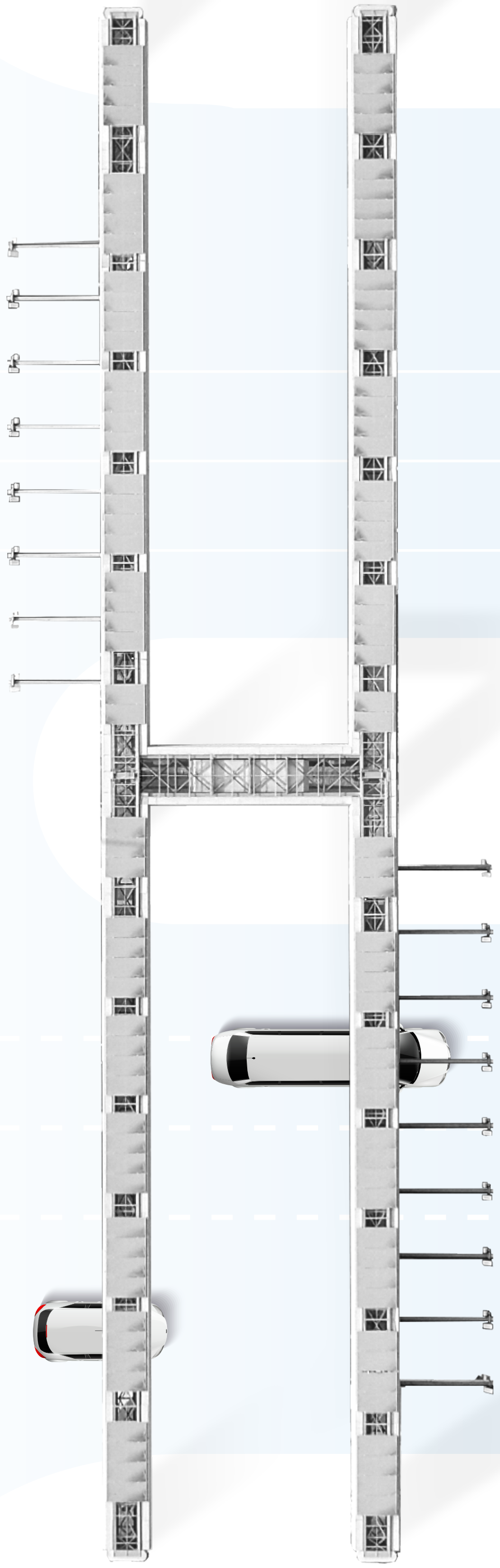
A major advantage for investors is Salik's business model, which is capex-light in nature and contributes greatly to the generation of high cash conversion levels and best-in-class operating margins. The model has been designed to consistently produce superior results, compared to many of its global infrastructure concessionaire peers, who typically exhibit lower profit margins and cash conversion.

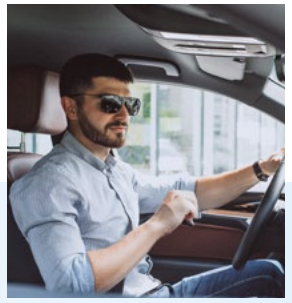
Progressive sustainability agenda

With the UAE acting as the host nation for COP28, Salik inaugurated its new eco-friendly office at Festival Tower. Using next generation energy-efficient IT infrastructure, sustainable construction materials and low-energy appliances, Salik also has a paperless operational model, while nearly 100% of its customers transitioned to using the Company's digital platforms. This has saved approximately 12 kilogrammes of C02 emissions for each transaction made through a digital self-service channel.

Best-in-class technology

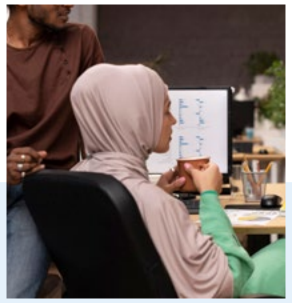
The digital core of Salik's business, its technologically advanced, automated toll-collection system, is one of the Company's inherent strengths, which distinguishes Salik from peers and consistently draws awards and recognition from industry groups. The frictionless, free-flowing toll system, which is based on RFID and ANPR technologies, operates without toll booths or other impediments to traffic flow.





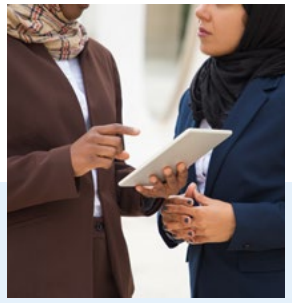
Drivers

We give drivers easy, uninterrupted journeys.



Employees

We provide a great place to work and excellent career opportunities, giving due emphasis on Emiratisation.



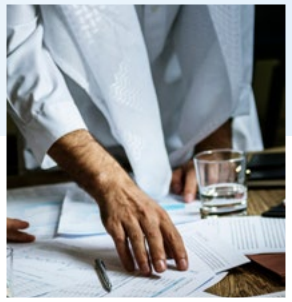
Supply chain

Our partners can benefit from their relationship with us.

The value we create for our stakeholders from our core toll gate operations and ancillary services

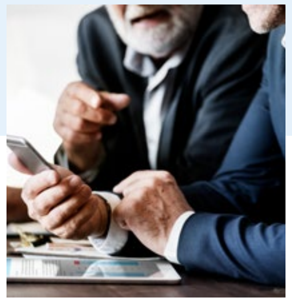
Government

Our activities and service delivery align very closely with the interests and objectives of the UAE Government.



Investors

They benefit from the UAE's economic growth and Salik's exclusive concession agreement.



Community

We collaborate with local NGOs and establish partnerships to implement initiatives and projects that serve society.

The Year in Review

10 Toll gates

13.4%
2020-2024 Revenue Generating Trips CAGR[1]

68.9%
FY2024 EBITDA margin[2]

4.4 million
Registered vehicles as of 31 December 2024

49 years
Concession duration (From 1 July 2022)

0.3%
FY2024 capital expenditure-to-revenue[3]

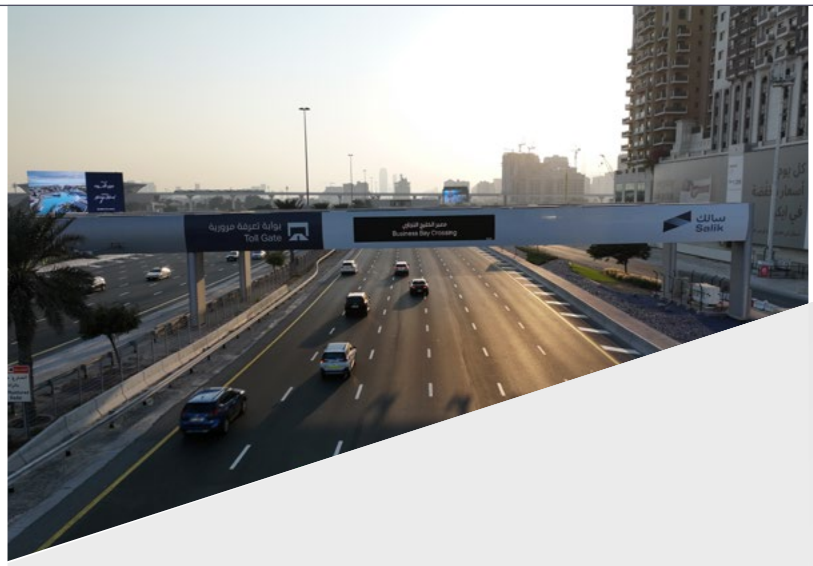
638.2 million
FY2024 total trips

AED **2.3** billion
FY 2024 revenue

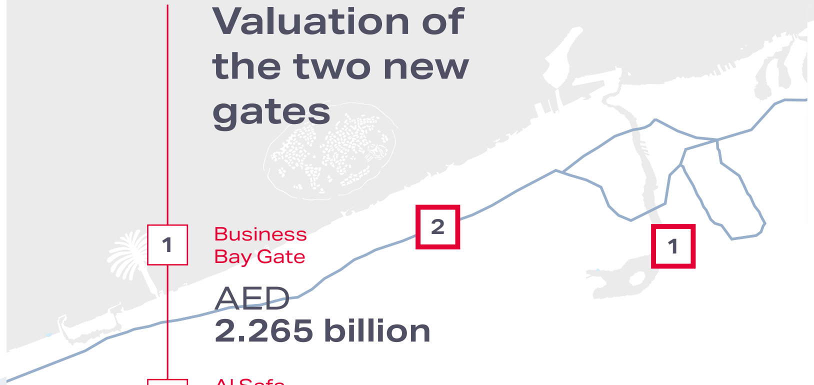
63.6%
FY2024 free cash flow margin[4]

2 new toll gates

In January 2024 Dubai's Roads and Transport Authority (RTA) instructed the Company to install two new toll gates to improve traffic flow and reduce congestion on key routes. Strategically located at Business Bay Crossing on Al Khail Road and Al Safa South on Sheikh Zayed Road, these toll gates aim to divert traffic onto alternative routes with greater capacity. The gates, which became operational in November 2024, expand Salik's toll network from eight to ten gates.



Valuation of the two new gates



1 Business Bay Gate
AED 2.265 billion

2 Al Safa South
AED 0.469 billion

Total: AED **2.734** billion

The new seamless toll gates are expected to reduce congestion by up to 16%, according to RTA estimates.

Both new toll gates are nearly 90% solar-powered, a first for Salik and a significant achievement in the Company's ongoing focus on sustainability. This milestone aligns with Dubai's sustainable development goals and underscores Salik's commitment to advancing green energy as part of its growth agenda.

Salik repayment plan with the RTA

AED **455.7** million
per annum over six years from November 2024

Dynamic pricing

From the end of January 2025 and in accordance with the RTA, we have introduced variable pricing on our toll roads in order to further improve transportation efficiency across the city by incentivising drivers to travel off peak. The new pricing model is expected to generate an additional revenue between AED 60 million and AED 110 million on an annual basis.

New barrier-free parking at Dubai mall

Salik introduced a barrier-free parking payment system at the world-famous Dubai Mall, operational since 1 July, 2024, across the Fashion, Grand, and Cinema parking zones. Salik's technology uses vehicle plate recognition to automatically deduct parking fees from Salik accounts, in accordance with Dubai Mall's business rules. The agreement period is for five years.

Marking another significant milestone for 2024, Salik expanded beyond Dubai for the first time through a strategic partnership with Parkonic, the UAE's largest private parking operator. This collaboration will see Salik's eWallet system integrated across 107 existing as well as future Parkonic locations, supporting the UAE's smart city initiatives and enhancing ancillary revenue streams with seamless parking payment solutions, set to launch in early 2025.

[1] Net toll traffic refers to total trips minus discounted trips (unpaid trips including taxis without passengers, exempted vehicles, gate-specific free time and discounts, and multiple violations and other).
[2] EBITDA margin is profit for the period, excluding the impact of tax and finance cost, finance income, depreciation, and amortisation expense, expressed as a percentage of revenue.
[3] Capital expenditure refers to the purchase of property, equipment, and intangibles.
[4] Free cash flows net cash flows from operating activities less purchases of property, equipment, and intangibles plus proceeds from the sale of property and equipment, expressed as a percentage of revenue.

The Year in Review timeline

January

19 January
Salik announces two new toll gates at Business Bay Crossing and Al Safa South

April

2 April
Salik holds its second AGM to approve the company's FY 2023 results and dividend distribution

22 April
Salik distributes AED 550 million as dividends to shareholders, representing 100% of the net profit for the second half of 2023

23 April
Salik receives bronze award for 'Best Contact Centre' from GCXA

July

1 July
Salik launches barrier-free parking at Dubai Mall

17 July
Salik joins United Nations Global Compact

September

5 September
Salik distributes AED 544.7 million as dividends to shareholders, representing 100% of the net profit for the first half of 2024

23 September
Salik named 'Most Honoured Company' at Emerging EMEA Awards by Extel

24 September
Salik CEO Ibrahim Al Haddad named in Forbes top 100 Middle East CEOs

October

17 October
Salik wins both 'Outsourced Helpdesk of the Year' and 'Best Medium Outsourced Call Centre' at Insights Call Centre Awards 2024

November

7 November
Salik CFO Maged Ibrahim nominated among the top 20 CFOs in the UAE and selected to receive the CFO of the Year Award at the Accounting & Finance Awards 2025, organised by Finance World Magazine

12 November
Salik partners with Liva Motor Insurance

15 November
Salik achieves ISO 37301 Certification

24 November
Business Bay Crossing and Al Safa South toll gates opened

28 November
Salik collaborates with Parkonic, allowing for seamless parking across UAE

December

4 December
Salik named official mobility partner of 2024 Future Sustainability Forum

5 December
Salik assigned credit ratings by Moody's (A3) and Fitch (A-)

10 December
Investor relations app is launched

12 December
Salik CEO Ibrahim Al Haddad wins third place for 'Best Investor Relations by CEO – Middle East' at 2024 MEIRA IR Awards

12 December
Salik CFO Maged Ibrahim wins third place for 'Best Investor Relations by CFO – Middle East' at 2024 MEIRA IR Awards

liva

New strategic partnership with Liva Group, a leading insurer in the region

From November 2024 Salik toll gate drivers benefit from a new motor insurance service from Liva. Salik is using its database to send timely insurance renewal reminders to drivers, who can link to Liva's portal, where the policy can be renewed easily and quickly.

2024
A Year of Achievements

Forbes

Salik CEO Forbes distinction

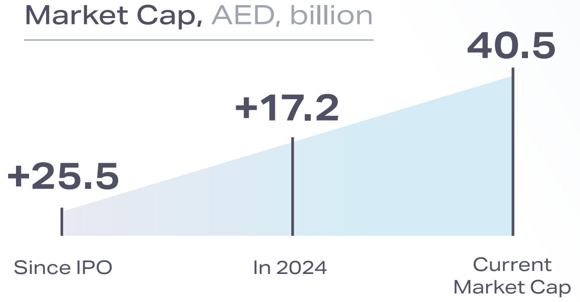
Ibrahim Al Haddad, CEO of Salik, was named on Forbes' list of the Top 100 CEOs in the Middle East for 2024. Forbes' list recognises CEOs whose influence extends beyond normal business parameters, and who have shown the ability to steer their companies in the right direction, while leveraging technology and sustainability to enhance efficiency and competitiveness.

Stock Return

+73.6% as of 31 December 2024

+170% Since IPO

Market Cap, AED, billion



ISO International Organization for Standardization

Compliance ISO

Salik Compliance section has been awarded with the ISO 37301 certification

ISO certification

Salik achieved ISO 37301:2021 certification in 2024, reflecting its commitment to governance, transparency, and regulatory compliance with UAE laws and market regulations. This milestone strengthens Salik's position as a leader in compliance management, enhancing stakeholder trust and operational excellence.

This highlights the Company's dedication to ethical and responsible business practices, aligned with Dubai's leadership vision. By embedding accountability and transparency into its processes, Salik reinforces its reputation as a reliable partner, committed to continuous improvement and operational efficiency.

FINANCE MIDDLE EAST

Salik CFO honoured

Salik CFO Maged Ibrahim nominated among the top 20 CFOs in the UAE and received the CFO of the Year Award at the Accounting & Finance Awards 2025, organised by Finance World Magazine, based on his experience, achievements and impact on the sector and on the company's performance.

INSIGHTS

Insights Awards

Outsourced Help desk Of The Year

Best Medium Outsourced Call Centre

Contact Center Awards

Contact Center World Awards 2024

Silver Medal (Best contact center in Europe, Middle East and Africa).

extel

IR EMEA Awards

- Most Honoured Company
- Emerging EMEA 2024 in
- Investor Relations

Only 4 out of 333 companies received the most honoured companies

meira

IR MENA Awards

- Investor Relations Awards

Salik Top 5 MENA Region

Salik 1st in Dubai

CEO 3rd in MENA Region

CFO 3rd in MENA Region

GCXA 24

Customer Experience

Best Contact Centre

Bronze

Engaging our stakeholders

In 2024, Salik prioritised transparency and stakeholder engagement, participating in 14 investor conferences (seven local, seven international) and engaging with 416 investors and analysts. These activities underscored the Company's commitment to open communication, market alignment, and sustainable value creation.

Key Performance Indicators

Total trips through Salik gates, million — 7.6% ▲

2024	638
2023	593
2022	539

EBITDA, AED, billion — 13.6% ▲

2024	1.6
2023	1.4
2022	1.4

Total number of revenue generating trips, million — 8.0% ▲

2024	498
2023	461
2022	413

Net profit, AED, billion — 6.1% ▲

2024	1.2
2023	1.1
2022	1.3

Total revenue, AED, billion — 8.7% ▲

2024	2.3
2023	2.1
2022	1.9

Free cash flow, AED, billion — 0.5% ▲

2024	1.5
2023	1.4
2022	1.5

Emirati nationals among total workforce, %

2024	31
2023	37
2022	47

Female Emirati nationals among total workforce

2024	4
2023	5
2022	5

Sustainability

In July 2024, Salik joined the United Nations Global Compact, the world's largest corporate sustainability initiative, furthering its commitment to responsible business and a sustainable future for the UAE. By aligning with the UN's Sustainable Development Goals (SDGs), Salik joins over 20,000 companies across 160 countries dedicated to upholding principles in human rights, labour, environment, and anti-corruption. This step marks Salik's commitment to ethical standards and environmental responsibility, supporting its mission to lead sustainable practices within the UAE.

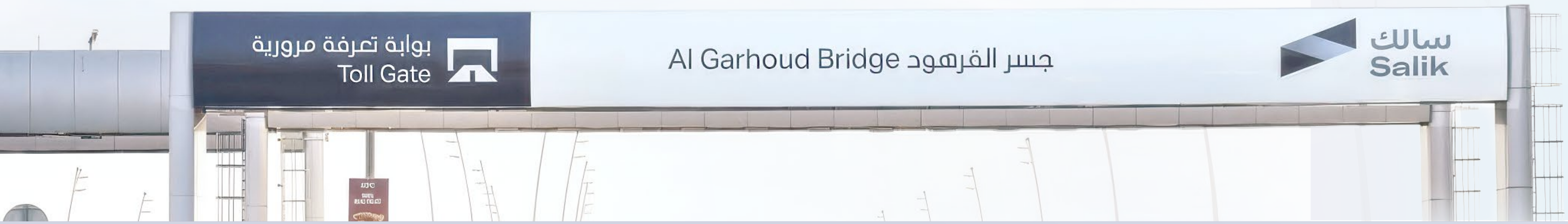
This partnership enables Salik to embed these principles into its operations, enhancing its role in advancing the SDGs. Salik continues to pursue innovative solutions that minimise environmental impact, foster social progress, and contribute to a thriving future for the UAE. This commitment highlights Salik's strategic focus on sustainability as it works towards a positive, enduring impact across its business and the communities it serves.

Go to Sustainability Review section for more information

2024 Future Sustainability Forum Mobility Partner

Salik was named the official Mobility Partner for the 2024 Future Sustainability Forum, hosted by the Dubai International Financial Centre (DIFC), supporting the UAE's Net Zero 2050 initiative. The event, held on 4-5 December at Madinat Jumeirah, included Salik promoting green mobility and sustainable transport solutions.

This partnership emphasised Salik's commitment to ethical mobility practices and climate resilience. The forum provides a platform for Salik to showcase its sustainability initiatives and drive progress in environmentally conscious urban transport.



Seamless Pathways

Salik's seamless growth pathway

The Company:

- is an exclusive toll operator for Dubai's road network in a city where car use is dominant
- benefits from strong macro growth tailwinds from Dubai's ambitious expansion plans
- has additional growth levers, including parking management solutions, data monetisation, and advertising, as well as potential international expansion
- has custom-built technology underpinning efficient and seamless operations
- uses a capex-light business model resulting in high cash conversion levels and best-in-class operating margins
- has a favourable regulatory framework creating significant downside protection while enabling future growth
- is a forward thinking organisation with a sustainable agenda aligned with Dubai's ESG goals

Drivers' seamless pathways to added value services

With Salik's advanced technology and data management, drivers' vehicles have become personal devices to attract benefits and make transactions easy and quick to perform.

- Barrier-free parking: seamless parking payment system at Dubai Mall, and from 2025 across the UAE with Parkonic, eliminating manual processes through advanced vehicle recognition.
- Insurance partnerships: timely insurance renewal reminders through a partnership with Liva Group, simplifying customer experiences. Salik continues to enhance its service offerings with a focus on seamless, technology-driven solutions.

Open pathways for all

Salik is strongly committed to diversity and inclusion, prioritising female employment and upholding an equal environment for a multinational workforce.

Salik also provides toll exemptions for people of determination, public transport, and school buses, fostering a shared sense of belonging with Dubai's fast-growing population.

Salik places a particular focus on children's well-being, collaborating with NGOs to support initiatives that impact the future of communities.

Investment Case

01
Protected by exclusive rights

Salik operates all toll gates across Dubai's road network under a 49-year Concession Agreement extending to 2071, with exclusive rights that favour future growth and potential for additional gates. Its toll gates are positioned at high-traffic bridges and routes, reducing commute times and promoting toll road use for quicker travel.

See Operational Review for more information

02
Growing with Dubai

Dubai's population is projected to increase by 61% to reach 5.8 million by 2040. The Dubai 2040 Urban Master Plan supports this growth, expanding five urban centres, three of which are near Salik's toll gates on Sheikh Zayed Road. **Salik's revenue-generating trips grew at a 3.1% CAGR from 2014 to 2024, surpassing Dubai's real GDP growth rate of 2.4% over the same period**[1].

See Market Overview for more information

2071
planning horizon of 49 years
Concession Agreement extending till 2071

61%
increase in population

[1] Emirates NBD estimates a Dubai growth rate of 3.2% for 2024.

03
Set to add more toll gates and new revenue streams

Salik plans to grow its core toll business by continuing to add new gates. Salik also plans to extend its private parking services and grow other ancillary revenues through in-app ads, monetising traffic data and providing international consultancy.

See Strategy for more information

10 gates

04
Custom technology for maximum efficiency

Salik's core infrastructure is highly invested and technologically advanced, with RFID and OCR technologies enabling a seamless, booth-free toll collection system that keeps traffic flowing smoothly. Its custom-built technology minimises toll leakage and maximises operational efficiency.

See Strategy for more information

05
High margin, cash generating business model

Salik's capex-light model drives high cash conversion and top-tier margins, surpassing global infrastructure peers with lower capital requirements and stronger cash returns. Growth potential spans local and international markets, with the RTA covering all road and toll gate development and maintenance, minimising Salik's capex.

See CFO's Review for more information

Barrier-free toll collection

2024
free cashflow AED 1.5bn

Reducing congestion and emissions

06
Following Dubai's sustainability agenda

Salik is a forward-thinking, sustainable enterprise aligned with Dubai's ESG agenda. Its ESG initiatives support Dubai's green goals through free-flow tolling that reduces congestion and emissions, energy-efficient solutions, and fee exemptions for electric vehicles.

Salik targets sustainable development across emissions reduction, renewable energy, community engagement, and health and safety.

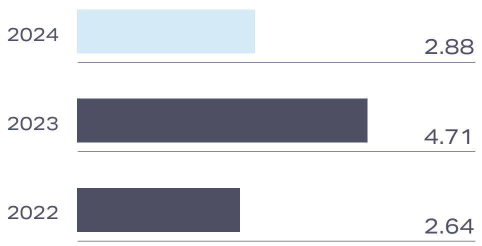
See Sustainability Review for more information

07
High dividend yield policy

Salik intends to pay 100% of the net profit available for distribution as dividends on a semi-annual basis, in April and October. This dividend policy is subject to the Board's consideration of the cash management requirements of the Company's business for operating expenses, interest expenses, and anticipated capital expenditures and investments.

100%
of net profit available for dividends

Annual Dividend Yield, %



Based on year end price and dividends adjusted for corporate actions

See CFO's Review for more information

Dividend History

+72.8%
for 12-month dividend reinvestment

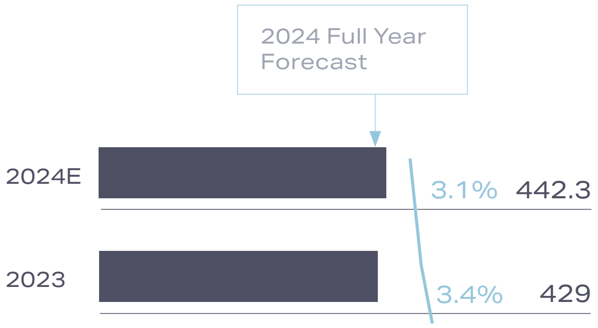
Financial Period	Type	Dividend (adj.), AED	Ex-dividend date	Registry closedate	Payment date
2024	Semi-Annual	0.0726	22/08/2024	23/08/2024	05/09/2024
2023	Semi-Annual	0.0733	09/04/2024	15/04/2024	22/04/2024
2023	Semi-Annual	0.0731	18/08/2023	21/08/2023	07/09/2023
2022	Semi-Annual	0.0655	14/04/2023	17/04/2023	27/04/2023

Market Overview and Outlook

Recognised for its well-managed and fast economic growth, Dubai's ambitious economic plan and visionary leadership provide Salik with a powerful platform for sustainable growth and revenue diversification.

Dubai GDP

Amidst global economic and geopolitical uncertainties, Dubai continues to demonstrate resilience and its appeal as a premier global trading hub and tourist destination. The Emirate recorded a 3.1% year-on-year real GDP growth during the first nine months of 2024, reaching AED 339.4 billion, with its transportation and storage sector contributing significantly, growing by 5.3% year-on-year and accounting for 20.8% of the overall growth. This robust performance aligns with Dubai's Economic Agenda D33 and Dubai Social Agenda 2033, which aims to position Dubai as a global investment hub and leader in sustainable development. Furthermore, in 2024, Dubai confirmed its standing as a leading venue for international conferences, congresses, corporate meetings and incentives, with the city hosting a record 437 events from a range of sectors and professions. Forecasts predict stable annual growth rates of 2.8% to 4.2% through 2026, reflecting strong macroeconomic fundamentals.



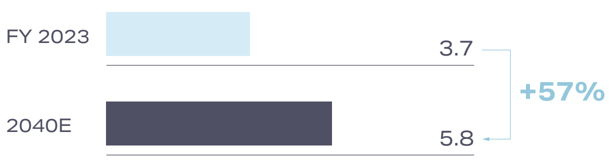
Population

Salik operates one of the world's most advanced urban roadway networks, catering to the dynamic needs of Dubai's growing population. The city's population, 3.8 million in 2024, is projected to increase to 5.8 million by 2040, supported by innovative government initiatives such as:

- the launch of 'Golden Visas'
- residency schemes tailored for retirees and remote workers
- the comprehensive 2040 Urban Master Plan.

Dubai's recognition as the 'second-best city in the world for expats' (as per Expat City Ranking) further underscores its global appeal and liability.

Anticipated population growth



Inward investment, events and conferences

Dubai reaffirmed its position as a global investment magnet in 2024, attracting significant greenfield projects. These investments reflect confidence in Dubai's growth prospects, driven by its ability to host high-profile events. In the first half of 2024, the city secured the bids to host 437 events marking a significant 20% year on year increase in the number of successful bids for conferences, congresses, and incentive events—a testament to Dubai's growing reputation as a premier MICE (Meetings, Incentives, Conferences, and Exhibitions) hub. Dubai also, according to the Financial Times Ltd's 'fDi Markets' data, attracted 508 Greenfield FDI projects from January to June 2024, representing a 6.2 percent global share, compared to 5.7 per cent in the same period last year.

Real estate

Dubai's real estate sector achieved a record-breaking AED 761 billion in transaction value across 226,000 transactions in 2024, reflecting a 36% year-on-year growth in volume and a 20% rise in value. Additionally, the Emirate recorded 217,000 investments worth AED 526 billion, attracting 110,000 new investors, a 55% increase. The total number of real estate-related procedures reached 2.78 million, the highest in Dubai's history, representing a 17% increase from 2023. This underscores Dubai's position as a premier global investment hub, driven by progressive policies, advanced infrastructure, and a transparent, innovation-led ecosystem. Aligned with the Dubai Economic Agenda D33 and Real Estate Strategy 2033, the sector is pivotal to achieving Dubai's goal of doubling GDP by 2033 and solidifying its reputation as a global lifestyle and investment destination.

Tourism

Tourism remains a cornerstone of Dubai's economy, propelling Salik's revenue-generating trips. During FY 2024, Dubai welcomed 18.7 million international overnight visitors, marking a 9.2% increase year-on-year. Dubai International Airport handled 92.3 million passengers in 2024, the highest annual traffic ever recorded, confirming its status as a global aviation hub. Over the last decade, the airport has handled over 700 million passengers on 3.3 million flights. For the third consecutive year, Dubai earned the distinction of being the world's Number One destination in the Tripadvisor Travelers' Choice Best of the Best Awards—an unprecedented achievement.

High hotel occupancy rates, %

Vehicles and trips

Salik anticipates maintaining growth momentum across its ten toll gates. Dubai's economic and demographic expansion is poised to sustain increases in registered accounts, active vehicles, and activated tags. This positions Salik strategically to diversify revenue streams and leverage Dubai's developmental trajectory.

Transport strategy

The RTA's Strategic Plan 2024-2030 outlines five key goals:

1. Seamless and innovative mobility
2. Sustainability
3. Health, safety, and security
4. Customer satisfaction
5. Future-proof organisational excellence

The plan promotes access by walking and cycling, combined with local/feeder bus services and Dubai Metro.

This aligns with the broader agenda of enhancing accessibility, fostering multi-modal transport integration, and driving smart mobility solutions.

Future economic trends

In October 2024, His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, approved the Government of Dubai's budget for the fiscal years 2025-2027. This three-year budget cycle, the largest in the emirate's history, encompasses a total expenditure of AED 272 billion and projected revenues of AED 302 billion. For the fiscal year 2025, expenditures are estimated at AED 86.26 billion, with revenues projected at AED 97.66 billion. The budget also includes a general reserve of AED 5 billion, underscoring the Emirate's commitment to supporting development projects, stimulating the overall economy, and achieving the ambitious goals of the Dubai Plan 2030, the Dubai Economic Agenda D33, and the Quality-of-Life Strategy 2033.

The 2025 budget places a strong emphasis on enhancing social services and improving the quality of life in key sectors such as health, education, culture, and infrastructure.

Source: Government of Dubai.

Outlook for Salik

Salik is well-positioned to capitalise on Dubai's robust economic trajectory, with anticipated growth in trips and revenue across its toll network. The Emirate's economic and population expansion is likely to drive sustained increases in Salik's registered accounts and active vehicles, bolstering its long-term prospects.

Salik expects FY25 total revenue growth to be in the range of 28-29% year-on-year, including the impact of the two new gates introduced on 24 November 2024 and impact of variable pricing. EBITDA margin is expected in the range of 68-69%. On a normalised basis, excluding the contribution from the two new gates and impact of variable pricing, total revenue is expected to increase 4-5% year-on-year in 2025.

Strategy

Salik aspires to become a global leader in providing sustainable and smart mobility solutions. Over the next four years, Salik will focus on four key strategic pillars.

01 Thrive in the core tolling business

Maintain consistently strong core business performance

- optimise fee collection.
- achieve operational excellence and healthy financial performance.

Progress in 2024

- total revenue generating trips up by **8%** to **498.1 million** in 2024
- total revenue up by **8.7%** to **2.3 billion** in 2024
- stock return up **73.6%** in 2024 and up **170%** since IPO in 2022
- market cap up AED **17.2 billion** in 2024 and up AED **25.5 billion** since IPO
- opened **two new** toll gates

Outlook

- on track for further growth in 2025, given increased traffic, the two new toll gates, and variable pricing from the end of January 2025.

Apply technology to enhance customer experience

- expand chatbot services across the Salik app and WhatsApp.
- rebrand and revamp the Salik app.
- integrate UAE Pass for seamless access.
- upgrade the Interactive Voice Response (IVR) system.
- introduce new communication channels for better connectivity.

Progress in 2024

- new Salik tag personalisation (design and message) rolled out.
- positive feedback from customers.

Outlook

- chatbot services, new Smart Salik app, UAE Pass and IVR system to be rolled out.
- role of AI to be developed to improve customer service and operational efficiency further.

02 Build ESG stewardship

Pursue ESG agenda aligned with the UAE's sustainability goals

Reduce carbon footprint and environmental impact

- transition its gates to solar power over the medium to long term.
- implement free-flow gates to alleviate traffic congestion at toll points, thereby conserving fuel.
- adopt paperless strategy that saves 4.9 tonnes of CO_2 emissions each year.
- offer a tag activation fee exemption for owners of electric vehicles.
- commit to Dubai's ambitious target of achieving net zero emissions by 2050.

Progress in 2024

- solar panels are used at Jebel toll gate and the two new toll gates.
- all ten Salik gates are free-flowing.
- paperless strategy is saving 4.9 tonnes of CO_2 emissions each year.
- exemptions from tag activation fees for electric vehicle owners.

Outlook

- committed to achieving Dubai's **net zero emissions** by 2050.
- all gates to be converted to solar-powered

Contribute to people's happiness, safety and community development

- provide exemptions and toll subsidies for people of determination, public transport, and school buses.
- maintain high customer satisfaction rate.
- committed to equality and inclusivity within the workforce.

Progress in 2024

- **exemptions** provided for people of determination, public transport, school buses, and emergency services
- maintained a customer satisfaction rate of **over 90%**
- Contact Center World Awards: **silver medal** in EMEA region
- **Insights Outsourced Helpdesk** of the Year award
- GCXA Best Contact Centre **bronze awards**
- female composition of workforce **20.8%**
- Emirati nationals **31.3%** of total workforce

Outlook

- continuing commitment to assisting people of determination and users of public transport and school buses.
- further, regular reviews of customer satisfaction rates.
- ongoing commitment to equality and inclusivity.

Adopt and showcase best-in-class ESG practices

- operate on the basis of a transparent Concession Agreement with the RTA.
- implement strict ESG screening processes for all vendors to uphold high ethical standards.

Progress in 2024

- fulfilled all obligations of the Concession Agreement with the RTA
- we developed the screening process in 2024 and plan to implement it in 2025.

Outlook

- continue with Concession Agreement until 2071.
- advance ESG practices and reference GRI and DFM.

03 Achieve sustainable growth with ancillary revenues

Deliver seamless parking

- expand in the private parking sector, building on partnership with Emaar Malls.
- develop tailored access control systems for residential and institutional clients.

Progress in 2024

rolled out first seamless parking at Dubai mall in July

Outlook

- new seamless parking across the UAE, with Parkonic
- launch further partnerships

Build a portfolio of vehicle-centered mobility services

- enable direct payments through Salik accounts for services such as fuel, EV charging, and car washes.
- invest in emerging mobility technologies

Outlook

- direct payments enabled

Expand ancillary revenue streams

- sell advertising space on Salik products and platforms.
- monetise data: collaborate with mobility players to generate revenue through data.

Progress in 2024

new partnership, with Liva in November, giving drivers reminders and a seamless renewal process

Outlook

- roll out further initiatives in 2025

04 Future-proof the Company

Ensure efficient treasury management and funding

- implement systematic cost management, effective cash flow control, and proactive credit level management.
- consider potential Sukuk or bond issuances.

Progress in 2024

free cash flow AED **1.5 billion** in 2024 (up by 0.5%)

assigned investment grade ratings in the single A category by both Fitch and Moody's

Outlook

- consider bond issuances to further extend debt tenure

Build a brand identity and reputation with strong ethics to serve stakeholders

- develop a brand identity to support the mission and vision.
- build and maintain trusted relationships with stakeholders.

Progress in 2024

company and contact centre awards (see above)

Outlook

- continue regular communications with all stakeholder groups
- continue to strengthen Salik's reputation and relationships with internal and external groups

Develop internal capabilities for resilience and operational excellence

- cultivate a workplace that attracts, develops, and retains the best talent.
- build best-in-class IT and cyber security architecture.

Progress in 2024

one of the top 100 CEOs in the Middle East, ranked by Forbes

Salid, CEO and CFO **ranked top** by MEIRA (Middle East Investor Relations Association)

100% record on cyber security in 2024

Outlook

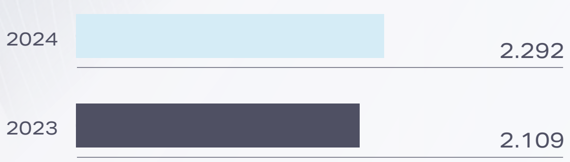
- continue to foster an inclusive, productive and efficient operation

CFO's Review

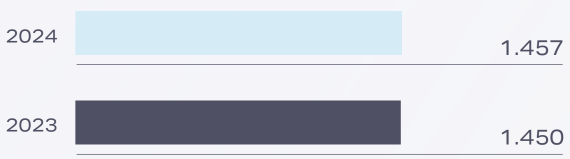
Salik remains highly profitable, for 2024 reporting an EBITDA of AED 1.579 billion, net profit after tax of AED 1.165 billion, and an industry-leading net profit after tax margin of 50.8%.

Maged Ibrahim
Chief Financial Officer

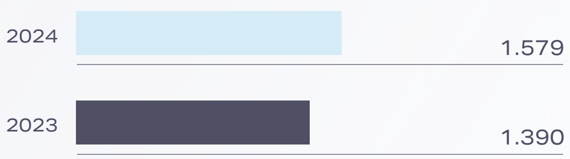
Total revenue, AED, billion



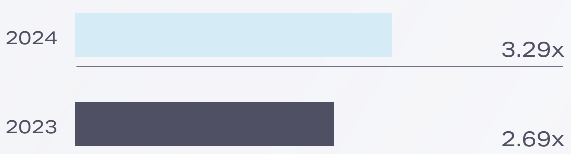
Free cash flow, AED, billion



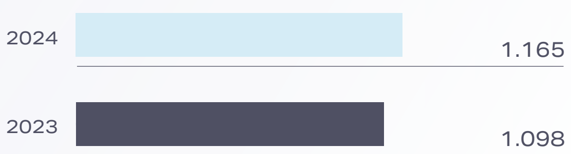
EBIDTA, AED, billion



Net debt/EBITDA



Net Profit After Tax, AED, billion[1]



[1] The Federal Corporate Tax of 9% came into effect starting January 2024.

In 2024, Salik delivered excellent operational performance and financial results, made possible by the visionary leadership of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, and a highly productive concession agreement with Dubai's Road and Transport Authority. The Company's revenue growth, operational efficiency, margins and cash generation reflect the viability of Salik's business model and the dynamic nature of Dubai's economy, in the context of a challenging global economic environment.

Financial results

Salik's strong top-line performance in 2024 comes as a result of a significant increase in the number of revenue-generating trips, which reached 498.1 million by the close of the year. This represents an increase of 8.0% over the 461.4 million revenue-generating trips in 2023. This increase resulted in total revenues of AED 2.292 billion, up by 8.7% compared to 2023.

Toll usage revenue, which represents 86.9% of total revenue, increased by 8.0% year-on-year, supported by continued robust growth in tourism and residency. These dynamics reaffirm Dubai's global reputation as a highly attractive destination both for visitors and residents relocating to the city.

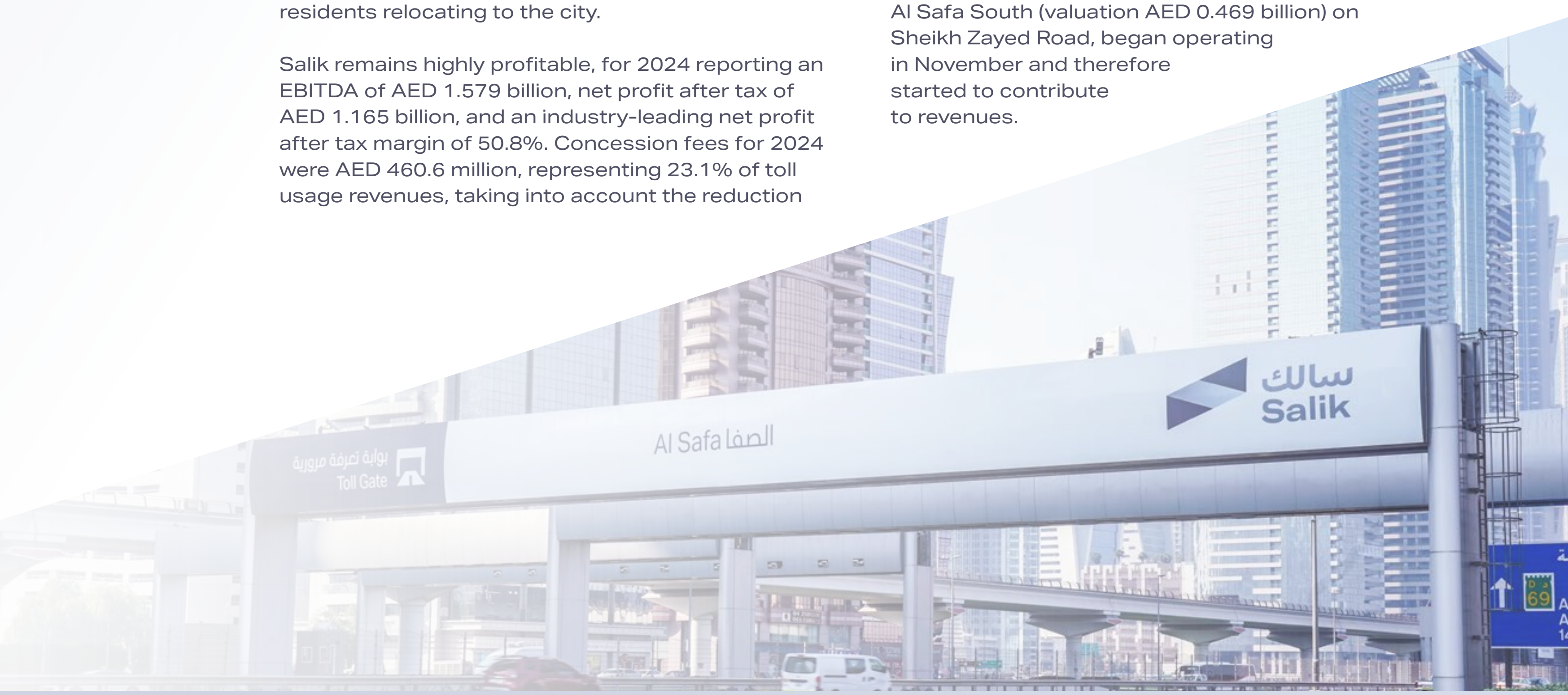
Salik remains highly profitable, for 2024 reporting an EBITDA of AED 1.579 billion, net profit after tax of AED 1.165 billion, and an industry-leading net profit after tax margin of 50.8%. Concession fees for 2024 were AED 460.6 million, representing 23.1% of toll usage revenues, taking into account the reduction from the inflation protection mechanism that was effective April 1st 2024 in line with the concession agreement.

Revenue generation

The total number of trips, including discounted journeys, made through Salik's 10 toll gate locations in 2024 grew by 7.6% year-on-year. This was driven primarily by tourists and increasing business-as-usual commercial activities. The total number of revenue-generating trips for 2024 at 498.1 million represents a new record over the previous record from 2023.

Nearly all Salik toll gates registered an increase in revenue-generating trips. Al Maktoum Bridge saw the highest growth in revenue-generating trips, increasing by 12.1% year-on-year while Al Garhoud's revenue-generating trips increased by 7.9% year-on-year.. Growth at nearly or exceeding 4% was recorded at several toll gates, including Jebel Ali, which saw an increase in revenue-generating trips of 11.3%., the Airport Tunnel, which grew by 6.1% year-on-year and Al Barsha and Al Mamzar North growing by almost 4% year-on-year.

The two new toll gates, at Business Bay Crossing (valuation AED 2.265 billion) on Al Khail Road and Al Safa South (valuation AED 0.469 billion) on Sheikh Zayed Road, began operating in November and therefore started to contribute to revenues.



Salik's repayment plan with the RTA is structured as an annual installment of AED 455.7 million to be paid semi-annually over six years as of the starting date.

The top line was also boosted by a 9.3% increase in revenue from fines, which reached AED 236.9 million, up from AED 216.8 million in 2023. This figure is broadly stable as a percentage of overall revenues at 10.3%, the same percentage as in 2023. The increase in revenue from fines in 2024 was due to an increase in the number of net accepted violations (minus dismissed cases), which grew by 7.7% year-on-year. to reach 2.8 million, compared to 2.6 million in 2023. By year-end, net violations registered 0.4% of total trips, in line with the 0.4% recorded in 2023.

Tag activation fees also grew on a year-on-year basis; as revenue from tag activation fees rose by 7.0% year-on-year. to AED 40.9 million, and contributing 1.8% of total revenues, a similar percentage to 2023.

In a post period event and in accordance with the RTA, we introduced variable pricing across our toll gates in order to further improve transportation efficiency across the city by redistributing travel across off peak hours. The new pricing model is expected to generate an additional revenue between AED 60 million and AED 110 million on an annual basis.

Other revenues for 2024 reached AED 21.7 million, up significantly from AED 8.1 million in 2023, as it includes AED 6.6 million in toll construction revenues as well as AED 5.8 million in revenues from the Dubai Mall Partnership.

Balance sheet and cash generation

Owing to its performance throughout 2024, the Company maintained its solid balance sheet and recorded a favourable net working capital balance of - AED 536.8 million as of 31 December 2024, an impressive increase of 179% compared to the AED 192.4 million recorded in 2023, equating to -23.4% as a percentage of revenues. The increase came at the back of the provision for taxation of AED 115 million, given the federal corporate tax rate coming into effect as of 2024. In addition to the increase in dues to related party including the semimanual payment to RTA for the rights for the new gates.

Salik ended the year with a net debt balance of nearly AED 5.2 billion. The Company's net debt to EBITDA was a healthy 3.29x, which is much lower than the debt covenant (5.0x).

By year-end, Salik generated a free cash flow of AED 1.457 billion with a free cash flow margin of 63.6%, supported by continued strong traffic performance and the movement of individuals.

Credit ratings

Salik was assigned strong investment grade credit ratings, in December 2024, by leading agencies Moody's and Fitch, of A3 and A- respectively, which reflect the Company's strong balance sheet, robust liquidity position and high cash flow generation.

Dividends

AED 550 million in dividends was distributed in April 2024, representing 100% of Salik's distributable net profit for the second half of 2023, and AED 545 million was distributed in September 2024, representing 100% of Salik's distributable net profit for the first half of 2024.

Salik plans to distribute AED 619.8 million during the second quarter of 2025, representing 100% of Salik's distributable net profit for the second half of 2024, subject to shareholder approval at the Annual General Meeting (AGM) in April.

Guidance for 2025

Our guidance for 2025 reflects the contribution from the two new toll gates, alongside the recently launched ancillary revenue streams. Salik expects total revenue growth to be in the range of 28-29% year-on-year, including the impact of the two new gates introduced on 24 November 2024 in addition to the impact from the variable pricing introduced in January 2025, with EBITDA margin in the range of 68-69%. On a normalised basis, excluding the contribution from the two new gates and impact of variable pricing, total revenue is expected to increase 4%-5% year-on-year in 2025.

Operational Review

Macro-economic context

Dubai's economy continues to demonstrate resilience and growth, with a 3.1% year-on-year real GDP increase during the first nine months of 2024, reaching AED 339.4 billion. The transportation and storage sector grew significantly, growing by 5.3% during the same period and contributing 12.4% to the economy. Dubai welcomed 18.7 million international visitors in 2024, a 9% year-on-year increase on2023, with Dubai International Airport handling 92.3 million passengers. High-profile events and greenfield investments reaffirm its status as a global MICE hub. Additionally, the RTA's Strategic Plan 2024-2030, featuring goals like the '20-minute city' concept, underpins Dubai's future-ready transport strategy.

Operational results of 2024

Salik demonstrated strong operational performance in 2024, driven by consistent growth across key metrics. Revenue for the period reached AED 2.292 billion, a 8.7% year-on-year increase, enabled by a 8.0% rise in revenue-generating trips, which totalled 498.1 million. This growth reflects the resilient demand for tolling services amid Dubai's economic expansion and strategic urban mobility initiatives. Salik's ability to maintain stable tariffs, combined with its asset-light business model, further supported this revenue momentum.

EBITDA for 2024 rose to AED 1.579 billion, reflecting a high EBITDA margin of 68.9%, compared to a margin of 65.9% in 2023. Net profit after tax also showed impressive growth, reaching AED 1.165 billion, up 6.1% year-on-year despite the introduction of 9% corporate tax in the UAE. This level of profitability was due to revenue growth, cost optimisations, and a reduction in concession fees from 25.0% to 22.5% as of April 2024. These results reflect Salik's robust governance framework, a valuable concession agreement and operational efficiency, amidst evolving market conditions.

Core tolling business

In 2024, Salik saw significant growth across its toll network usage, with total trips increasing by 7.6% to 638.2 million, up from 593.1 million in 2023. This growth reflects the rising demand for efficient mobility solutions in Dubai's expanding urban landscape.

A key milestone was the introduction of nearly 90% solar-powered toll gates at Business Bay Crossing and Al Safa South, following the successful solar implementation at Jebel Ali in 2023. These efforts align with Dubai's net-zero emissions goals for 2050, showcasing Salik's commitment to integrating renewable energy into its operations and solidifying its position as a leader in sustainable and innovative mobility services.

AED 4
Tariff cost per trip[1]

Two new gates

On 24 November 2024, Salik launched two new gates, increasing the total to ten locations. Located at Business Bay Crossing on Al Khail Road and Al Safa South on Sheikh Zayed Road, these gates aim to ease congestion and improve traffic flow. The Business Bay Crossing gate is expected to reduce traffic on Al Khail Road and Al Rebat Street by up to 16%, potentially saving 20,000 daily travel hours. The Al Safa South gate is designed to decrease right-turn traffic by 15% and reduce congestion on Al Meydan and Al Safa Streets by 42%.

Each toll passage costs AED 4, with a single charge for every vehicle passing across both Al Safa North and South Gates in the same direction within one hour. These gates complement the Al Khail Road Development Project, which added bridges and expanded lanes to increase capacity. Aligned with Dubai Urban Plan 2040, this initiative aims to enhance infrastructure, reduce congestion, and encourage public transport, supporting sustainable urban development and balanced traffic distribution.

Concession agreement

Salik's 49-year Concession Agreement with Dubai's Roads and Transport Authority (RTA), extending until 30 June 2071, provides a clear, shareholder-friendly framework that enables both parties to deliver a world-class, barrier-free toll network suited to Dubai's growing economy.

The Agreement structures Salik's business model, with RTA serving as the regulator and the Dubai Executive Council as the final authority on tariffs and major strategic decisions. Covering essential terms—including tariff setting, concession fees, and procedures for new gate additions—the Concession Agreement establishes a stable foundation for Salik's longterm growth and contribution to Dubai's infrastructure needs.

[1] The variable tariff went into effect as of 31 January 2025.

Concession agreement overview

Relevant Authorities and Relationship with Salik

The Executive Council (TEC)

(Legislative Governmental Body)

Ultimate decision-maker around changes in tariffs and new gates

The TEC takes into consideration the review and recommendations of the RTA but independently makes a decision

RTA's recommendations are subject to final TEC approval

Permission for tariff increases and new gates

Submission of Salik's requests post-review and any amendments

Roads & Transport Authority (RTA)

Regulator and supervisor of efficient traffic flow in Dubai

Responsible for upkeep of road network as well as expansionary capex for new toll gates and replacement capex at the end of life

RTA is 100% owned by Government of Dubai

RTA provides exclusive grant of Concession rights

Road O&M[1] services / review of changes in tariff & concession fee[2]

Concession fee payment & requests for tariff increases

Operator (Listed Entity)

Operator of toll road system, charging motorists with pre-determined tariffs

Responsible for toll gate maintenance

Salik can submit a proposal of tariff increases annually in line with changes in inflation

Key Concession Agreement Terms

Term of the Concession

Concession term of 49 years

- Starting date: 1 July 2022
- Ending date: 30 June 2071

Tariff

- Pre-determined increase mechanism, to be submitted to TEC on a yearly basis
- Compensation mechanisms providing significant downside protection versus Inflation, amongst other things

Concession Fee

- AED 4bn upfront fee at start of concession
- 22.5% of Annual Toll Revenue as of April 2024[3]
- Adjustment mechanism to compensate for lack of tariff increase (minimum concession fee floor of 15%)

New Gates Mechanism

- New toll gates to be added at the joint proposal of RTA and Salik if approved by TEC
- Pre-agreed valuation mechanism
- Salik will be the exclusive operator of new gates

In November 2024, Salik announced the implementation of variable toll pricing on RTA's instruction, effective from January 2025, to optimise traffic flow and improve transportation efficiency. The new pricing structure is projected to generate an additional annual revenue of AED 60 million to AED 110 million.

1 O&M: Operations & Maintenance.
2 As a compensation mechanism where the proposed tariff increase is not approved.

3 Previously 25% since the curve out and up until April 2024; adjustment based on inflation protection mechanism.

The approved system for variable pricing road tolls

	Peak Hours	Off Peak Hours	Past Midnight
	6:00 am to 10:00 am 4:00 pm to 8:00 pm	10:00 am to 4:00 pm 8:00 pm to 1:00 am	1:00 am to 6:00 am
Weekdays	AED 6	AED 4	AED Zero
Sundays, with the exception for public holidays and Events	AED 4	AED 4	AED Zero

Rights and obligations

The Concession Agreement outlines the roles and responsibilities of both Salik and the RTA, establishing operational and financial standards to support effective toll management. To ensure accountability, it specifies key performance indicators (KPIs) for each party: Salik must maintain a 99% equipment availability ratio and submit quarterly compliance reports, while the RTA is responsible for infrastructure availability, a pavement condition index, timely emergency call responses, and HSE incident management, as well as fine and penalty collection.

The Agreement's structure reinforces Salik's asset-light model by placing full financial responsibility for road network maintenance and expansion on the RTA. Additionally, it provides Salik with defined compensation mechanisms, offering protection against inflation and unexpected costs.

Tariffs

The Concession Agreement grants Salik the right to recommend annual toll tariff adjustments based on a formula linked to inflation. Salik submits these recommendations to the RTA, which then reviews them and consults the TEC for a final decision. If TEC rejects Salik's proposed increase, the RTA compensates Salik by adjusting its annual concession payment to account for inflation. Conversely, if a higher-than-standard increase is approved, Salik's concession fee is adjusted accordingly, with limits ensuring that any fee adjustment does not exceed 25% or fall below 15% of toll revenue. The concession fee was adjusted from 25% to 22.5% as of April 2024.

The Agreement also includes guidelines for network expansion. Upon TEC approval, Salik can acquire new tolling rights through an upfront payment plus an ongoing concession fee. Detailed mechanisms are outlined to determine the upfront payment and to address any potential disputes between Salik and the RTA.

Independent oversight

The valuation of new toll gates, which informs Salik's upfront payments, is typically performed collaboratively by financial and commercial advisors appointed by RTA, Salik, and an independent expert. If a discrepancy greater than 5% arises between Salik's and RTA's valuations, Salik's payment will be based on the lowest net present value (NPV) plus a potential earn-out, alongside any additional payments as per the agreed mechanism.

To address potential EBITDA shortfalls during a "ramp-up period," Salik may pay earn-out obligations, which are calculated based on annual cash flow differences between projected and actual traffic volumes, with adjustments for the time value of money. Payment requirements are determined over two intervals:

- **First interval (years one to three)**: if traffic aligns with or is below the lowest NPV projection, no extra payment is required. However, if traffic exceeds this projection, Salik will make earn-out payments proportionate to the increase.
- **Second interval (years four and five)**: the same terms apply.

After the five-year mark, no further earn-out obligations are owed, regardless of actual traffic levels.

Ancillary revenues

Parking

Starting July 1, 2024, Salik's advanced technology has provided seamless, barrier-free parking for Dubai Mall visitors. The system offers automatic, ticketless fee collection by recognising vehicle plates and deducting applicable charges directly from Salik user accounts across the Fashion, Grand, and Cinema parking zones.

In a strategic partnership with Parkonic, Salik has further extended its reach by integrating its eWallet system across 107 locations in the UAE, with plans to expand to approximately 135,000 parking spaces by Q2 2025. This collaboration marks Salik's first venture outside the Emirate of Dubai and underlines its commitment to enhancing smart city infrastructure. The five-year agreement will see Salik receiving a share of parking revenues generated through its eWallet, bolstering ancillary income streams and reinforcing its position as a leader in mobility solutions.

Insurance

Building on its ancillary revenue strategy, Salik has also partnered with Liva, a leading multi-line insurer in the GCC, to offer bespoke motor insurance solutions. This collaboration provides Salik customers with tailored insurance options, streamlined through a digital portal managed by Liva. Drivers will receive timely reminders to renew their policies, ensuring uninterrupted coverage and compliance with vehicle registration requirements. This initiative exemplifies Salik's innovative use of its extensive database and technology to enhance customer convenience while further diversifying its service offerings.

Personalised, branded tags

Salik introduced a new service, offers the option to design customized tags.

Customer service awards

In recognition of outstanding customer service, Salik won bronze award for 'Best Contact Centre' at the Global Customer Experience Awards (GCXA) and won 'Outsourced Helpdesk of the Year' as well as 'Best Medium Outsourced Call Centre.'

Outlook

To sustain its growth trajectory, Salik is building on its reputation for innovation and operational excellence. Growth is very likely to come from more traffic through existing gates, opening more gates, and through the provision of ancillary services for drivers: notably, seamless parking and insurance services.

Digital Solutions

Trips and data security

2023	
Total trips	593.1 million
Number of data breaches	0
Percentage of data breaches	0
Number of customers affected by data breaches	0
Total amount of monetary loss as a result of legal proceedings associated with user privacy	0
Average uptime within toll gate system	99.99%
Average uptime within the data centre	99.88%

2024	
Total trips	638.2 million
Number of data breaches	0
Percentage of data breaches	0
Number of customers affected by data breaches	0
Total amount of monetary loss as a result of legal proceedings associated with user privacy	0
Average uptime within toll gate system	99.99%
Average uptime within the data centre	99.90%

Advanced, well-managed digital technology at the core of Salik's operations

Salik places particular importance on advanced digital technology, which is fundamental to the Company's operations, providing easy journeys for drivers as well as operational efficiency.

Salik develops digital solutions to improve the performance of its core toll business. to provide exceptional customer satisfaction and loyalty, and to facilitate an increasing range of vehicle-centred mobility services, including parking and motor insurance.

Salik's advanced technology platform contributes to the monetisation of growth in Dubai's traffic, with RFID and ANPR camera systems capturing more than 99.5% of vehicles passing through Salik's ten automatic toll gates. The Company achieved 99.99% and 99.90% average uptime within its toll gate roadside system and back-office (data-centre) systems, respectively.

Toll gate sensors detect an activated tag on the car windscreen and the Salik system deducts the tariff amount from the driver's Salik account. The tags can now be personalised to carry drivers' corporate branding. Drivers can use the Smart Salik app to create an account, top it up, monitor usage, settle violations and provide feedback.

The Company also uses data analytics and automation in a responsible manner for efficient operational and financial management.

Salik favours sound and responsible technology partners who provide local support throughout the life cycle of the technology.

Training, awareness and security simulation exercises are conducted across the organisation for employees and relevant contractors, who use Salik's IT infrastructure.

During 2024, Salik activated Microsoft Copilot as an AI employee assistance tool to reduce routine tasks and improve efficiency and is assessing AI tools to make further improvements in operations and specifically, the toll trip image transaction processing.

Salik completed projects to upgrade and improve the Interactive Voice Response (IVR) system and IT infrastructure in 2024.

Information Security & Data Privacy

Given the growth and development of digital connectivity and rapid technological advances, data privacy has become a core concern for Salik and requires policies and actions to maintain operational best practice and stakeholder trust. In 2024, Salik achieved an impeccable record with zero customer complaints related to privacy breaches, matching its strong record in 2023. Salik maintained robust data security practices, with no breaches identified for the second consecutive year. This reflects a comprehensive approach to data protection, covering zero cases of data leaks, thefts, or losses of customer information.

As part of Salik's dedication to this priority, the company mandates Information security training for 100% of its employees, ensuring they are fully equipped to uphold the highest standards of privacy and security.

Salik's Personal Data Protection Policy provides the overall framework of handling all personal data, including customer data. Salik has deployed the necessary mechanisms for the protection of personal data. These are in alignment with the DESC ISR 3.0 and the UAE PDPL. We are in the process of ensuring readiness against ISO 27001 Information Security Standards in 2025.

An Information Security Steering Committee is being established to oversee governance of Information Security, including cyber security and data privacy. The Information Security Policy and a Personal Data Protection Policy provide the overall framework for managing related risks across Salik's operations. The Overall Governance of Information Security lies with the Board of Directors through the oversight mechanisms of the Audit Committee, both having members with rich experience and background on Technology & Information Security.

Salik has also implemented the necessary protection mechanisms for Personal data protection. The company is committed to sustaining its record of zero data leaks or losses resulting from cyber attacks, reaffirming its dedication to protecting the privacy and security of its data resources well into the future.

Investor Relations App

Salik launched its Investor Relations (IR) mobile app in December 2024, enhancing transparency, accessibility, and investor engagement. Available on iOS and Android, the app offers a centralised platform for investors to access stock data, financial reports, analyst consensus, and real-time company disclosures. This initiative reinforces Salik's commitment to providing stakeholders with timely, accurate information.

The IR app is a vital part of Salik's digital strategy, supporting best-practice investor relations and strengthening engagement with both institutional and retail investors. By offering a secure and accessible communication channel, the app ensures stakeholders receive trusted, up-to-date insights directly from Salik, further demonstrating the company's dedication to transparency and accountability.

Leading the way responsibly

Over
150 years
combined board member experience

86%
of Board directors independent

Salik aspires to become a global leader in sustainable and smart mobility solutions. To achieve this vision, the Company has a highly experienced Board of Directors – including engineers who have played a key role in shaping Dubai's infrastructure – alongside a seasoned executive team.

02. Corporate Governance

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Governance Overview

Overseen by a diverse team of planners, engineers and policymakers, the corporate governance framework is integral to Salik's ability to meet its strategic objectives and create shareholder value through transparent and responsible growth.

Its success in forging a world-renowned urban mobility infrastructure is the result of not only strong governance but also the talents of a team of highly-experienced executive managers, who are all innovators and leaders in their fields. Collectively, they safeguard Salik's business continuity transparently and responsibly to ensure that it can deliver sustainable growth and keep Dubai moving – all day, every day, 365 days a year.

Salik is overseen by an independent panel of industry veterans who have helped shape the face of modern-day Dubai.

Salik's Board of Directors is committed to the highest level of corporate governance standards, safeguarding business integrity and investor trust. All of Salik's Directors and employees are expected to act with honesty, integrity and fairness. In addition, Salik complies with all applicable laws, follows ethical business practices and adheres to robust governance procedures across its operations. The Company is governed by a seven-member Board of Directors that is committed to maintaining corporate governance standards in line with international best practices.

The current Board has more than 150 years of combined experience in planning and managing Dubai's mobility needs – a diverse team that includes engineering leaders whose work has helped define Dubai's urban footprint. The Board is comprised of six independent Non-Executive Directors and one Executive Director, each appointed to three-year terms. They meet at least every three months.

The Chairman facilitates Non-Executive Directors' contributions and the relationship between them and the Executive Director. Non-Executive Directors contribute significantly by constructively challenging and contributing to the development of strategy and the formation of committees. Management performance is monitored, as is the integrity of financial data and the effectiveness of financial controls and risk management systems. Non-Executive Directors are in charge of determining appropriate levels of remuneration for Executive Directors and play a key role in the appointment of new Directors. The terms and conditions of Non-Executive Director appointments are available for review.

The Board provides Salik with strategic leadership and determines the Company's fundamental management policies, as well as oversees the performance of Salik's business and its CEO. The Board is the principal decision-making body for all matters of a significant nature to Salik, whether they be strategic, financial or reputational.

The Salik Board operates two permanent Committees – the Audit Committee, which provides its opinion on financial reports and external and internal audits and controls, and the Nomination, Remuneration and ESG Committee, which advises on the nomination and remuneration of Board members and senior management, oversees Salik's ESG and sustainability strategy and policies, and monitors the independence of Board members as stipulated by the rules and regulations. The Board has approved a governance framework that maps out the internal approvals processes and those matters that may be delegated in order to promote effective governance across all of its operations.

Board of Directors

Salik's Board of Directors' experience, qualifications and membership in government entities.

View the full biographies of the Board

His Excellency Mattar Al Tayer
Chairman

Board Committees

Ⓐ Audit Committee

The Audit Committee meets at least four times a year. It is responsible for reviewing and monitoring the integrity of the Company's financial statements, financial and accounting policies, and non-audit work by external auditors. It is responsbile primarily for reviewing and recommending the Company's financial statements, It monitors the integrity of the financial statements, financial and accounting policies, and the audit and non-audit work by external auditors. It oversees the relationship with the Company's external auditors, advises on appointment of external auditors, and reviews the effectiveness of the external audit process and the Company's internal control review function.

Ⓝ Nomination, Remuneration and ESG Committee

The Nomination, Remuneration and ESG Committee oversees the appointment and remuneration of members of the Board and senior management, as well as the Company's ESG and sustainability strategy and policies. It is responsible for evaluating the hiring of Salik's senior management and monitoring the independent status of independent Directors. The Committee also makes recommendations to the Board on executive remuneration, as well as developing the Company's sustainability strategy and setting appropriate initiatives and policies.

Ⓐ **Mr. Abdul Muhsen Ibrahim Kalbat**
Vice-chairman

Ⓐ Ⓝ **H.E. Mohammed Abdulla Lengawi**
Director

Ⓐ Ⓝ **H.E. Mohammed Abdulrahman Alhawi**
Director

Ⓝ **Mr. Mohammed Al-Mudharreb**
Director

Mr. Ibrahim Sultan Al Haddad
Director and Chief Executive Officer

Eng. Maitha Bin Adai
Director

Key
Ⓐ Audit Committee member Ⓝ Nomination, Remuneration and ESG Committee member ● Committee Chair

Executive Management

Salik is managed by a highly-skilled and experienced executive team who share a common vision for the Company's success.

View the full biographies of the Executive Management Team

Mr. Ibrahim Sultan Al Haddad
Chief Executive Officer and Board Member

Mr. Maged Ibrahim
Chief Financial Officer

Mr. Tariq Ismail Mohammed
Chief Technology Officer

Mr. Anwar El Khatib
Legal Counsel

Mr. Tariq Al Mutawa
Support Services Director

Enterprise Risk Management

… continues to serve as a central engine to manage uncertainties and drive performance and resilience.

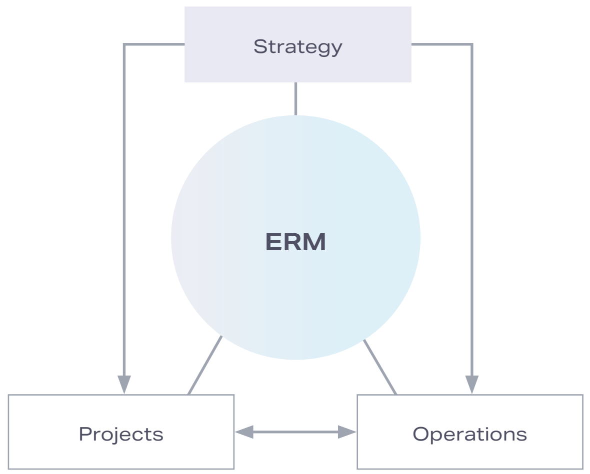
As the biggest urban hub for tourism and business in the Gulf, Dubai is a city that rarely sleeps. Tourists and business executives, as well as the Emirate's approximately 4.7 million daytime residents, rely on Dubai being open and accessible 24 hours a day, 365 days a year.

As Dubai's exclusive toll operator, Salik is aware of and committed to its obligation to provide seamless, barrier-free, uninterrupted motion through its ten automatic toll gates running through the heart of the Emirate, where 638.2 million vehicles passed during 2024.

As Salik embarks on its growth trajectory by diversifying its revenue streams while ensuring continued disruption-free operations of the Dubai tolling systems, Salik's Enterprise Risk Management (ERM) framework continues to serve as the central engine for all risk management activities across the organisation.

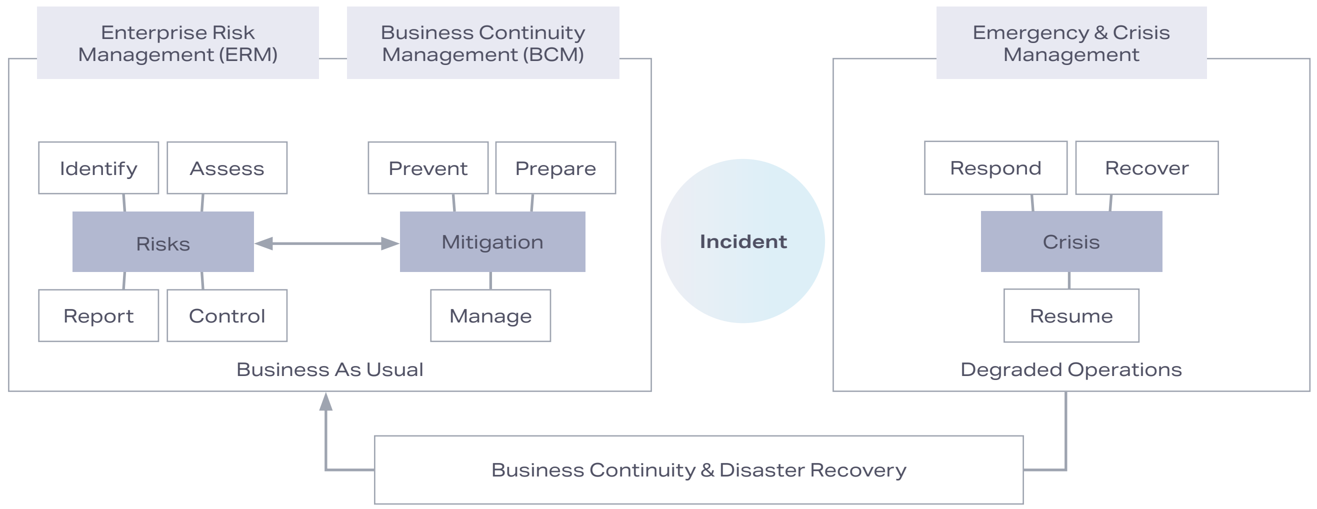
In 2024, Salik adopted a Risk Maturity Model (RMM) in its pursuit towards enhancement of the culture and maturity of its ERM practices and has conducted an initial assessment of the maturity level against the RMM. The Risk Maturity Model (RMM) serves as a benchmark of practices against an umbrella framework that covers ISO 31000, OCEG Red Book and COSO standards. An Internal Audit was conducted in 2024 on the ERM processes and it's maturity levels using the RMM and prioritized action plan has been developed for enhancing the ERM practices. ERM serving as the central engine for all risk management activities was also audited by an External Certification Body, as part of the ISO 37301 Compliance Management System Certification in 2024.

Salik has designed and adopted its risk management practices at all levels as an integrated tool for decision-making. This encompasses strategic and other emerging risks, operational risks and project-specific risks which included application of the risk criteria while developing new services such as parking payment solutions for Dubai Mall and cooperation with Liva Group.



At Salik, we have not only designed technologies with built-in continuity capabilities, but have developed an organisational culture where risk management, business continuity, response and recovery protocols, and financial resilience are embedded in everything we do. Implementing a culture and philosophy of reliability and resilience at all levels of the organisation has helped the Company to realise virtually no customer-facing systems downtime and close to zero revenue losses.

Salik's integrated approach to ERM, business continuity management and crisis management underpins its ability not only to respond to operational disruptions but to deliver on its long-term growth objectives. Contextualised risk appetite statements have been approved by Salik's Board of Directors, setting out limits on acceptable risks for all business units to follow in pursuit of opportunities and growth. These support risk-based decision-making at all levels. Awareness sessions are conducted on the ERM & BCM framework for decision makers across Salik which supports culture building. Moreover Emerging Risks are also discussed on an yearly basis to understand the proximity, materiality and knock-on effects of these risks on Salik's Strategy and Operations. The key risks summarized in this report incorporates the impacts of the Emerging Risks on Salik.



An Integrated Approach towards ERM, BCM & Crisis Management drives a resilient business

Salik's ERM Policy drives common language and protocols for identifying, documenting and communicating risks. The deployment of the ERM Policy across the organisation at all levels ensure identification and management of risks, within the overarching appetite levels set out by the Board of Directors. These risks, along with their mitigation plans across all levels of the organisation, are monitored by the management level committee established at Salik. This ensures that a cross-functional management team is always on top of all risk-management activities, including critical vendor and third-party relationships, driving Salik's readiness and resilience to disruptions across value chains.

Top risks affecting Salik's ability to achieve its strategy and ensure disruption-free operations are aggregated and communicated to the Salik Board of Directors, having already been reviewed and endorsed by Salik's management committees. The top risks are also independently endorsed by Salik's Audit Committee. This exercise is carried out on a quarterly basis to ensure that the Salik Board of Directors is aware of and informed on the top risks for their timely attention and instruction.

Salik's best-in-class roadside tolling technology is designed to deliver continuity and resilience. It was built on high-availability and high-redundancy designs that produce 99%+ uptimes across all toll gates as well as back-end processes. Disaster recovery plans support the fundamentally robust technical framework, which in 2024 continued to support seamless notification, monitoring, communication, resolution of incidents and resumption of services.

Salik's business continuity management system, based on a BCM Policy approved by the Board of Directors, ensures that business impact analyses are regularly carried out. Furthermore, business continuity plans are prepared and tested to ensure resilient operations.

Salik's ERM seamlessly aligns with the 'Three Lines of Defence' Governance model, with the Board of Directors providing executive decisions on the key risks faced by Salik. In addition, its Audit Committee, which has visibility and oversight over the Risk Management and control activities across Salik, provides assurance on all the Governance practices adopted by Salik.

Key Risks & Salik's Risk Management Approach

The following summarises Salik's Key Risks and its management approach with the aim of enhancing stakeholder value and achieving sustainable performance.

Risk Area	Description	Risk Management Approach
Operational	Technology or process outages which could result in disruption in roadside tolling infrastructure, back-end processing and/or customer facing services. While the ongoing strategic projects and revenue diversification initiatives do introduce change management complexities, historically disruptions have been minimal and have not materially impacted Salik.	Salik's best-in-class roadside tolling technology is designed to deliver continuity and resilience. It was built on high-availability and high-redundancy designs that produce 99%+ uptimes across all toll gates as well as back-end processes. Disaster Recovery arrangements support the fundamentally robust technology supported by seamless notification, monitoring, communication, resolution of incidents and resuming services.
Operational	Dependency on key sub-contractors for Toll operations and other revenue diversification initiatives could result in operational continuity difficulties, if any of the key sub-contractors discontinue their relationship with Salik, with no precedence of such scenarios.	Appropriate contractual protections along with access to necessary intellectual property rights on continued usage of the technology for the Dubai Tolling Operations and other revenue diversification initiatives form the cornerstone for continuity. Moreover, revenue diversification initiatives are being de-leveraged from dependency on the same sub-contractor.
Strategic	As Salik seeks to pursue growth opportunities, it encounters operational, technology and regulatory readiness risks, while ensuring timely implementation and ongoing success of these strategic initiatives and other revenue diversification initiatives.	Embedding robust project-management principles into every project in Salik ensures effective project-level risk management leading to project success. Salik's cross-functional project teams and for toll-related projects, including RTA stakeholders, ensure complete contextual understanding of readiness including operational, technology and regulatory aspects. Approved risk-appetite considerations are embedded within the decision-making approach for growth opportunities and strategic initiatives. Keeping abreast of regulatory developments for other revenue diversification initiatives and reaching out to regulators for early understanding and approvals ensure that project success is not restricted by regulatory compliance matters.
Strategic	Economic downturns and resultant reduction in traffic volumes can lead to declining revenues for Salik.	Salik focuses on strategic monitoring of triggers and emerging factors which could assist in identifying early signs of potential downturns. Salik is committed to fostering relationships with government bodies to remain informed about upcoming initiatives or projects that could spur growth. Additionally, maintaining operational efficiency and cost-control measures serve as additional measures to tone down the impact of revenue fluctuations. Salik's strategic initiatives aim at de-risking revenue and geographical concentration risk through innovative projects and by diversifying its service offerings. Salik has already embarked on its journey to diversify revenue streams and support long-term sustainability of its business. Regular financial disclosures are made to stakeholders, ensuring transparency regarding the company's operational performance and financial health.
Climate Change and Extreme Weather Events	Extreme weather events triggered by climate change can lead to asset damages.	At Salik we recognise that climate change can lead to extreme weather events at a higher frequency, and understanding and managing this is inbuilt into our operational resilience mechanisms. Protection measures are in place as part of the design criteria of our toll gates and data centres. This is operational and supported by well-established crisis management protocols in coordination with RTA for timely identification and mitigation of event impacts. Adequate insurance coverages are also in place for any physical damage to the assets and resultant business interruption losses. There was no material impact from the last extreme weather event of excessive rain and flooding in Dubai.

Corporate Governance Report

Salik Company PJSC ('Salik')

01 Procedures taken to complete the corporate governance system during 2024, and method of implementing thereof.

The Board of Directors (the 'BOD') adopted Salik Company PJSC (the 'Company' or 'Salik') corporate governance framework and the BOD's charter, which comply with all main requirements and provisions of the Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning approval of Joint Stock Companies (the 'Governance Guide') and its subsequent amendments, especially decision No. (2/R.M) of 2024.

As for the method used to implement the Governance Guide provisions, the Company implemented various policies adopted by the Company Board of Directors taking into account the interests of the Company, shareholders and all other stakeholders, as follows:

A. Board of Directors

The composition of the Board of Directors and its terms of reference comply with the requirements of SCA Governance Guide, the Commercial Companies Law No. 32 of 2021, the Articles of Association of the Company ('AOA'), as well as other relevant laws and regulations.

Salik adheres to the terms of reference set out by the Board of Directors in relation to its composition, operating procedures and responsibilities, these being:

I. The Board is charged with the duty to ensure that the Company carries out its objectives described in the Articles of Association. It has the responsibility and authority to determine the frameworks, policies and practices which govern, control and monitor the management of the operations and risks of the Company in the interests of achieving these objectives.
II. The Board will provide clear, objective and appropriate guidelines, and will make its collective knowledge and experience available to the Company.
III. The Board shall be responsible for applying corporate governance regulations and criteria in accordance with the Corporate Governance (CG) Code which applies to all listed public joint stock companies in the United Arab Emirates.
IV. The Board retains the ability to delegate matters which it thinks appropriate to its own Committees, members of the Board, or to Senior Executive Management. Such powers are delegated by way of a defined authority matrix approved by the Board in which the delegated authorities are specified.
V. The independent Board members confirmed their independent status during the year 2024 and the Company verified that the legal requirements regarding the minimum number of independent Board members have been satisfied.

B. Committees of the Board of Directors

The Board of Directors established two (2) committees, as follows and each Board committee acts in accordance with its own terms of reference:

I. Audit Committee
II. Nomination, Remuneration and ESG Committee

C. Internal Control

I. The Board of Directors has established an Internal Control system to evaluate the means and procedures for operational issues, risk management and the implementation of the SCA Governance Guide.
II. The Board will monitor and request verification of compliance by the Company and its employees with applicable laws, regulations and resolutions that govern its operations, as well as internal procedures and policies, and the review of financial information.
III. The Audit Committee assists the Board in overseeing the application of the internal control system. The internal control policy requires that the Board of Directors annually reviews the Company's internal control system.

D. Code of Conduct

I. Salik adopted a code outlining the core values of the Company, which aims to enhance the spirit of responsibility and adherence to ethical standards.
II. The Code of Conduct applies to Salik Directors and Employees. Salik encourages contractors, consultants, business partners, suppliers and any other person who works with or represents Salik to follow and adopt the Code of Conduct.

E. Dealing in Company securities

I. The Board has agreed written rules in respect to the dealings of the members of the Board and employees of the Company in securities issued by the Company, its subsidiaries or sister companies.

02 Ownership and transactions of the Board of Directors, their spouses and their children's transactions in company securities during 2024:

Name	Relationship/Position	Owned shares as on 31/12/2024	Total sale	Total purchase
Ibrahim Sultan Al Haddad	Board Member & CEO	1,000,000	–	–
Abdul Muhsen Ibrahim Kalbat	Vice-chairman	1,000,000	–	–
Mohammed Al-Mudharreb	Board Member	–	1,092	–

03 Composition of the Board of Directors:

A. Formation of the current Board

The Salik Board of Directors was constituted pursuant to Dubai Executive Council Resolution 34 of 2022.

Name	Category	Memberships and Positions in Other Joint Stock Companies (in UAE)	Starting from
H.E. Mattar Mohammed Al Tayer Chairman	Independent Non-executive	N/A	23 Jun 2022
Mr. Abdulmuhsen Ibrahim Abdulrahman Kalbat Vice Chairman	Independent Non-executive	Chairman of Dubai Taxi PJSC	23 Jun 2022
Eng. Maitha Mohammed bin Adai	Independent Non-executive	N/A	23 Jun 2022
Mr. Mohammad Yousuf Al-Mudarreb	Independent Non-executive	N/A	23 Jun 2022
Mr. Ibrahim Sultan Al Haddad Chief Executive Officer (CEO)	Executive	N/A	23 Jun 2022
H.E. Mohammed Abdulla Lengawi	Independent Non-executive	N/A	23 Jun 2022
H.E. Mohammed Abdulrahman Alhawi	Independent Non-executive	N/A	23 Jun 2022

[1] "Relatives" include spouse and children.

Experience, Qualifications and Membership in any Government Entities of Salik's Board of Directors:

His Excellency Mattar Al Tayer
Chairman

His Excellency Mattar Al Tayer is the Director General, Chairman of the Board of Executive Directors of the Roads and Transport Authority (RTA). He holds a Bachelor's degree in Civil Engineering from the University of Wisconsin, USA, 1983 and was awarded an Honorary Fellowship by the British Institution of Civil Engineers (UK) in 2010.

His Excellency Mattar Al Tayer, has been the Director General, Chairman of the Board of Executive Directors of the Roads and Transport Authority (RTA) since its inception in 2005. Prior to taking up RTA's leadership role, he worked as Deputy Director General of Dubai Municipality. Since taking over the management of RTA, he managed to plan and deliver projects worth more than AED 150 billion topped by the Dubai Metro, Dubai Tram, and the Dubai Water Canal in addition to several crossings over Dubai Creek such as the Infinity Bridge, Business Bay Crossing, and Al Garhoud Bridge. The list also includes infrastructure improvement projects for roads and public transport networks, and 15 projects that serve Expo 2020 worth more than AED 15 billion including Dubai Metro's Route 2020.

In his position as chairman of the Supreme Committee for Urban Planning in Dubai, Al Tayer oversaw the development of the Dubai 2040 Urban Master Plan, and the development of the Dubai Citizens Housing Policy. In addition, H.E. oversees the development of rural areas in Dubai through a number of approved projects and initiatives, along with the wellbeing initiatives and projects in the emirate. He also oversees the implementation of projects under Hatta Master Development Plan as he chairs the Supreme Committee to Oversee the Development of Hatta.

Throughout his professional career, Al Tayer has received multiple accolades in recognition of his successful leadership of the RTA, such as:

- Mohammed bin Rashid Al Maktoum Sash in September 2011
- Asian Business Leadership Forum Award 2017

Al Tayer is actively engaged in several local and federal councils, boards and committees, including:

- Member of The Dubai Council
- Member of Executive Council in Dubai
- Member of the Strategic Affairs Council of Dubai Government
- Member, Board of Trustees of "Mohammed Bin Rashid Al Maktoum Global Initiatives"
- Member of The Higher Committee for Development and UAE National Affairs
- Board Member of Etihad Rail
- Member of Dubai's Supreme Committee of Crisis and Disaster Management
- Chairman of the Supreme Committee for Urban Planning in Dubai
- Chairman of the Supreme committee to Oversee the Development of Hatta
- Member of UAE Infrastructure and Housing Council
- Chairman of The Salik Company
- Chairman of The Mada Media Company
- Member, Board of Trustees of Dubai Future Foundation
- Vice Chairman of Al Qouz Creative Zone Committee
- President of the Board of Governors for Hamdan Bin Mohammed Smart University

Mr. Abdul Muhsen Ibrahim Kalbat
Vice-chairman

Mr. Abdul Muhsen Ibrahim Kalbat has more than 30 years of senior leadership experience in the public sector. He has been an essential and prominent member of the RTA's Board of Directors from its inception in 2005. He has actively played a crucial role in the establishment of the RTA through the development of robust and effective governance, operational and cross-functional frameworks and its business organisational structure. He introduced creative management concepts and diverse approaches for improving administrative and technical processes across the RTA, which led to transforming the processes from routine daily operations to a highly efficient strategic drive.

From 2005 through 2015, Mr. Kalbat was CEO of RTA's Strategy and Corporate Governance Sector, where he undertook responsibility to define and steer RTA's strategic direction towards fully integrated transportation solutions with the aim of shifting private car use to public transport in order to support Dubai's long-term strategic development vision. In 2011, he was awarded with a medal of honour by His Highness Sheikh Mohammed Bin Rashid Al Maktoum for his valuable contributions to the RTA's excellence and government work.

Mr. Kalbat has been the CEO of the Rail Agency since 2015 and has been Vice Chairman of the RTA's Board of Directors since 2022. During this period, he has been actively focusing his efforts on improving operational efficiency, maximising revenue and minimising expenditure. In addition to his determination to expand, enhance and develop Dubai's railway network, he has been focused on the efficient and optimal utilisation of budget through the public-private partnership scheme. He has also accomplished significant cost-saving measures of more than AED 25 billion in development and operational costs. At the Rail Agency, he currently oversees a number of important and prestigious projects, most significant of which is the AED 10.6 Billion Route 2020 project.

He received his Bachelor's degree in Computer Science from the University of the United Arab Emirates, Al Ain, and is a graduate of the Mohammed Bin Rashid Executive Leadership Development Program.

Mr. Mohammed Al-Mudharreb

Director

Mr. Mohammed Al-Mudharreb is a digital transformation leader in mobility in Dubai and CEO of RTA's Corporate Technology Support Services. He is responsible for leveraging cutting-edge technologies, including 'Fourth Industrial Revolution' technologies such as artificial intelligence, robotics, and big data, to create pioneering, digitally enabled experiences for drivers, commuters and road users. He served as Director of Rail Operations at RTA, where he managed a world-class railway service in Dubai. Mr. Al-Mudharreb was also responsible for the delivery and operation of the Automated Fare Collection System for all transport modes in Dubai, as well as development of other commercial revenue streams. He is a member of many city-wide committees and taskforces overseeing Dubai's digital transformation.

Mr. Ibrahim Al Haddad

Director and Chief Executive Officer

Mr. Ibrahim Al Haddad is a highly experienced professional with a track record of over 17 years of delivering highly impactful projects in the public and private sectors. Since he joined the RTA in 2013, he has focused on commercial transformation and public private partnerships projects and spearheaded implementation of many marquee projects for the RTA such as the Hala Joint Venture Agreement between the RTA and Careem, the commercial transformation of Dubai Taxi, the concession agreement with Hypermedia and implementation of the RTA Invest Portal. Under his leadership, the Commercial and Investment Department won the CFI award for 'Most Innovative Logistics Project Investment Team – GCC 2019' and achieved ISO 10014:2006 Certification ((the first entity in the region) by demonstrating that the RTA's commercial and investment practices are in line with global leading practices.

Mr. Al Haddad holds a Master's degree in Real Estate Management from the University of South Wales – Sydney, in addition to a Bachelor's degree in Architectural Engineering from UAE University.

H.E. Mohammed Abdulla Lengawi

Director

H.E. Mohammed Abdulla Lengawi serves as the Director General of the Dubai Civil Aviation Authority, leading the organisation with a strategic vision aimed at enhancing Dubai's position as a global aviation hub, with a focus on safety, security, and innovation. With over 29 years of experience in aviation, he has a distinguished record in crisis management, airport operations, strategic policy development and risk management, combined with a strong business acumen that drives operational excellence and regulatory compliance, ensuring sustainable success and innovation in the aviation sector.

Throughout his career, he has led numerous initiatives contributing to the development of the aviation sector in the UAE, including aviation safety management, implementing advanced security and safety training programmes, and negotiating air transport services. He has also played a pivotal role in fostering collaboration with strategic partners and achieving tangible progress in aviation safety and emergency response. His expertise in developing comprehensive plans supporting innovation and sustainability further strengthens Dubai's position as a leading global aviation destination.

H.E. Mohammed Abdulrahman Alhawi

Director

H.E. Mohammad Alhawi serves as the Undersecretary at the Ministry of Investment. In this capacity, he collaborates with the Minister to plan and execute strategies aimed at enhancing the UAE's status as a global investment hub. The Ministry is dedicated to increasing foreign direct investments by enhancing the regulatory framework for investors and fostering international partnerships through the establishment of investment corridors to diversify and grow the country's knowledge-based economy.

Previously, he held the position of Director of Economic Development at The Executive Council, where he focused on shaping Dubai's economic policies and strategies in collaboration with public- and private-sector stakeholders. He also chaired the Economic Team, dedicated to boosting Dubai's economic competitiveness.

Before joining The Executive Council, Alhawi served at Mubadala as Vice President in the Technology Manufacturing & Mining Platform, leading international investment consortia involved in multibillion-dollar infrastructure projects. He was also responsible for shaping the Research & Development strategy for the world's fifth-largest aluminum company.

Throughout his career, Alhawi has held various key positions at the Prime Minister's Office and The Executive Office, which has helped him acquire valuable insights into the development and implementation of high-level government initiatives and policies. His track record highlights exceptional negotiation and crisis-management skills, as well as an ability to nurture interpersonal relationships, which are key to achieving strategic institutional objectives.

H.E. Mohammad Alhawi is also a Board Member on Salik's Board of Directors.

H.E. Mohammad Alhawi graduated in Mathematics from Imperial College London, and obtained a Master's degree in Computer Science from University College London.

Eng. Maitha Bin Adai

Director

Eng. Maitha Bin Adai served as the CEO for the Traffic and Roads Agency at the RTA since its establishment in 2005, and has supervised the design and implementation of several projects including Dubai's floating bridge project, the Dubai water canal, road projects for Expo 2020, and the establishment of road toll operator services. Eng. Bin Adai manages an institution with an annual budget of approximately AED 4.6 billion, in addition to overseeing the planning, design, operation and maintenance of road project infrastructures, in the Emirate of Dubai worth approximately AED 3.5 billion per annum. Additionally, Eng. Bin Adai supervises strategic initiatives at the local and regional levels, centred around road safety, security, and smart transportation, which generate yearly turnaround of approximately AED 5.1 billion.

Eng. Maitha Bin Adai has served as CEO for the Dubai Licensing at the RTA in 2023.

Eng. Bin Adai has received numerous awards at regional and global levels, including the Sheikh Rashid Award for Scientific Excellence and the MBR Medal for her contribution to the success of the Dubai Metro project and associated road projects. In addition, she was awarded the Golden Excellence Shield by the Ambassador of Arab Cooperation for the Arab Council for Social Responsibility in the Hashemite Kingdom of Jordan for her efforts in realising the business and social responsibility mission. Eng. Bin Adai has also won the Prince Michael International Road Safety Award, as well as several awards from the Hamdan bin Mohammed Smart Government Programme. Eng. Bin Adai has been selected as one of the top 10 influential women leaders in the governmental sector by Forbes in 2018, and earned a Lifetime Achievement Award from MEED International Foundation in 2018, and numerous other awards relating to leadership, infrastructure and transportation.

Eng. Bin Adai acts as chairwoman of several important boards and committees in the transportation, traffic safety and sustainability sectors. She has a Master's degree in Transportation Engineering from the University of Newcastle, and a Bachelor's degree in Civil Engineering from the University of Kuwait.

B. The percentage of female representation on the Board for 2024

Eng. Maitha Bin Adai is the female representative on the Board of Directors for the year 2024. She was appointed pursuant to Dubai Executive Council Resolution 34 of 2022.

C. Remunerations Statements

I. Total remunerations paid to Board members for 2024

The total remuneration of the Board members (executive and non-executive) of the Company for the year 2023 was paid as approved by the annual general meeting of the Company and set out in 2024 Corporate Governance Report of the Company for AED 3,100,000.00.

II. Total remunerations of the Board members, which are proposed for 2024, and will be presented in the Annual General Assembly meeting for approval in line with the Board Remuneration Policy of the Company approved by shareholders at the Annual General Meeting on 31 August 2022, and which remuneration is subject to approval by the Annual General Meeting of the Company for a total amount of AED 4,700,000.00.

a. AED 4,050,000 as a total remuneration to be paid to independent non-executive members of the Company.
b. AED 650,000. remuneration to the Executive Board Member, Mr. Ibrahim Sultan Al Haddad, in addition to his annual salary and bonus mentioned in this report for his executive duties in 2024.

III. Details of the allowances for attending sessions of the committees emanating from the Board, which were received by Board members for fiscal year 2024:

Name	Position	Fees (AED)	No. of Meetings	Total (AED)
Audit Committee				
Mr. Abdulmuhsen Ibrahim Abdulrahman Kalbat	Chair	15,000	4	60,000
H.E. Mohammed Abdulrahman Alhawi	Vice-Chair	10,000	4	40,000
H.E. Mohammed Abdulla Lengawi	Member	10,000	4	40,000
Dr. Ayesha Lootah	External Member	10,000	4	40,000
Nomination, Remuneration and ESG Committee				
Mr. Mohammad Yousuf Al-Mudarreb	Chair	15,000	6	90,000
H.E. Mohammed Abdulla Lengawi	Vice-Chair	10,000	6	60,000
H.E. Mohammed Abdulrahman Alhawi	Member	10,000	6	60,000

IV. Details of additional allowances, salaries or fees received by a Board member, other than allowances for attending committees, and their reasons

Board members did not receive any additional allowances, salaries or fees in 2024.

D. Number of the Board meetings held during 2024

The Board of Directors held five (5) meetings in 2024, as detailed below. The Board of Directors accepted the absences shown.

Name	08 February 2024	04 March 2024	13 May 2024	28 August 2024	15 November 2024
H.E. Mattar Mohammed Al Tayer	Present	Present	Present	Present	Present
Mr. Abdulmuhsen Ibrahim Abdulrahman Kalbat	Present	Present	Present	Present	Present
Eng. Maitha Mohammed bin Adai	Present	Present	Present	Present	Present
Mr. Mohammad Yousuf Al-Mudarreb	Present	Present	Present	Present	Present
Mr. Ibrahim Sultan Al Haddad	Present	Present	Present	Present	Present
H.E. Mohammed Abdulla Lengawi	Present	Present	Apologised	Present	Present
H.E. Mohammed Abdulrahman Alhawi	Present	Present	Present	Present	Present

E. Number of Board resolutions passed during 2024 and meeting dates

The Board of Directors held one (1) meeting by circulation be on the following days:

- 13 August

F. Board duties and powers exercised by Board members or executive management members during 2024

The Board of Directors delegated to the executive management powers relating to various matters such as the powers to approve consultancy services, operating expenses and banking transactions within certain financial limits. This delegation of powers is reviewed and approved each year by the Board of Directors.

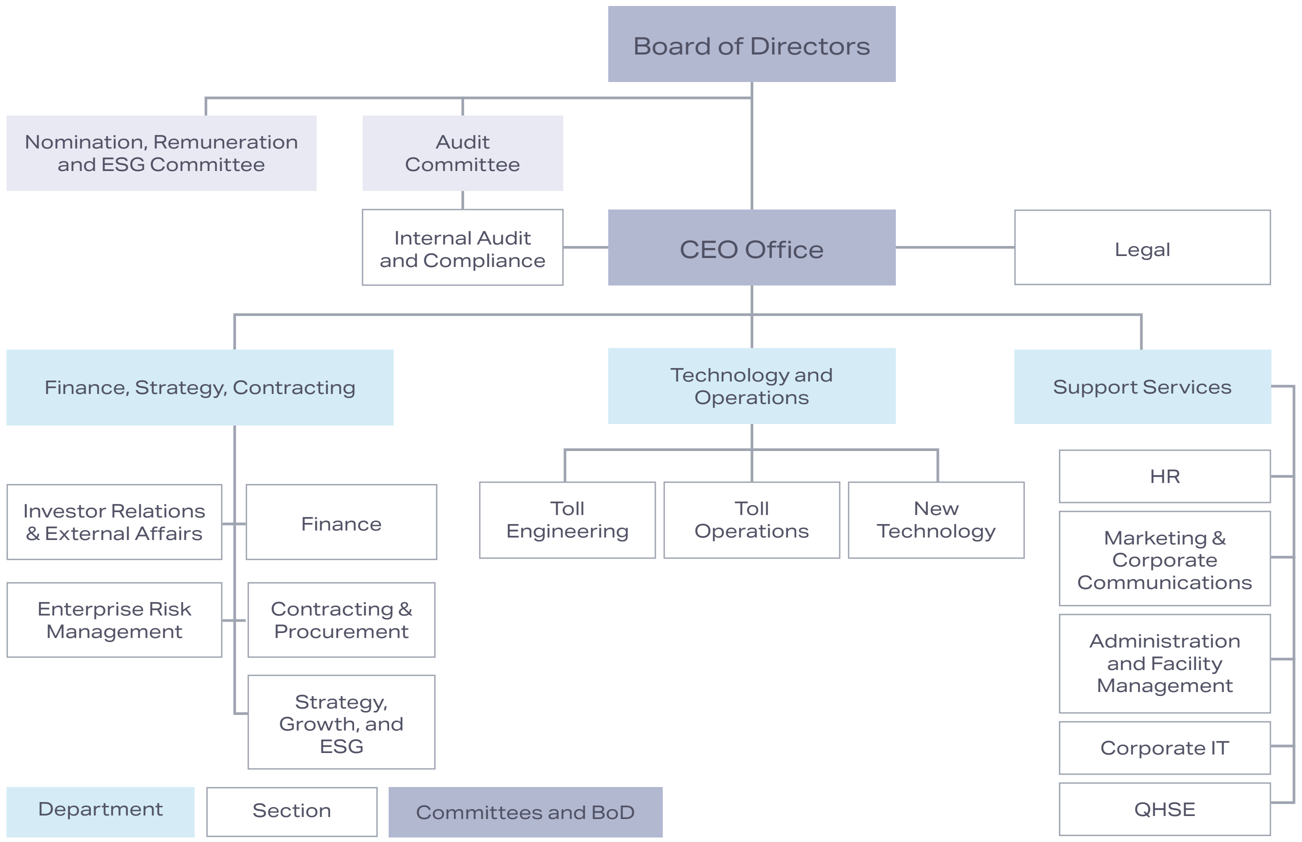
G. Transaction with related parties

The Company has not entered into any transaction with related parties in accordance with the definitions provided for these terms in the Governance Guide.

The financial statements for the year 2024 reflect the key related party transactions as such term is defined in the International Financial Reporting Standards (IFRS).

H. Salik organisational structure

Organisation Structure for Salik PJSC (Department, Sections)



# of FTEs		
2022	2023	2024
30	40	48

I. Senior Executive Employees:

The table below states names, positions, joining dates, total salaries and bonuses for 2024:

Name	Position	Date of Joining	Total Salaries	Total Bonuses
Ibrahim Sultan Al Haddad	Chief Executive Officer	1 July 2022	2,052,500	345,227
Maged Ibrahim	Chief Financial Officer	1 July 2022	1,527,500	231,023
Tariq Mohammed	Chief Technology Officer	1 November 2022	1,396,000	183,873
Tariq Al Mutawa	Support Services Director	3 October 2022	1,184,800	140,762
Anwar El Khatib	Legal Counsel	10 January 2023	1,360,000	169,955

Mr. Ibrahim Al Haddad

Chief Executive Officer and Board member

Mr. Ibrahim Al Haddad is a highly experienced professional with a track record of over 17 years of delivering highly impactful projects in the public and private sectors. Since he joined the RTA in 2013, he has focused on commercial transformation and public private partnerships projects, and has spearheaded implementation of many leading projects for the RTA such as the Hala Joint Venture Agreement between RTA and Careem, the commercial transformation of Dubai Taxi, the concession agreement with Hypermedia and implementation of the RTA Invest Portal. Under his leadership, the Commercial and Investment Department won the CFI award for 'Most Innovative Logistics Project Investment Team – GCC 2019' and achieved ISO 10014:2006 Certification (the first entity in the region) by demonstrating that the RTA's commercial and investment practices are in line with global leading practices.

Mr. Al Haddad holds a Master's degree in Real Estate Management from the University of South Wales, Sydney, in addition to a Bachelor's degree in Architectural Engineering from UAE University.

Mr. Maged Ibrahim

Chief Financial Officer

Mr. Maged Ibrahim has 35 years of experience in finance and auditing for the Big Four audit firms and government entities. He joined the RTA in 2010 and worked for 12 years in the RTA's finance department. Experienced, analytical and solution-driven, he has worked across the spectrum of financial operations in fundraising, cost reduction, revenue maximisation and megaproject financing. His expertise in financial management includes financial sustainability, consolidated financials, planning, budgeting, treasury operations, and accounting policies and procedures. He has overseen mega projects from concept to final settlement as well as financing facilities agreements through export credit agencies with local and international participation. He has a certified accounting degree (CPA) from Illinois University, and a Master's degree in Business Administration from Canadian University. He is a Certified Fraud Examiner (CFE), Certified Internal Controls Accountant (CICA) and is IFRS Certified (CertIFR).

Mr. Tariq Ismail Mohammed

Chief Technology Officer

Mr. Tariq Ismail Mohammed joined Salik as Chief Technology Officer in October 2022. He has nearly 18 years of management experience and joined Salik from Injazat Data Systems, where he was the Hassant UK Programme Director. Earlier, he spent nearly a decade at the RTA as a deputy director and transportation systems manager and, later, as a senior manager in its Enterprise Command and Control Centre. He holds a Bachelor's degree in Information Technology from American University in Dubai and a Master of Business Administration (MBA) from Bayes Business School, City, University of London.

Mr. Tariq Al Mutawa

Support Services Director

Mr. Tariq Al Mutawa joined the Company from Emirates Airlines, where he had over 16 years of management experience. Most recently, he served as the Country Manager of Emirates Airlines for Thailand and, before this, he was the Manager for Kuwait and Iraq. Tariq was previously the country manager for Emirates Airlines Bahrain and Qatar and has significant experience managing large teams of 100+ employees. He holds a Bachelor's degree from the American University in Dubai and a Master's degree in General Management from Coventry University, UK.

Mr. Anwar El Khatib

Legal Counsel

Mr. Anwar El Khatib has over 29 years of experience across in-house and private legal practice. During his previous role with Oman insurance, 'Sukoon', Anwar led all legal, compliance and corporate affairs and expanded the function and restricted the outsourcing of work to litigation and specialist areas.

He led several JVs and acquisitions in Turkey and Iraq. Anwar also joined Tamweel at the height of the global crisis, where he established its entire legal function, with minimal resources. He established a ground-breaking process for enabling Sharia-compliant documents to be enforceable in conventional courts between 2009 and 2010. Anwar's previous roles include interior specialist Depa's group legal director and Company Secretary and partner at Souhaid, Sayssa and Khatib.

Anwar was recognised, in 2015, as one of the most influential in-house lawyers in the Middle East through The Legal 500's 'GC Powerlist', having been reselected by Legal 500 for the GC Powerlist 2017, as well as awarded 'General Counsel of the Year' by the IAIR Awards 2015.

04 External Auditor

A. An overview of the Company's auditor

PricewaterhouseCoopers (PwC) is an international professional services brand of firms, operating as partnerships under the PwC brand. It is amongst the largest professional services networks in the world. As a community of solvers, with 7,000 people across the Middle East region, PwC brings the right combination of people, technology and expert capabilities from Strategy, through Advisory and Consulting, to Tax and Assurance Services, in order to solve the region's most pressing challenges. PwC is the second-largest professional services network in the world, and is considered one of the Big Four accounting firms.

B. Selection Criteria of the External Auditor

In addition to the key responsibilities of the BAC referred to in the 'Audit Committee' section below, the BAC also reviews and approves the external audit scope of work, audit approach, including the evaluation, appointment or re-appointment, terms of engagement and rotation of the auditing firm and/or the principal partner in charge of the audit.

As part of the evaluation process, the BAC assesses the External Auditor's independence, objectivity and professional scepticism, as well as the relevant safeguards to independence implemented by the External Auditor.
The selection criteria also included ensuring the capacity of the audit firm to manage the audit effectively and competently, taking into account the operations of the Company as well as ensuring independence, no conflict of interest and a strong, experienced and capable audit partner and team.

C. Fees and costs for audit or services provided by the external auditor:

Audit firm name	PricewaterhouseCoopers (Dubai Branch)
Number of years he served as the company external auditor	Third year
Name of the partner auditor	Mr. Wassim El Afchal
Number of years Partner has served as the company auditor	3
Total audit fees for 2024	AED 1,093,000
Fees for non-audit services in 2024	Nil
Details of non-audit services in 2024	Nil
Details of any professional services provided by other audit firms	KPMG Lower Gulf Limited: ‣ Provide support for finance, procurement and VAT services AJMS Global Consulting LLC: ‣ Assistance with update to policies and procedures and assistance with Internal Audit of some processes

D. Reservations that the auditor included in the interim and annual financial statements for 2024

No reservations or concerns were raised by the external auditor with respect to the year ended 31 December 2024.

05 Audit Committee

A. The Audit Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, review of its work mechanism and for ensuring its effectiveness

Abdulmuhsen Ibrahim Abdulrahman Kalbat, the Audit Committee Chairman, acknowledges his responsibility for the committee system in the Company, as well as the review of its work mechanism and for ensuring its effectiveness.

The Audit Committee performs a number of duties including supervising the propriety of the financial statements, related reports and accounting processes, audits on the financial, internal control and risk management processes and compliance with the Corporation's Code of Conduct.

The Audit Committee also develops and implements the policy dealing with the appointing, contracting and supervision of the independence, performance and scope of the external auditor.

B. Names of Audit Committee members with competences and assigned tasks

- **Mr. Abdulmuhsen Ibrahim Abdulrahman Kalbat**
  Independent non-executive Chairman
- **H.E. Mohammed Abdulrahman Alhawi**
  Independent non-executive Vice-Chair
- **H.E. Mohammed Abdulla Lengawi**
  Independent non-executive Member
- **Dr. Ayesha Bin Lootah**
  Independent non-executive Member (not a board member)

C. Number of meetings held by the Audit Committee during 2024

The Audit Committee held four (4) meetings in 2024 and issued two (2) resolutions by circulation summarised as follows:

Meeting	Date
1/2024	05/02/2024
2/2024	26/02/2024
3/2024	06/05/2024
Circulation 1/2024	05/08/2024
4/2024	06/11/2024
Circulation 2/2024	16/12/2024

Below are the attendance details of audit committee members:

Name	Attendance
Mr. Abdulmuhsen Ibrahim Abdulrahman Kalbat	100%
H.E. Mohammed Abdulrahman Alhawi	100%
H.E. Mohammed Abdulla Lengawi	100%
Dr. Ayesha Bin Lootah	100%

D. Audit Committee Activities

SCA issued amendments in January 2024 to the SCA Board's Chairman's Decision no.3 of 2020, which mandates that Audit Committee activities report to be included as part of Annual Report. The below is a summary of the Audit Committee Activities for FY 2024:

I. Internal Audit & Compliance Activities – 2024

The Internal Audit (IA) Section drafted the 'Internal Audit Plan FY 2024', which was approved by the Audit Committee. The plan contained 13 planned internal audits, all of which were successfully executed in FY 2024.

Throughout the year, the Internal Audit team provided periodic internal audit status updates to the Board/Audit Committee, ensuring necessary decision-making and appropriate guidance. Significant observations were reported to the Audit Committee, and corrective and preventive action plans were monitored to mitigate underlying risks.

Audit Committee's Role in Internal Audit
- Reviewed all internal audit observations presented by the Internal Audit team
- Ensured appropriate management actions were undertaken to mitigate identified risks
- Reviewed and approved a comprehensive corrective action plan, including timeline-specific remedial measures
- Conducted regular follow-ups to ensure the effectiveness of the implemented action plans

II. Compliance & Ethics Learning & Development

The Compliance Section drafted and implemented the 'Compliance & Ethics Learning & Development Plan FY 2024', which was approved by the Audit Committee. Multiple workshops and training sessions were conducted to raise employee awareness of:
- Regulatory and policy requirements applicable to Salik
- Code of Conduct policy (with employee signoffs)

The Compliance Section plays a critical role in ensuring that Salik adheres to external regulatory requirements, internal policies, and procedures. By fostering a strong compliance and ethics culture, the company ensures:
- Protection from regulatory violations
- Preservation of corporate reputation
- Enhanced customer trust and investor confidence

This report underscores the Audit Committee's commitment to upholding governance standards and ensuring robust financial and operational oversight.

III. Risk Management Activities – 2024

- Amendments to Salik's ERM (Enterprise Risk Management) Policy were reviewed and endorsed by the Audit Committee in 2024. This policy establishes a structured approach for identifying, documenting, and communicating risks
- Salik's Top Risks affecting its strategic goals and operations were aggregated and presented to the Board of Directors after independent endorsement by the Audit Committee, on a quarterly basis ensuring that the Board of Directors remains informed about key risks requiring their attention and direction
- The Audit Committee maintained visibility and oversight over Salik's Enterprise Risk Management (ERM) and Business Continuity Management (BCM) practices, ensuring robust Risk Governance

IV. Financial Statements Activities - 2024

As part of its primary obligations, the BAC reviews the Company's Financial Results along with the External Audit Report and Key Audit and Accounting Matters highlighted by the external auditor for the year ended 31 December 2024 and the Quarterly Financial Results for 2024.

Additionally, the BAC also communicates separately with the external audit team as part of quarterly reviews and annual audit – that is, without the presence of the Senior Management – to discuss periodic and annual reporting, audit findings, changes in accounting standards and other business.

The BAC ensured the independence of the External Auditor and the effectiveness of the audit process by obtaining the assurance from the External Auditor as part of the quarterly and annual meetings. The External Audit Fees were reviewed by the BAC, as per the annual process, and recommendations were submitted for Board approval. These will be presented to the shareholders for approval at the upcoming General Assembly Meeting.

06 Nomination, Remuneration and ESG Committee:

A. The Nomination, Remuneration and ESG Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, his review of its work mechanism, and for ensuring its effectiveness

Mohammad Yousuf Al-Mudarreb, the Nomination, Remuneration and ESG Committee chairman, acknowledges his responsibility for the committee system in the Company, his review of its work mechanism, and for ensuring its effectiveness.

The Nomination, Remuneration and ESG Committee primarily oversees the independence of the Board's independent directors, the development of remuneration policies for the Board, management and employees, the Company's recruiting needs, and the development of HR policies, in addition to the Board of Directors' nomination process.

B. Names of Nomination, Remuneration and ESG Committee members with their competences and assigned tasks

Mr. Mohammad Yousuf Al-Mudarreb
Independent non-executive Chairman

H.E. Mohammed Abdulla Lengawi
Independent non-executive Vice-Chair

H.E. Mohammed Abdulrahman Alhawi
Independent non-executive Member

C. Number of meetings held by the Committee during 2024

The Nomination, Remuneration and ESG Committee held six (6) meetings in 2024 and issued one (1) resolution by circulation summarised as follows:

Meeting	Date
1/2024	24/01/2024
2/2024	26/02/2024
3/2024	06/05/2024
4/2024	27/08/2024
5/2024	25/09/2024
6/2024	06/11/2024
Circulation 1/2024	11/12/2024

Below are the attendance details of Nomination, Remuneration and ESG Committee members:

Name	Attendance
Mr. Mohammad Yousuf Al-Mudarreb	100%
H.E. Mohammed Abdulla Lengawi	100%
H.E. Mohammed Abdulrahman Alhawi	100%

07 Committee for monitoring insider register

A. Acknowledgment by the Committee Chairman or authorised person of his responsibility for the Committee system at the Company, review of its work mechanism, and for ensuring its effectiveness

The Board of Directors sets out the insider policy guidelines for those with access to insider information, including Board Members, employees and independent contractors. The policy strictly prohibits trading of Salik securities based on non-public information and requires Salik to regularly submit to SCA and DFM an updated register of insiders who have access to sensitive company information.

B. The Board Secretary Mr. Jad Ziad Deaibes has been appointed for following up on and supervising the transactions of insiders.

Mr. Jad Ziad Deaibes acknowledges his responsibility for the follow-up and supervision system on transactions of insiders in the Company, review of its work mechanism, and for ensuring its effectiveness.

C. Names of members of the Supervision and Follow-up Committee of insider transactions, clarifying their competences and tasks assigned to them.

The Board Secretary will play the role of supervision on the Salik insider register as well as updating employees on the blackout period.

D. A summary of the committee's work report during 2024. (Where the committee was not formed, the reasons should be given.)

Since its inception, the Company has considered all Salik employees and the Board of Directors, as well as other contractors, as insiders.

E. (In case the committee was not formed, the reasons should be explained).

As the committee establishment is not mandatory as per SCA, the Company did not form an insider committee.

08 Any other committee(s) approved by the Board

No other Board of Directors' committees has been approved by the Board.

09 Internal Control System

Acknowledgment by the Board of its responsibility for the Company internal control system, review of its work mechanism, and for ensuring its effectiveness

The Board has the overall responsibility for ensuring effectiveness of the internal control system of Salik. The Board is responsible for setting a clear framework to ensure an effective internal control system. This allows effective and efficient operations, accurate financial reporting and compliance with laws and regulations.

Salik operates a 'Three Lines of Defence' model in which roles and responsibilities are clearly defined. The Three Lines model distinguishes amongst three groups (or lines) involved in effective governance, risk and compliance management systems for the control environment of the Company.

- 1st Line of Defence - functions that own and manage risks
- 2nd Line of Defence - functions that oversee risks and act in advisory role
- 3rd Line of Defence - functions that provide independent assurance

Internal Audit is an independent and objective assurance and advisory section in Salik, that is guided by a philosophy of adding value to Salik. It assists Salik in accomplishing its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of Salik's risk management, control, financial management and governance processes. The key roles and responsibilities of the Internal Audit Department are as follows:

- Review operational activities carried out by departments and divisions within Salik and determine their alignment with the Executive Management's and Board's instructions and Salik's objectives, policies and procedures
- Review the reliability and integrity of financial and operating information and the means used to identify measure, classify and report such information
- Carrying out ad-hoc appraisals, special audits and fraud investigation, upon Audit Committee/ Management request.
- Review the means of safeguarding the Company's assets and, as appropriate, verify the existence of such assets.
- Review and appraise the efficiency of resources employed by Salik.
- Provide adequate follow-up to ensure corrective action is taken, and periodically report to the Audit Committee the status of corrective actions and audit observations.
- Review and evaluate governance and risk management processes.

Salik has a Compliance section which is responsible for the following:

- Ensuring the Company's compliance with applicable laws, regulations and internal regulations of the Company and promoting a strong compliance culture within Salik
- Developing and reviewing key Compliance policies such as the Compliance Framework (including policies, procedures and plan), Code of Conduct, Anti-Money Laundering Policy, Whistleblowing Policy, Anti-Bribery Corruption Policy, Related-Party Transactions Policy and other policies to ensure compliance with applicable laws, regulations and internal policies and procedures of the Company.
- Reviewing (and advising the Board on corporate/ legal issues) and ensuring that the provisions of the SCA and AoA and relevant laws are complied with.
- Report to Salik's Board and Audit Committee on all compliance matters within its duties and responsibilities, as and when required.
- Ensure the adequacy of Salik's availability of a whistleblowing and fraud control system to raise concerns, in confidence, about possible wrongdoings in accounting, financial reporting or other matters.

A. Name of the department director, his qualifications and date of appointment

The Internal Audit & Compliance Section is represented by Maroot Sachdeva, who was appointed on 1 Sept 2022. He has more than 18 years of expereince in accounting, internal audit, finance, compliance and ethics and risk, amongst other areas. He holds a Master's degree in Finance from a reputable university.

He is responsible for managing and monitoring Internal Audit and Compliance. He is responsible for the completion of the annual Internal Audit & Compliance Plan to provide assurance on the overall control governance of the Company. He has extensive experience in working in similar roles in other UAE-listed companies and consulting companies.

B. Name of compliance officer, his qualifications and date of appointment

As Salik's compliance officer, Maroot Sachdeva oversees the Compliance Section covering critical areas such as the Code of Conduct and underlying policies including but not limited to the Whistleblowing Policy, Anti-Bribery/ Anti-Corruption Policy, and the Related-Party Transactions Policy in line with SCA's mandate regarding the roles and responsibilities of compliance officers.

He plays a key role in formulating Salik's internal audit and compliance strategy and defining the IA and Compliance roadmap, which foster a compliance-oriented culture.

C. How the Internal Control Department dealt with any major problems at the Company or those that were disclosed in annual reports and accounts. (In the absence of major problems, it must be mentioned that the Company did not face any problems.)

The company did not face any problems in the FY 2024.

D. Number of reports issued by the Internal Control Department to the Company's Board of Directors

The Internal Control Department provided quarterly internal audit status update reports to the Board of Directors/Audit Commitee, in line with SCA mandate and successfully executed the approved Internal Audit Plan FY 2024.

10 Details of violations committed during 2024, explaining their causes, how to address them, and how to avoid their recurrence in the future

The Company did not commit any violations of the Governance Guide during 2024.

11 Corporate Social Responsibility and Environmental Protection

Salik's 2024 AGM approved by special resolution a CSR plan and to allocate a percentage of 0.25% of the forecasted revenue.

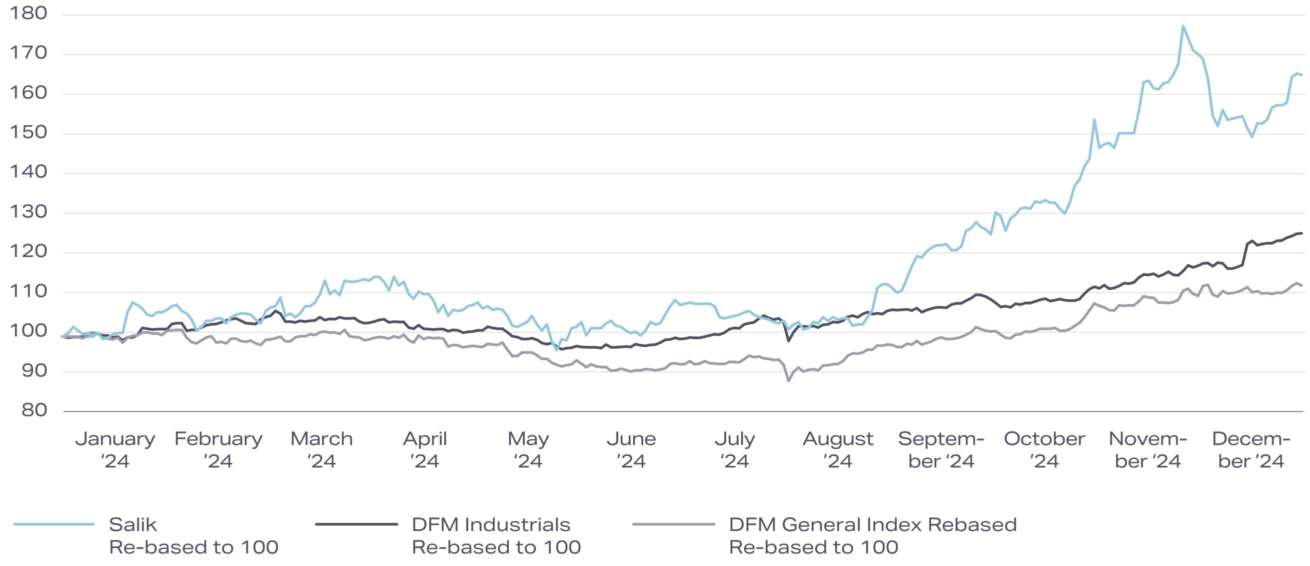
12 General Information

A. The company's share price (highest, lowest, and closing prices in AED) at the end of each month during the fiscal year 2024:

Trading of Salik shares on the Dubai Financial Market started on 29 September 2022.

Month	Highest price	Lowest price	Closing price
January	3.72	3.11	3.47
February	3.54	3.27	3.49
March	3.78	3.40	3.79
April	3.83	3.42	3.46
May	3.54	3.14	3.32
June	3.44	3.25	3.36
July	3.57	3.36	3.37
August	3.68	3.26	3.68
September	4.22	3.57	4.13
October	5.27	4.04	4.39
November	5.89	4.77	4.80
December	5.60	4.81	5.40

B. The company's comparative performance with the general market index and sector index during 2024:



C. Shareholder ownership distribution at 31 December 2024 (individuals, companies, government) classified as follows – local, GCC, Arab and foreign:

Ser.	Shareholder's classification	Percentage of owned shares			
		Individuals	Companies	Government	Total
1	Local	4.8%	6.9%	77.1%	88.8%
2	Arab	0.5%	1.2%	0.0%	1.7%
3	Foreign	0.8%	8.7%	0.0%	9.5%
	Total	**6.1%**	**16.8%**	**77.1%**	**100.0%**

D. Shareholders holding 5% or more of the Company's capital as at 31 December 2024:

Name	Number of owned shares	Percentage of owned shares of the company's capital
Dubai Investment Fund	5,632,500,000	75.1%

E. Shareholder distribution by the size of ownership as at 31 December 2024:

Ser.	Share ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the capital
1	Less than 50,000	55,832	99,481,548	1.33%
2	From 50,000 to less than 500,000	682	95,656,703	1.28%
3	From 500,000 to less than 5,000,000	270	400,660,447	5.3%
4	More than 5,000,000	55	6,904,201,302	92.1%

F. Investor relations

Salik established its investor relations function as part of the Finance, Strategy, and Procurement department in July 2022 in preparation for the Company's initial public offering in September.

Salik holds quarterly conference calls and publishes earnings releases and presentations and other materials to provide updates on its financial and operational performance and outlook to the investment community, including shareholders, potential investors, and analysts. Salik also participates in off-cycle investor events and regular meetings with the investment community.

Salik strives to resolve investor queries, including those raised by retail investors, within one business day.

The function is headed by Mr. Wassim El Hayek , who has over 20 years of corporate executive experience in investment banking, audit, telecom, transportation, and ICT. Since February 2024, he joined Salik as the head of Investor Relations, strengthening shareholder engagement and corporate transparency.

Wassim El Hayek
Head - Investor Relations

wassim.elhayek@salik.ae
+971585338614

Investor relations contacts

English webpage

Arabic webpage

G. Board Secretary

Mr. Jad Ziad Deaibes

Appointment Date
- 20 May 2024

Qualifications
- Bachelor's degree in Law from Universite la Sagesse
- Certified Board Secretary by Hawkamah
- Litigator from Beirut Bar Association 2014

H. Special decisions presented in the General Assembly during 2024 and the procedures taken in their regard

Salik AGM Issued two special resolution in the AGM 2024 one regarding CSR policy and another for amendments to the articles of association of the company.

I. Major events experienced by the Company in 2024

a. Material Events:

I. Key Business Expansions & Developments – 2024

Salik expanded its business operations significantly in 2024, marking a major milestone in the company's growth strategy. These strategic initiatives further strengthen Salik's role as a leader in smart mobility and transportation solutions.

II. Expansion into Dubai Mall

Salik introduced a new parking solution in Dubai Mall, one of the world's largest shopping destinations, enhancing its footprint in the smart mobility sector.

III. Parkonic Expansion Beyond Dubai

Salik's Parkonic payment parking was rolled out beyond the Emirate of Dubai, marking the company's first major expansion outside of its home emirate.

IV. Addition of Two New Toll Gates

The introduction of two additional Salik toll gates increased the total number of gates by 25%, contributing to improved traffic management and revenue growth.

V. Salik's Agreement with Liva – Enhancing Customer Experience

Salik entered into a strategic agreement with Liva to enhance the experience of clients who wish to renew or issue insurance for their vehicles. This collaboration aims to provide a seamless and efficient process, integrating Salik's services with Liva's digital platform to ensure convenience and ease of access for customers.

These expansions align with Salik's long-term strategy of enhancing urban mobility, optimising parking solutions, and driving technological innovation in tolling services. By expanding its presence in key markets and adopting innovative solutions, Salik continues to provide seamless, efficient, and technology-driven mobility solutions.

b. **Important Disclosures**

- Disclosure of material information regarding reducing the annual concession fees dated 3rd of April 2024.
- Press release on the 28th of August 2024 issued on DFM regarding the two news gates evaluation.
- General Disclosure regarding the implementation of Variable pricing disclosed on November 29, 2024.
- General Disclosure regarding the credit rating of SALIK dated 05 December 2024.

J. No transactions amounting to 5% of the capital or more have been made

K. The Company's Emiratisation rate

2021	2022	2023	2024
Company didn't exist	47%	38%	31%

L. No innovative projects or initiatives have been developed by the Company during 2024

Signature of the Chairman of the Board	Signature of Audit Committee Chairman	Signature of Nomination and Remuneration Committee Chairman	Signature of Internal Control Department Director
Date: 04 March 2025	Date: 04 March 2025	Date: 04 March 2025	Date: 04 March 2025

Company Official Seal

Better routes for people and planet

2 NEW
solar-powered toll gates

21%
female representation among employees

Salik contributes to Dubai's goal of achieving net zero emissions by 2050; free-flow gates reduce traffic congestion, fuel consumption, and GHG emissions. Salik plans to make all toll gates solar-powered over the next few years. The Company adopted a paperless strategy early on, encompassing 99% of its operations, while also joining the pilot scheme for the Dubai Financial Market's carbon credits trading initiative.

Salik is strongly committed to diversity and inclusion, prioritising female employment and upholding a discrimination-free environment for our multinational workforce. Salik provides exemptions for people of determination, public transport, and school buses, and places a particular focus on children's wellbeing, collaborating with NGOs to support initiatives that impact the future of our communities.

03. Sustainability Review

Sustainability at Salik	90
Responsible Governance	94
People Happiness	96
Environmental Stewardship	100

Sustainability at Salik

Salik aspires to become a global leader in sustainable and smart mobility solutions. To achieve this vision, the Company benefits from the efforts of an independent Board of Directors—including experts who play a key role in shaping and developing Dubai's infrastructure—along with a highly experienced executive team.

Sustainability approach and ESG strategy

Salik's strategy aligns with its vision to become a global leader in sustainable and smart mobility solutions. Guided by frameworks such as the UAE's Green Agenda 2030 and the United Nations Sustainable Development Goals (SDGs), the Company integrates sustainability as one of the pillars of its corporate strategy. The Sustainability Policy, approved by the Board of Directors in 2022, lays the foundation of Salik's commitment to sustainable development and the approach to achieving the goals of these objectives.

In 2024, Salik joined the UN Global Compact, reaffirming its commitment to ethical and sustainable practices, and pledged to report its progress transparently. The Company aims to achieve carbon neutrality by prioritising renewable energy, with **3 out of 10** of its toll gates already powered by solar energy. Initiatives like gradually transitioning all gates to solar power, paperless operations saving 4.9 tonnes of CO2e annually, and promoting electric vehicle adoption underscore its commitment to Dubai's Net Zero ambitions.

Salik's social strategies include toll exemptions and subsidies for People of Determination, educational institutions, and public transport providers. The Company fosters diversity with a **21%** female workforce and actively partners with NGOs to support community wellbeing. Governance practices emphasise transparency and accountability, with a commitment to ethics, anti-corruption measures, and stakeholder inclusivity.

"

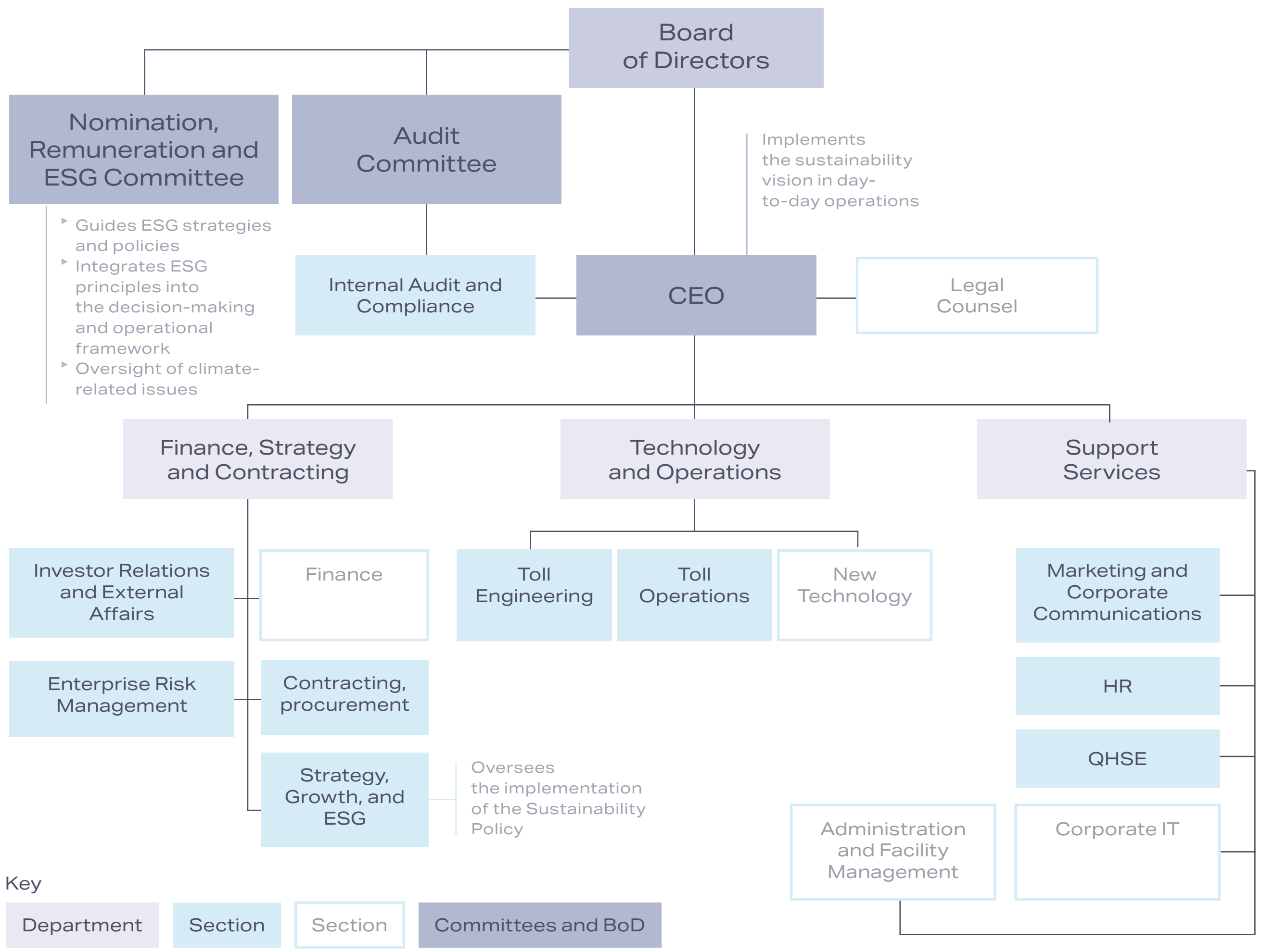
At Salik, we are committed to operating with the highest ethical standards and environmental responsibility. Our membership in the UN Global Compact reinforces this commitment and positions us as a leader in sustainable business practices within the UAE. We actively explore innovative solutions that minimise our environmental footprint, promote social progress within our workforce and communities, and contribute to a thriving and sustainable UAE.

Ibrahim Sultan Al Haddad,
CEO

Sustainability management system

Salik's sustainability governance framework underscores its commitment to transparency and accountability. The Board of Directors, with over 150 years of collective experience and comprised of 86% independent members, oversees sustainability initiatives. The Company integrates ESG considerations into its operational and decision-making processes, supported by robust policies like the Sustainability Policy, Supplier Code of Conduct, and Whistleblowing Policy.

The sustainability governance system in Salik



The company's departments involved in sustainability management are highlighted in color.

Risk management is deeply embedded in Salik's operations. A comprehensive Enterprise Risk Management (ERM) system ensures proactive identification and mitigation of risks, including those related to ESG factors. A three-tier defence model, encompassing business owners, compliance teams, and the Internal Audit and Compliance Department, ensures thorough risk oversight. Sustainability risks are aggregated and reported quarterly to the Board, supported by independent assessments from the Audit Committee.

Salik also advances its sustainability governance by incorporating ESG metrics into executive remuneration. Starting in 2024, 10% of variable compensation is linked to ESG performance, to double by 2028. This reinforces the Company's accountability for achieving its environmental, social, and governance goals.

ESG highlights

Environmental highlights

- Salik's toll gates contribute to reduced traffic congestion and GHG emissions, directly supporting Dubai's environmental goals.
- Three out of ten toll gates are powered by solar energy, with plans to transition all gates to solar power.
- Participation in the Dubai Financial Market's Voluntary Carbon Credits Trading Pilot Programme in 2023 resulted in the retirement of 715 Carbon Retirement Rights, supporting a project that annually cuts 26,800 tonnes of CO_2 emissions.

Social highlights

- Toll exemptions resulting in 8.9 million free trips in 2024, benefiting public services, charitable organisations, and People of Determination.
- Workforce diversity includes 21% female representation and a 31% Emiratisation rate, with 100% of the Board comprised of UAE nationals.
- Employee engagement and wellbeing are prioritised through ISO-aligned health and safety measures, robust training programmes, and community contributions totalling AED 500,000, including donations to autism and paediatric cancer initiatives.

Governance highlights

- Zero incidents of corruption and bribery reported in 2024.
- 100% of employees trained on corporate ethics policies, including anti-bribery, whistleblowing, and conflict of interest.
- ESG considerations integrated into supply chain management, with plans to screen all vendors for sustainability practices by 2028.

Salik's steadfast commitment to ESG principles positions it as a leader in sustainable urban mobility. Through robust governance, impactful environmental initiatives, and a focus on community and workforce wellbeing, the Company exemplifies its dedication to creating seamless pathways toward a sustainable future.

Learn more on Salik's sustainability management in the 2024 Sustainability Report

Responsible Governance

Salik upholds the highest standards of business ethics and compliance. The Company believes every employee is responsible for always respecting and adhering to ethical business practices.

Business ethics and compliance: approach and policies

Salik upholds the highest standards of business ethics and compliance, embedding integrity, transparency, and accountability into its operations. These principles are integral to the Company's corporate culture and governance framework, ensuring alignment with applicable laws, regulations, and best practices.

Salik's robust Corporate Governance Framework, outlined in its charter, is anchored in four fundamental principles

Accountability	Responsibility
Transparency and disclosure	Fair treatment

The cornerstone of Salik's commitment to ethical conduct is its Code of Conduct, which applies to all employees, Board members, and affiliated parties, including contractors and suppliers. This policy fosters a culture of honesty and ethical behaviour across the organisation and encourages third parties associated with Salik to adopt similar standards. In 2024, 100% of employees received training on the Code of Conduct and related policies, ensuring full awareness and compliance.

Salik maintains a zero-tolerance approach to corruption, prioritising fair competition, ethical practices, and stakeholder trust. Its Anti-Bribery and Anti-Corruption Guidelines prohibit employees, contractors, and third parties from engaging in or facilitating bribery, corruption, fraudulent activities. They prohibit contributions and donations that act as a means of bribery and corruption and also prohibit making contributions to and spending on political campaigns, political organisations, lobbyists or lobbying organisations, trade associations and other tax-exempt groups. Accordingly, the Company has made zero contributions in these areas and fully complies with UAE and international anti-bribery laws, reinforcing its commitment to ethical business practices.

In 2024, Salik conducted comprehensive anti-corruption training for all employees and Board members, ensuring 100% awareness of the policy. The training covered key topics, including the identification of corrupt practices, procedures for reporting incidents, and strategies for maintaining compliance with anti-corruption laws. Salik also initiated simulated exercises, such as phishing tests, to enhance awareness of fraud and cybersecurity risks.

Salik implements a Whistleblowing Policy. A third-party provider manages the whistleblowing portal independently to guarantee anonymity and impartiality. It is a secure platform for employees, contractors, suppliers, and other stakeholders to report unethical conduct, such as fraud, bribery, or financial misconduct, without fear of retaliation. Reports can be submitted via a confidential hotline, a dedicated email, or an online portal, all of which ensure robust follow-up and resolution. In 2024, Salik recorded and resolved one whistleblowing incident, reinforcing the efficacy of its reporting mechanisms.

Other key policies include:
- Anti-Bribery and Anti-Corruption Guidelines, embedded within the Code of Conduct, to prevent unethical practices.
- Conflict of Interest Policy, ensuring that employees and associates disclose and manage potential conflicts transparently.
- Fraud Control Policy, designed to identify and mitigate fraudulent activities.
- Insider Trading Policy, which ensures compliance with market regulations.
- Human Rights Policy, reflecting Salik's commitment to promoting dignity, equality, and respect across its operations.

Please find all the policies on our website

The Company's procurement process incorporates strict ESG screening for vendors, requiring compliance with ethical standards and sustainability principles. Beginning in 2024, Salik implemented a phased approach to screen all suppliers for ESG compliance, aiming to achieve full coverage by 2028. This ensures that all partners uphold Salik's values and commitment to ethical conduct.

Salik conducts regular audits to assess compliance and align its practices with evolving regulations. The Company also collaborates with external consultants to review and strengthen its policies, further safeguarding the integrity of its operations. These measures collectively underscore Salik's unwavering commitment to fostering a culture of ethical behaviour and corporate responsibility.

Should you have any concerns or wish to report corruption incidents or fraudulent activity, please reach out to the Internal Audit & Compliance Section by one of the following channels:
- **Compliance and Ethics Hotline +971-523181299**
- **Email** IAC@salik.ae
- Whistleblowing Portal

Zero
incidents of corruption or bribery, or breaches related to conflict of interest, money laundering, or insider trading

100%
awareness of Code of Conduct policies and procedures

100%
of employees have undergone ethics and compliance training

Learn more on Salik's ethics and compliance in the 2024 Sustainability Report

People Happiness

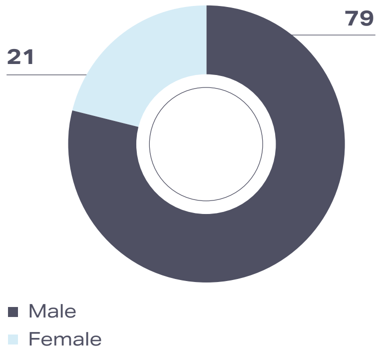
Salik promotes diversity and inclusion, prioritising female employment and a discrimination-free workplace. The Company is recognised as an employer of choice and is known for cultivating one of the region's most loyal workforces.

Employee headcount and structure

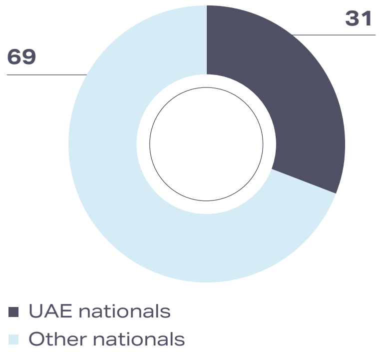
In 2024, Salik achieved a 20% workforce growth, increasing its headcount from 40 to 48 employees, supplemented by 320 outsourced personnel. This diverse team represents 12 nationalities, reflecting Salik's commitment to inclusivity. Employee retention remains a hallmark of Salik's culture, with an impressive rate exceeding 87.5%. In 2024, only five employees voluntarily left the company, further underscoring the stability and loyalty fostered within Salik's workforce.

Full-time employees

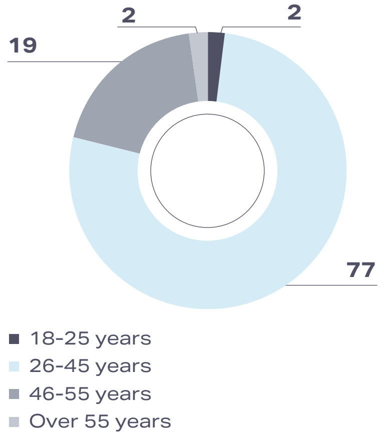
By gender, %



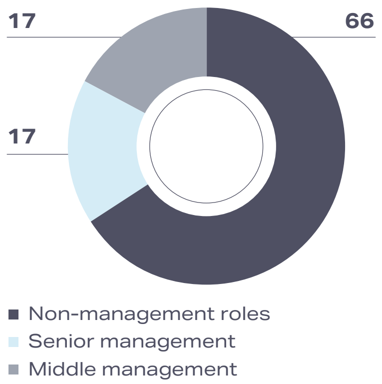
By nationality, %



By age, %



By role, %



Diversity and equal opportunity

Salik is dedicated to fostering an inclusive workplace where employees feel valued and respected. Women account for 21% of Salik's workforce, while 14% of Board members are female. Recognising the importance of enhancing female participation in the workforce, Salik is actively working toward achieving a more balanced gender distribution, with a clear focus on shifting the current male-to-female ratio towards greater equity.

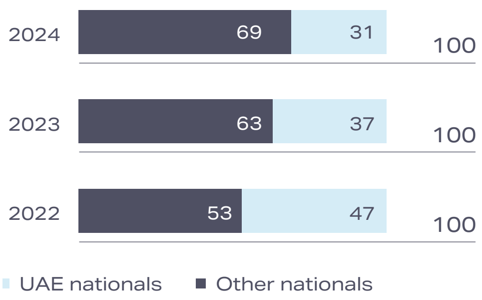
Salik's Diversity and Inclusion Policy ensures all employees, regardless of gender, nationality, or background, have access to equal opportunities. Its fair pay structure, with a CEO-to-employee pay ratio of 3.6, further reflects Salik's commitment to workplace equity. In 2024, Salik reported zero incidents of discrimination or harassment, highlighting its proactive measures promoting equality, respect, and fairness.

Watch a video on women in Salik

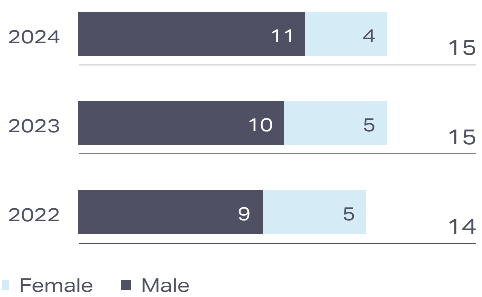
Emiratisation

Employee Emiratisation rate

Total workforce, %



Total number of national employees, %



Supporting national talent is a priority for Salik, with Emiratis comprising 31.3% of the workforce. All Board members are UAE nationals, and the workforce includes five female Emirati employees, showcasing Salik's focus on gender diversity within its Emiratisation efforts. Salik fosters meaningful career opportunities for Emiratis, reinforcing its commitment to contributing to the UAE's socio-economic development.

Employee wellbeing

Salik is dedicated to fostering a supportive and healthy work environment, prioritising both physical and mental wellbeing. Its Occupational Health and Safety Management System (OHSMS) aligns with ISO 45001 (the certification is planned for 2025) and OSHA standards, ensuring systematic hazard identification and mitigation. Employees are empowered with Stop Work Authority to halt unsafe activities (including both employees and contractors).

Salik's office supports employee health through features such as the wellness room and optimised lighting. Comprehensive benefits support employee quality of life, including:

- Health insurance, covering regular screenings and check-ups.
- Loyalty programmes such as Esaad and Fazaa cards.
- Allowances for housing, education, and travel, especially for expatriates.
- Parental leave, ensuring work-life balance.

Salik is committed to supporting its employees beyond their active service years through annual investments in pension liabilities. The Company's pension scheme is collaborative, with employees contributing a part of their salary and Salik covering another part. This dual approach ensures financial security for employees, contributing to their long-term wellbeing and satisfaction.

Looking ahead, Salik aims to maintain a 90% retention rate and expand its HSE audit coverage to 100% by 2028. Contractor safety certification is also a priority, with full qualification targeted for the same year. Salik's commitment to health, safety and engagement serves to position it as a leading employer in the UAE, empowering its workforce to drive sustainable mobility solutions.

Learn more on Salik's employee management in the 2024 Sustainability Report

Environmental Stewardship

Salik drives Dubai's net zero ambition by 2050 through free-flow gates that cut traffic, fuel use and emissions. Plans to make all toll gates solar-powered will further shrink its carbon footprint in the coming years.

Salik is committed to supporting Dubai's goal of achieving net zero emissions by 2050 through its focus on environmental stewardship. The company's operations are designed to reduce traffic congestion, fuel consumption, and greenhouse gas (GHG) emissions, contributing to improved air quality and sustainable urban mobility. Salik's free-flow toll gates exemplify this commitment, streamlining traffic flow to minimise vehicle idling times and associated emissions.

A key element of Salik's environmental strategy is the adoption of renewable energy. Three of its ten toll gates are now partially powered by solar energy, with plans to transition all gates to solar power in the coming years. This shift reduces the company's reliance on conventional energy sources while supporting Dubai's broader sustainability objectives.

Salik's **paperless strategy** has further enhanced its environmental performance, enabling 99% of customer transactions to occur digitally through the Smart Salik App and website. This initiative saves approximately 4.9 tonnes of CO_2e annually by eliminating paper waste and improving operational efficiency.

4.9 tons of CO_2e
saved annually due to paperless documentation

Energy efficiency

Energy efficiency is central to Salik's operations and long-term sustainability goals. The company's toll gates and headquarters are designed to optimise resource use and reduce energy consumption. Salik's office at Festival Tower incorporates energy-efficient features such as motion sensor lighting, a high-performance HVAC system, and energy-saving appliances. Biometric security systems have replaced traditional access cards, reducing associated energy consumption.

Salik's toll gates also play a vital role in its energy efficiency strategy. The Jebel Ali toll gate, a pilot project for renewable energy, receives 21% of its power from solar panels. Two additional toll gates, launched in 2024 at Business Bay Crossing and Al Safa South, are partially solar-powered. These initiatives mark significant progress towards Salik's goal of converting all toll gates to renewable energy sources.

GHG emissions

Reducing GHG emissions is a cornerstone of Salik's sustainability strategy. In 2024, Salik's operations generated Scope 2 emissions primarily from energy consumption at toll gates, its headquarters, and the data centres. The company is actively working to reduce these emissions by adopting solar energy and other sustainable practices.

Learn more on Salik's environmental initiatives in the 2024 Sustainability Report

To encourage the adoption of electric vehicles, Salik continued to exempt owners from paying the tag activation fee. As of 31 December 2024, the number of EVs with free tags from Salik increased by 27.9% compared to 2023. This initiative supports Dubai's Green Mobility Strategy and the broader transition to a sustainable transportation system.

Setting our pathway to 2071

Exclusive rights
to operate Dubai's toll gates until 2071

Dubai,
one of the world's most dynamic economies

Salik's concession agreement with the RTA secures exclusive rights to operate Dubai's toll gates until June 2071, within a clear regulatory framework designed to foster growth and efficiency. This ensures seamless mobility in one of the world's fastest-growing economies. The 2022 IPO of a 24.9% stake in Salik offered investors a unique opportunity to participate in Dubai's dynamic growth through a high-quality infrastructure asset.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The Board of Directors (the "Board") present their report together with the audited financial statements of Salik Company P.J.S.C. ("Salik" or "the Company") for the year ended 31 December 2024.

Board of Directors

The Board of Directors of the Company comprises:

Chairman:	His Excellency Mattar Al Tayer
Vice chairman:	Mr. Abdul Muhsen Ibrahim Kalbat
Members:	His Excellency Mohammed Abdulla Lengawi
	His Excellency Mohammad Alhawi
	Mr. Ibrahim Al Haddad (CEO)
	Mr. Mohammed Al-Mudharreb
	Eng. Maitha Bin Adai

Principal activities

The principal activities of the Company are the operations and maintenance of the existing toll gates throughout Dubai, UAE and for design, construction (including all the civil, electrical, gantry design and manufacturing, system integration, testing and commissioning) of new toll gates, including without limitation, the required tolling equipment, infrastructure and any interface requirements in relation to the new toll gates, but excluding the construction, operation and maintenance of the relevant toll roads.

Further, the Company also started the provision of barrier-free parking management services during the year.

Financial performance

During the year ended 31 December 2024, the Company reported revenue of AED 2,292 million (2023: AED 2,109 million) and profit after tax for the year was AED 1,165 million (2023: AED 1,098 million).

Dividends

During the year, the Company distributed semi-annual dividend of AED 544,724,713 to the shareholders, reflecting 100% of the Company's distributable profit for the first half of 2024.

On 4th March 2025, the Board of Directors proposed to distribute AED 619,836 thousand dividend to the shareholders (8.2645 fils per share), reflecting 100% of the Company's distributable net profit for the second half of 2024 as per the Company's dividend policy. The proposed dividend is subject to approval by the shareholders at the Company's General Assembly Meeting in April 2025.

Statement of disclosure to auditors

To the best of our knowledge, the financial statements fairly present, in all material respects, the financial position, results of operations and cash flows of the Company for the year ended 31 December 2024.

for the Board of Directors

His Excellency Mattar Al Tayer
Chairman

Board of Directors
Salik Company P.J.S.C.
04 March 2025

Independent Auditor's Report to the Shareholders of Salik Company P.J.S.C.

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Salik Company P.J.S.C. ("Salik" or the "Company") as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of profit or loss and comprehensive income for the year ended 31 December 2024;
- the statement of financial position as at 31 December 2024;
- the statement of cash flows for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the **Auditor's responsibilities for the audit of the financial statements** section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Overview

Key Audit Matters	- Expected credit losses - Fines revenue recognition

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Expected Credit Losses The statement of financial position has gross trade receivables of AED 314,329 thousand as at 31 December 2024, of which AED 293,946 thousand relates to receivable from fines. As at 31 December 2024, the Company has recorded a loss allowance of AED 159,312 thousand against these fines receivable. The balance of loss allowance on fines receivable represents management's best estimate, as at 31 December 2024, of the expected credit losses under the expected credit loss model ("ECL Model" or "ECL") in compliance with International Financial Reporting Standard No. 9: Financial Instruments ("IFRS 9"). Management applied the approach of using historical loss rates to estimate the required ECL, adjusted to reflect current and forward-looking information on macroeconomic factors. The specific factors that management considered in the application of its ECL model included the age of the balance, recent historical payment patterns and fines receivable balances written off. Management has also applied judgement in areas noted above by considering the forward-looking information, including variables used in macroeconomic scenarios and their associated weightings. We considered ECL for receivable from fines as a key audit matter as (i) its determination involves significant management judgement; and (ii) it is sensitive to changes in management's assumptions which can have a material effect on the final estimated ECL allowance. The ECL against fines receivable as at 31 December 2024 and the accounting policy associated with ECL is disclosed in Note 21 and Note 4.20 respectively.	We obtained an understanding of management's assessment of the impairment of fines receivable, the Company's impairment provision policy and the ECL modelling methodology. We performed the following substantive audit procedures over the recognition and measurement of ECL: - We compared the Company's accounting policy and methodology for the calculation of its ECL allowance with the requirements of IFRS 9. - We involved IT specialists to assist with the verification of the completeness and accuracy of data imported to the ECL model from the Company's Tolling application system. - We tested the accuracy and relevance of the fines receivable aging data used in the expected credit loss model by testing the aging of receivables on a sample basis and we checked the mathematical accuracy of the calculations. - We verified the method used by the Company for the determination of expected credit losses provision by testing the key estimates used by the management as part of the calculation of (i) probability of default; and (ii) the forward-looking factors applied in the estimation process. - For the probability of default, we tested the historical loss rates calculation by extracting the fines historical collection information from the Tolling application system and (i) verifying the mathematical accuracy of the historical loss rate calculation and (ii) testing the accuracy of the historical collection information on a sample basis. - For forward-looking measurements, reviewed management's selection of economic indicators, scenarios and application of weightings. - We tested the appropriateness of disclosures in the financial statements against the requirements of the IFRS Accounting Standards.

Key audit matter	How our audit addressed the Key audit matter
Fines revenue recognition During the year, the Company earned total revenue of AED 2,291,907 thousand of which AED 236,916 thousand was generated from fines. The fines revenue is generated automatically from the Tolling application and is validated using data maintained in Central Traffic applications. The validated fines revenue is manually posted to the Entity Resource Planning ("ERP") application on a monthly basis. The Tolling application is operated and controlled by Salik whereas the ERP and Central Traffic applications are services provided by related government entities. The low value of individual transactions on fines revenue means individual errors would be insignificant, but difficult to detect, and the high volume of transactions means systemic failure could lead to errors that aggregate into material balances. Given this, and the fact Salik has no control of systems that validate a key element of its total revenue, we considered this to be a key audit matter. The revenue for the year from fines and the accounting policy associated with the recognition and measurement of fines revenue is disclosed in Note 6 and Note 4.21 respectively.	We obtained an understanding of the fines revenue recognition process, financial reporting and application systems involved, interface, reports and automated and IT dependent manual controls supporting these applications and processes and we performed the following audit procedures: ‣ Assessing the Company's accounting policy for fines revenue recognition and its disclosures in the financial statements in compliance with the requirements of the IFRS Accounting Standards. ‣ Evaluating the design and testing the operating effectiveness of IT general and application controls over the Company's Tolling application involved in the fines revenue generation. ‣ Testing the application controls operating within the Tolling application to ensure that fines are being generated by the system for all the offences defined by the Company and that approved tariffs are being applied by the system based on the nature of the offence. ‣ Performing substantive audit procedures over the reconciliation between the Tolling application and Central Traffic applications by testing a sample of individual fines generated by the Tolling application and validated by the Central Traffic applications. ‣ Performing substantive audit procedures over the reconciliation of fines revenue generated during the year, extracted from the Tolling application, with the fines revenue recorded in the ERP application. ‣ We tested the appropriateness of disclosures in the financial statements against the requirements of the IFRS Accounting Standards.

Other information

The Board of Directors and management are responsible for the other information. The other information comprises the Directors' Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Company's Annual report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Company's Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Decree Law No. (32) of 2021, we report that:

i) we have obtained all the information we considered necessary for the purposes of our audit;
ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;
iii) the Company has maintained proper books of account;
iv) the financial information included in the Directors' Report is consistent with the books of account of the Company;
v) as disclosed in Note 1 to the financial statements the Company has not purchased or invested in any shares during the year ended 31 December 2024;
vi) Note 23 to the financial statements discloses material related party transactions and the terms under which they were conducted; and
vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the year ended 31 December 2024 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, or its Articles of Association which would materially affect its activities or its financial position as at 31 December 2024.

PricewaterhouseCoopers Limited Partnership Dubai Branch

04 March 2025

برايس ووترهاوس كوبرز
شراكة محدودة فرع دبي
P.O.Box: 11987
DUBAI - U.A.E.
PRICEWATERHOUSECOOPERS
LIMITED PARTNERSHIP DUBAI BR.

Wassim El Afchal
Registered Auditor Number 5454

Dubai, United Arab Emirates

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

	Notes	2024 AED '000	2023 AED '000
Revenue	6	2,291,907	2,108,593
Other income	7	3,024	4,041
Finance income	22	48,515	30,047
Cost of tags and recharge cards	8	(33,681)	(27,920)
Operations and maintenance expense	9	(85,504)	(84,372)
Employee benefit expenses	10	(31,480)	(26,570)
Depreciation and amortisation expense	11	(91,100)	(82,973)
Service providers commission	13	(41,568)	(43,027)
Concession fee expense	16	(460,582)	(461,369)
Software enhancement expense	19	(11,863)	(12,886)
Impairment loss on trade receivables	21	(13,990)	(34,412)
Directors' remuneration	23	(5,090)	(6,635)
Finance costs	12	(256,824)	(239,191)
Other expenses	14	(32,078)	(25,359)
Profit before tax		1,279,686	1,097,967
Income tax expense	28	(115,138)	-
Profit for the year		1,164,548	1,097,967
Other comprehensive income		-	-
Total comprehensive income for the year		**1,164,548**	**1,097,967**
Basic and diluted earnings per share for profit attributable to the ordinary equity holders of the Company (AED)	32	0.16	0.15

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

STATEMENT OF FINANCIAL POSITION

	Notes	2024 AED '000	2023 AED '000
ASSETS			
Non-current assets			
Property and equipment	18	5,947	4,289
Intangibles	15	6,526,870	3,877,551
Right-of-use assets	17	7,454	7,078
Other asset		400	560
		6,540,671	3,889,478
Current assets			
Inventories	20	16,904	5,566
Trade and other receivables	21	209,139	173,483
Contract asset	23	24,437	-
Short-term deposit with bank	22	-	750,000
Due from related parties	23	231,058	139,078
Cash and cash equivalents	22	963,692	266,180
		1,445,230	1,334,307
Total assets		**7,985,901**	**5,223,785**
LIABILITIES			
Non-current liabilities			
Long-term borrowings	24	3,991,985	3,988,779
Due to a related party	23	1,813,538	-
Lease liabilities	17	5,697	6,047
Provision for employees' end-of-service benefits	25	3,339	2,519
Contract liabilities	27	65,037	53,350
		5,879,596	4,050,695
Current liabilities			
Due to a related party	23	483,623	138,693
Lease liabilities	17	2,290	1,889
Trade and other payables	26	100,020	70,252
Provision for taxation	28	115,138	-
Contract liabilities	27	317,225	299,709
		1,018,296	510,543
Total liabilities		6,897,892	4,561,238

		2024	2023
EQUITY			
Share capital	29	75,000	75,000
Statutory reserve	30	37,500	37,500
Retained earnings		975,509	550,047
Total equity		1,088,009	662,547
Total equity and liabilities		**7,985,901**	**5,223,785**

To the best of our knowledge, the financial statements fairly present, in all material respects, the financial position, results of operations and cash flows of the Company. These financial statements were approved by the Board of Directors on 4th March 2025 and signed on their behalf by:

Chief Executive Officer | Chairman of the Board of Directors

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

STATEMENT OF CASH FLOWS

	Notes	2024 AED'000	2023 AED'000
Cash flows from operating activities			
Profit for the year before tax		1,279,686	1,097,967
Adjustments for:			
Depreciation of property and equipment	11	1,237	323
Depreciation of right-of-use assets	11	1,903	1,018
Adjustment for property and equipment		-	80
Amortisation of intangibles	11	87,960	81,632
Provision for employees' end-of-service benefits	25	922	699
Adjustment for employees' end-of-service benefits	25	-	(804)
Finance charge on lease liabilities	12	447	293
Other finance costs		256,377	238,898
Finance income	22	(48,515)	(30,047)
Impairment loss on trade receivables	21	13,990	34,412
Operating cash flows before changes in working capital and payment of employees' end of service benefits		1,594,007	1,424,471
Changes in working capital:			
Trade and other receivables excluding impact of impairment loss and accrued interest		(58,338)	167,219
Due from related parties		(91,980)	5,230
Inventories		(11,338)	5,970
Trade and other payables		29,768	10,437
Due to a related party excluding impact of transfer of property and equipment		(3,811)	(174,799)
Other assets		160	160
Contract asset		(24,437)	-
Contract liabilities		29,203	15,526
Cash generated from operations		1,463,234	1,454,214
Payment of employees' end of service benefits		(102)	-
Net cash flows generated from operating activities		**1,463,132**	**1,454,214**
Cash flows from investing activities			
Encashment / (placement) of fixed deposits with original maturity of more than 3 months	22	750,000	(750,000)
Payment for purchase of property and equipment	18	(2,895)	(4,602)
Payment for purchase of intangibles	15	(2,999)	-
Interest income on deposits and call account		57,207	19,340
Net cash generated from / (used in) investing activities		**801,313**	**(735,262)**

	Notes	2024	2023
Cash flows from financing activities			
Dividend paid	31	(1,094,759)	(1,039,334)
Repayment of long-term related party debt	23	(227,858)	-
Finance charge on lease liability paid		(447)	(293)
Other finance costs paid		(241,641)	(235,692)
Principal element of lease payment		(2,228)	(160)
Net cash used in financing activities		(1,566,933)	(1,275,479)
Increase / (decrease) in cash and cash equivalents		**697,512**	**(556,527)**
Cash and cash equivalents at the beginning of the year		266,180	822,707
Cash and cash equivalents at the end of the year	**22**	**963,692**	**266,180**
Supplemental non-cash information			
Additions to intangibles	15	2,734,280	-

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

STATEMENT OF CHANGES IN EQUITY

	Share capital AED'000	Statutory reserve AED'000	Retained earnings AED'000	Total equity AED'000
At 1 January 2023	75,000	37,500	491,414	603,914
Total comprehensive income for the year	-	-	1,097,967	1,097,967
Transaction with owners in their capacity as owners:				
Dividend declared and paid (Note 31)	-	-	(1,039,334)	(1,039,334)
At 31 December 2023	75,000	37,500	550,047	662,547
Total comprehensive income for the year	-	-	**1,164,548**	**1,164,548**
Transaction with owners in their capacity as owners:				
Contribution through fair value impact of long-term financing from a related party (Note 23)	-	-	**355,673**	**355,673**
Dividend declared and paid (Note 31)	-	-	**(1,094,759)**	**(1,094,759)**
At 31 December 2024	**75,000**	**37,500**	**975,509**	**1,088,009**

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 DESCRIPTION OF BUSINESS AND PRINCIPAL ACTIVITIES

Salik Company P.J.S.C. ('Salik' or the 'Company') is a Public Joint Stock Company incorporated on 30 June 2022 in the Emirate of Dubai, United Arab Emirates (UAE) under law no. 12 of 2022 issued by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, the Ruler of Dubai, and started its operations on 1 July 2022. The Company is listed on the Dubai Financial Market on 29th September 2022.

The registered address of the Company is Suite No.400, 4th floor, Festival Tower, Dubai Festival City, PO Box 36003, Dubai, United Arab Emirates.

The Company is owned by the Dubai Investment Fund ("DIF" or the "Parent") which holds 75.1% of the Company's shares which is ultimately owned and controlled by the Government of Dubai ("ultimate controlling party"). The remaining shares of 24.9% are publicly traded on the Dubai Financial Market («DFM») stock exchange.

The principal activities of the Company are the operations and maintenance of the existing toll gates throughout Dubai, UAE and for design, construction (including all the civil, electrical, gantry design and manufacturing, system integration, testing and commissioning) of new toll gates, including without limitation, the required tolling equipment, infrastructure and any interface requirements in relation to the new toll gates, but excluding the construction, operation and maintenance of the relevant toll roads. Further, the Company also started the provision of barrier-free parking management services during the year.

The Company has not purchased or invested in any shares during the years ended 31 December 2024 and 31 December 2023.

2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the IASB ("IFRS Accounting Standards"). IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

These financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets, unless otherwise disclosed.

The financial statements are presented in UAE Dirhams ("AED"), which is also the Company's functional currency. All values have been rounded to the nearest thousand («000»), unless otherwise disclosed.

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

New standards, interpretations and amendments to existing standards as adopted by the Company

The following are new standards, amendments and interpretations of IFRS Accounting Standards that have been adopted by the Company. The application of these revised IFRS Accounting Standards, except where stated, have not had any material impact on the amounts reported for the current and prior periods.

- Amendments to IAS 1: amendments regarding the classification of liabilities.
- Amendments to IFRS 16: amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions.
- Amendments to IAS 1: amendments regarding the classification of debt with covenants.
- Amendments to IFRS 7: amendments regarding supplier finance arrangements.
- Amendments to IAS 7: amendments regarding supplier finance arrangements.

New standards, interpretations and amendments issued but not yet effective

The following are new standards, amendments, and interpretations of IFRS Accounting Standards that have been issued but not yet effective.

- Amendments to IAS 21 - Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025).
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026).
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027).
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027).

The Company has not early adopted any standards, interpretation or amendment that has been issued but is not yet effective. The Company does not expect the adoption of the above new standards and amendments to have a material impact on the future financial statements of the Company.

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies used in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property and equipment

Property and equipment are carried at historical cost, less accumulated depreciation and any accumulated impairment loss. The cost of property and equipment is the value of the consideration given to acquire the assets and the costs directly attributable to bringing the asset to its working condition for the intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss and comprehensive income during the year in which they are incurred.

Depreciation on property and equipment commences when the assets are ready for their intended use. Depreciation is provided on the straight-line method over the useful lives of respective assets, as follows:

Office furniture and equipment	5 to 10 years
Motor vehicles	5 years
Leasehold improvements	5 years

The residual values, useful lives and method of depreciation of assets are reviewed and adjusted, if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Any item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised within profit and loss in the statement of profit or loss and comprehensive income.

Capital work-in-progress is stated at cost and includes items of property and equipment that are being developed for future use. When commissioned, capital work-in-progress is transferred to appropriate category of property and equipment and depreciated in accordance with the Company's policies.

4.2 Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangibles recognised as part of service concession agreement are amortised over concession period. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and comprehensive income.

4.3 Service concession agreement

SIC 29 - Service Concession Arrangements: Disclosures deals with information about concession agreements to be disclosed in the notes to the financial statements.

IFRIC 12 is the interpretation that specifies the common characteristics of concession agreements:
- the grantor, usually a public authority, is required to provide a public service that it delegates to the concessionaire (determining criterion);
- the concession operator (Salik), is responsible for managing the related infrastructure and performing the actual public service and is not just a simple agent acting on orders;
- the concession operator is entrusted with specific infrastructure expansion or upgrading obligations while maintaining the infrastructure in proper condition; and
- the price and the conditions (regulation) for price revision are set at the origin of the contract.

For a concession contract to be included in the scope of IFRIC 12, the infrastructure must be controlled by the grantor. Control of the infrastructure by the grantor is ensured when the following two conditions are met:
1. the grantor controls or regulates the public service, i.e. it controls or regulates the services to be provided through the infrastructure subject to the concession and determines to whom and at what price they should be provided; and
2. the grantor controls all residual interest in the infrastructure at the end of the contract. This control is usually reflected through the grantor's right to take over the infrastructure at the end of the contract.

The Company recognizes an intangible asset arising from a service concession arrangement when it has a right to charge the users for use of the concession infrastructure. An intangible asset received as consideration for providing the upfront fee in a service concession arrangement is measured at fair value on initial recognition.

The concession rights are stated at cost, less accumulated amortisation and accumulated impairment loss, if any. The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Company is able to charge the public for the use of the infrastructure to the end of the concession period.

Intangible assets include the amount of fixed concession fee paid or payable to RTA in accordance with the concession agreement entered with the RTA for the Dubai Tolling Operations. These intangible assets have finite useful life and are measured at cost less accumulated amortisation and accumulated impairment loss, if any.

Amortisation is recognised on a straight-line basis over the life of the concession term.

4.4 Inventories

Inventories comprise Salik tags and Salik recharge scratch cards and are measured at cost upon initial recognition. The cost of the inventory comprises of purchase cost and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis, net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

4.5 Financial instruments

Financial assets and financial liabilities (financial instruments) are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss recognized immediately in the statement of profit or loss and comprehensive income.

The financial assets and financial liabilities are classified as current if they are expected to be realized or settled within operating cycle of the Company or otherwise these are classified as non-current.

The financial instruments are classified to be measured at Amortized Cost, at Fair Value Through Profit and Loss (FVTPL) or at Fair Value Through Other Comprehensive Income («FVTOCI'») and such classification depends on the objective and contractual terms to which they relate. Classification of financial instruments is determined on initial recognition. The Company's financial assets consist of trade and other receivables (excluding VAT receivable and advance to supplier), due from related parties, contract asset, short-term bank deposits and cash and cash equivalents. The Company's financial liabilities consist of borrowings, lease liabilities, trade and other payables and due to a related party.

- **Financial instruments measured at amortized cost:**

Financial assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost. The above financial assets and financial liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate («EIR») method.

- **Financial asset at fair value through other comprehensive income:**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

- **Financial instrument fair value through profit or loss:**

Financial instruments which do not meet the criteria of amortized cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit or loss and comprehensive income.

De-recognition of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the Company transfers substantially all risks and rewards of ownership.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in the statement of profit or loss and comprehensive income.

On derecognition of assets measured at FVTOCI the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss as a reclassification adjustment unless the asset represents an equity investment, in which case the cumulative gain or loss previously recognised in other comprehensive income are reclassified within equity.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the statement of profit or loss and comprehensive income.

4.6 Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. The receivables are measured at amortised cost using the effective interest method, less provisions for impairment losses for amounts considered uncollectible. Amounts considered uncollectible are estimated on the basis described in Note 4.20.

4.7 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash held in bank in the current account, deposits held at call with the bank and deposits held with bank with original maturities of three months or less. Deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest.

4.8 Share capital

Ordinary shares are classified as equity.

4.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

4.10 Trade and other payables

These represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are classified as current liabilities if payment is due within 12 months after the reporting period. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

4.11 Contract liabilities

A contract liability is the obligation to provide services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company provides the services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its obligations under the contract. The Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised service to the customer and when the customer pays for that service will be one year or less.

4.12 Provision for employee benefits

(a) End of service benefits to non-UAE Nationals

An accrual is made for employees employed in the UAE, for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by the employees up to the statement of financial position date. Provision is also made for the full amount of end of service benefits due to the non-UAE Nationals in accordance with the applicable Government of Dubai Human Resources Management Law, for their periods of service up to the statement of financial position date. The entitlement to these benefits is usually based upon the employees' salary and length of service, subject to completion of a minimum service period.

The accrual relating to annual leave and leave passage is disclosed as a current liability, while that relating to end of service benefits is disclosed as a non-current liability.

(b) Pension and social security policy

The Company is a member of the pension scheme operated by the Federal General Pension and Social Security Authority. Contributions for eligible UAE National employees are made in accordance with the provisions of Federal Law No. 7 of 1999 relating to Pension and Social Security Law. Contribution expenses are classified as part of Employee Benefit expense in the statement of profit or loss and other comprehensive income.

4.13 Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs which are subsequently carried at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is amortised over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities in case settlement is due within 12 months otherwise, they are classified as non-current liabilities.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payment through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. The future cash payment is estimated taking into account all the contractual terms of the instrument.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where there are a number of similar obligations the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss and comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed to the statement of profit or loss and comprehensive income.

4.15 Value added tax

Expenses and assets are recognized net of the amount of tax, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of VAT receivables or VAT payables in the statement of financial position.

4.16 Earnings per share ("EPS")

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

4.17 Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. The future cash receipts are estimated taking into account all the contractual terms of the instrument.

4.18 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability; or
- In the absence of a principal market in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of their nature and characteristics.

4.19 Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of profit or loss and comprehensive income in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss and comprehensive income.

4.20 Impairment of financial assets

Credit-impaired financial assets

At each reporting date, the Company assesses whether a financial asset carried at amortized cost is credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Management's assessment uses the lifetime probability of default method. A credit loss will be calculated as the difference between the cash flows that are due in accordance with the contract/agreement and the cash flows that the Company expects to receive, discounted at the original effective interest rate of the financial instrument.

Trade and other receivables

For trade and other receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix, as disclosed in Note 21, that is based on historical recovery data, adjusted for forward-looking factors and the time value of money.

The Company applies a practical expedient to calculate ECLs on receivables that do not contain a significant financing component using a provision matrix. This matrix is based on information such as delinquency status and actual credit loss experience (on historical data) and based on current and forward-looking information on macroeconomic factors. The provision matrix is applied to all outstanding trade receivables by aging and customer group to determine the actual ECL.

Presentation of allowance for ECL

The expected credit loss ("ECL") allowance for each type of financial asset is deducted from the gross carrying amount of the assets. Impairment losses are shown separately on the face of the statement of profit or loss and comprehensive income.

Write-off

Write-offs are recognized when the Company has no reasonable expectations of recovering a financial asset either in its entirety or a portion thereof. For trade receivables arising from fines, write-offs occur five years after the violation is issued, which is estimated useful life of a customer.

4.21 Revenue recognition

The Company is in the business of providing tolling services to motorists and private parking management services. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Tolling services

The Company has generally concluded that it is the principal in its revenue arrangement, because it typically controls the goods or services before transferring them to the customer.

a. **Tolling fees** - Revenue from tolling fees are satisfied at a point in time as the vehicle passes through the toll gate. The transaction price is fixed per passage under the toll gate and is typically paid in advance by the customer. Each passage under the tollgate represents a distinct performance obligation.
b. **Salik tags** - Tags and recharge cards are purchased by end-customers from third party vendors or directly online. A contract is established with each end-customer when a Salik tag is registered by the end-customer. The customer pays a one-time activation fee; thereby giving Salik the right to payment and the customer right of passage to use the tollgates without penalty. Activation of the tag do not meet the criteria to be considered a distinct performance obligation, and therefore the activation fee is combined with the tolling fees and is recognised over the estimated life of the end-customer. If the tag is deactivated by the customer before the end of estimated life, the unrecognized portion of the tag activation fee is immediately recognised as revenue.
c. **Fines** – Fines are earned for violating rules and regulations of Salik by third parties. They are recognised at the time the Company has the right to receive cash.
d. **Inactive balance-write-off** - A customer's non-refundable prepayment to an entity gives the customer a right to receive a service in the future. However. customers may not exercise all of their contractual rights. When an entity expects to be entitled to a breakage amount in a contract liability, the entity shall recognise the expected breakage amount as revenue. The Company recognises revenue when the likelihood of the customer exercising its remaining rights becomes remote.
e. **Variable consideration** - If consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for services rendered to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal will not occur when the related uncertainty is subsequently resolved. Dismissals and refunds for fine violations give rise to variable consideration.
f. **Other** - The Company also recognises revenue from delivery of tags to customers and processing fees for recharges, which is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the tag at the customer's location and upon recharge of the account.

Private parking management

Salik started the provision of barrier-free parking management services during the year, where the Company is entitled to a share of revenue from the parking fares from visitors parking at the customer's premises. Accordingly, revenue is recognised at a point in time as and when the parking fee is charged to the visitors.

Toll gate construction

Salik has the exclusive rights for the construction of new toll gates for and on behalf of Roads and Transport Authority ("RTA") (Note 16). The Company has concluded that for such arrangements it is creating an asset controlled by the customer and has an enforceable right to payment for work completed. Therefore, it meets the criteria to recognise revenue over time.

The Company is reimbursed for all costs and expenses associated with toll gate construction at a consideration equal to cost plus a 10% mark-up. The Company has determined it acts as an agent under IFRS 15 'Revenue from Contracts with Customers' as toll gate construction service is provided using third parties without taking control. Accordingly, revenue is recognised on a net basis (which is equivalent to the 10% markup) as and when the construction progresses.

When the services rendered by the Company exceeds the payment from the customer, a contract asset is recognised. If the payment exceeds the services rendered, a contract liability is recognised.

4.22 Leases

The Company's leases represent the lease of office space. Rental contracts are typically made for a fixed period. Contracts contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor, but leased assets may not be used as security for borrowing purposes. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:
- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company use that rate as a starting point to determine the incremental borrowing rate. Lease payments are allocated between principal and finance cost. The finance cost is charged to statement of profit or loss and comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term, on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Company does not revalue right-of-use assets held by the Company.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in statement of profit or loss and comprehensive income. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

4.23 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

4.24 Segment reporting

For management purposes, the Company is organised into one segment. which is the Tolling Business. Accordingly, the Company only has one reportable segment. Management monitors the operating results of the business as a single unit for the purpose of making decisions about resource allocation and performance assessment.

4.25 Dividend distribution

Dividends to the Company's shareholders are recognised in the financial statements in the period in which the dividends are approved by the Company's shareholders.

4.26 Income taxes

Income taxes have been provided for in the financial statements in accordance with legislation enacted at the reporting date in the United Arab Emirates, where the Company operates and generates taxable income. The income tax charge comprises current tax and deferred tax, recognised in statement of profit or loss and comprehensive income for the year.

Taxable profits or losses are based on estimates if the financial statements are authorized prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilised.

5 SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

In the application of the Company's accounting policies, which are described in Note 4, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting estimates and assumptions - The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) Provision for expected credit losses of trade and other receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., customer type and rating). The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

During the years presented, management concluded the expected credit losses for trade receivables for customers not arising from fines was not material due to either no balances or an immaterial balance being past due, and due to positive forecasted economic conditions.

To calculate the expected credit losses for trade receivables arising from fines, management has used a credit period of twelve months to calculate the due date as customers generally have up to one year before they are required to pay the violation issued. Management has tracked recoveries for violations for five years as management estimates the average customer useful life to be five years.

Change in accounting estimate

During the year ended 31 December 2024, the Company revised the model used to calculate the provision for ECL on trade receivables arising from fines. The change in the ECL model was implemented to enhance the accuracy of the provision estimate by incorporating an updated methodology in calculating the probability of default and loss given default.

This change in the ECL model represents a change in accounting estimate as defined by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and has been applied prospectively as on 31 December 2024 (date of implementation).

The impact of this change in the provision for ECL during the year ended 31 December 2024 resulted in a reduction in the loss allowance on fines receivable of AED 20.1 million.

The Company has determined that this change in estimate provides more relevant and reliable information to users of the financial statements. There has been no change to the underlying accounting policy for impairment of financial assets as disclosed in Note 4.20.

b) Fines dismissals

Customers have the right to dispute wrongful violations. If the violation has been paid, then the customer is entitled to a refund and if the violation has not yet been paid the violation is dismissed. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal will not occur when the related uncertainty is subsequently resolved. Primarily all wrongful violations are dismissed in the year in which the violation is issued and substantially all dismissals occur within two calendar years of the violation issuance, however based on historical information, management can estimate dismissals which will occur in subsequent years after the violation is issued. In determining the impact of variable consideration, the Company uses the "most-likely amount" method in IFRS 15 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts. A 1% increase or decrease change in estimated dismissals beyond the year in which the violation is issued would result in approximately AED 30 thousand (2023: AED 29 thousand) change in revenue recognized for the year ended 31 December 2024.

c) Useful lives of property and equipment, infrastructure and intangible assets

The Company's management determines the estimated useful lives of its property and equipment, infrastructure, and intangible assets for calculating depreciation and amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation and amortisation charge would be adjusted where the management believes the useful lives differ from previous estimates.

d) Life of customer contract

The Company's management determines the estimated useful lives of its customer contracts for calculating the period over which tag activation fee revenue is recognised. Management estimates the average customer life by calculating the weighted average number of days between tag activation and tag deactivation, which is approximately five years. However, the actual useful life may be shorter or longer than five years, depending on when customers deactivate their Salik tag. If the average customer useful life was four years, the carrying amount of contract liabilities would decrease and revenue recognized would increase by AED 8.7 million (2023: AED 0.8 million) as at and for the year ended 31 December 2024. If the average customer useful life was six years, the carrying amount of contract liabilities would increase and revenue recognized would decrease by AED 3.3 million (2023: AED 0.3 million) as at and for the year ended 31 December 2024.

Critical judgements in applying the Company's accounting policies - The following are the critical judgements, apart from those involving estimations discussed above, that management made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in these financial statements.

e) Determining whether RTA's voluntary right to terminate is substantive or not

As per the terms of the concession agreement, RTA has an option to voluntarily terminate the agreement by giving notice of voluntary termination to the Company and paying the termination value as determined on the termination date based on terms of the concession agreement. The Company applies judgement in evaluating whether it is reasonably certain whether RTA will exercise the option to terminate the agreement. Based on the judgement applied, the Company believes it will not be economically beneficial for RTA to exercise the rights and voluntarily terminate this agreement as the termination payment will significantly exceed the upfront concession payment made by Salik to acquire concession right.

f) Impairment of non-financial assets

The Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets are impaired. In making the assessment for potential indicators of impairment, management is required to make certain judgments when determining whether events or circumstances exist that indicate the carrying amount may not be recoverable. During the years presented, management concluded there were no indicators of impairment that required a further assessment.

g) Consideration of significant financing component in a contract

Customers are required to prepay tolling fees. Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. During the years presented, management concluded the amounts of advances which were likely to transfer after one year were not material and therefore did not require further assessment.

6 REVENUE

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

	2024	2023
	AED '000	AED '000
Tolling revenue		
Toll usage fees	1,992,463	1,845,477
Tag activation fees[1]	40,866	38,200
	2,033,329	1,883,677
Fines	236,916	216,778
Toll gate construction[2] (Note 16)	6,631	-
Miscellaneous	15,031	8,138
	2,291,907	**2,108,593**

7 OTHER INCOME

	2024	2023
	AED '000	AED '000
Recovery of bad debts written off	2,126	2,597
Commission on replacement of end-of-life tolling assets (Note 16)	898	1,007
Others	-	437
	3,024	**4,041**

[1] Tag activation fees is recognised on a straight-line basis over the estimated customer life of 5 years.
[1] Represents a 10% mark-up that Salik is entitled to in relation to construction work carried out during the year for new toll gates.

8 COST OF TAGS AND RECHARGE CARDS

	2024	2023
	AED '000	AED '000
Inventories expensed - Salik tags	33,511	27,690
Inventories expensed - Salik recharge cards	170	230
	33,681	**27,920**

9 OPERATION AND MAINTENANCE EXPENSE

	2024	2023
	AED '000	AED '000
Operating expenses	63,514	62,515
Maintenance expenses	21,990	21,857
	85,504	**84,372**

The operations and maintenance of the tolling and parking management system is outsourced to a third-party service provider. Operating expenses comprise of account management charges, customer service charges, processing of violations charges, and charges relating to general requirements to operate the tolling and parking business. Maintenance expense comprises back-office software support, maintaining and replacing equipment, and mobile application maintenance expenses. Operating and maintenance expenses are recorded in the period in which the services are provided.

10 EMPLOYEE BENEFIT EXPENSES

	2024	2023
	AED '000	AED '000
Salaries and wages	26,655	20,360
Bonus expense	2,546	2,534
End of service benefits	1,786	699
Other benefits and allowances	493	2,977
	31,480	**26,570**

11 DEPRECIATION AND AMORTISATION EXPENSE

	2024	2023
	AED '000	AED '000
Depreciation of property and equipment (Note 18)	1,237	323
Depreciation of right-of-use assets (Note 17)	1,903	1,018
Amortisation of intangibles (Note 15)	87,960	81,632
	91,100	**82,973**

12 FINANCE COSTS

	2024	2023
	AED '000	AED '000
Finance cost on borrowings	244,687	238,738
Finance cost on balance due to a related party (Note 23)	11,530	-
Finance charge on lease liabilities (Note 17)	447	293
Other finance costs	160	160
	256,824	**239,191**

13 SERVICE PROVIDERS COMMISSION

	2024	2023
	AED '000	AED '000
Service providers expense		
‣ Bank commissions	17,176	15,643
‣ Other Emirates commissions	10,797	13,825
Commission on card sales	7,871	9,257
Commission on tag sales	5,724	4,302
	41,568	**43,027**

14 OTHER EXPENSES

	2024	2023
	AED '000	AED '000
Professional fees	15,031	9,596
Transitional service expense (Note 23)	5,137	6,739
Insurance	2,518	-
Marketing and advertisement	1,901	886
Wireless communication for Salik RFID tags	1,413	1,380
Rent and service charge	1,246	1,562
Travel and accommodation	854	589
Corporate social responsibility	500	-
Office repair and maintenance	425	1,235
Other expenses	3,053	3,372
	32,078	**25,359**

15 INTANGIBLES

	Toll operation rights (Note 16)	Software	Work in progress	Total
	AED '000	AED '000	AED '000	AED '000
Cost				
At 1 January and 31 December 2023	**4,000,000**	**-**	**-**	**4,000,000**
Additions[1]	**2,734,280**	**-**	**2,999**	**2,737,279**
Transfers	**-**	**2,999**	**(2,999)**	**-**
At 31 December 2024	**6,734,280**	**2,999**	**-**	**6,737,279**
Accumulated amortisation				
At 1 January 2023	40,817	-	-	40,817
Charge for the year	81,632	-	-	81,632
At 31 December 2023	122,449	-	-	122,449
Charge for the year (Note 11)	**87,660**	**300**	**-**	**87,960**
At 31 December 2024	**210,109**	**300**	**-**	**210,409**
Net carrying amount				
At 31 December 2023	3,877,551	-	-	3,877,551
At 31 December 2024	**6,524,171**	**2,699**	**-**	**6,526,870**

[1] Additions to Toll operation rights represents upfront fee towards RTA in relation to two new toll gates opened during the year, in accordance with the Service Concession Agreement. Further, additions to software is associated with major modifications to existing fully amortised toll operations software for the parking management business. (Note 23).

16 SERVICE CONCESSION ARRANGEMENT

Salik Company P.J.S.C. entered into a concession agreement with RTA effective 1 July 2022 to undertake the Dubai tolling operations for which Salik ("Operator") made an upfront concession payment of AED 4,000 million plus VAT of AED 200 million to RTA ("Grantor") for existing toll gates and an amount to be agreed upon as and when new toll gates are constructed.

Additionally, a variable concession fee of 22.5% effective from 1 April 2024 (prior to 1 April 2024: 25%) of toll usage fees earned excluding tag activation fees, violations revenue, inactive balance write-off or any other miscellaneous revenue is payable to RTA for each quarter period. The agreement term is 49 years («the concession period») unless terminated or extended as per the terms of the concession agreement. As per the terms of the concession agreement, there are no decommissioning obligations at the end of the contractual period and therefore, no liability has been recorded as of 31 December 2024 and 31 December 2023.

Variable concession fee for the year ended 31 December 2024 amounts to AED 460.58 million (2023: AED 461.37 million), which has been recorded as an expense in the statement of profit or loss and comprehensive income.

Key elements of concession agreement

Tolling Operations, Tolling Systems, Tolling Assets: The Company have the absolute responsibility for the Dubai tolling operations and the operation, maintenance, development and/or upgrade of the tolling system. All costs and expenses incurred in this relation are at expense of the Company. Ownership over tolling assets vests with RTA.

Revisions to toll fee: The Company has the exclusive right to charge, collect and keep for its account toll fees and other road user charges from vehicles utilizing the toll roads. The Company has a right to increase the toll fees to account for increase in operational cost or to consider the impact of inflation. Such increase in toll fees has to be approved by Dubai Executive Council. In case the revision in toll rate is not approved by the Dubai Executive Council, the Company will be compensated for such non approval by reduction in the variable concession fee charged by RTA only if the proposed increase was on account of increased inflation rates. Effective from 1st April 2024, RTA reduced the variable concession fee from 25% to 22.5% of toll usage revenue.

New toll gates: The Company has the exclusive right to undertake any tolling works (construction) with respect to the new toll gates and all costs and expenses incurred for the tolling works will be reimbursed by RTA on a cost plus 10% basis. For obtaining the right to charge users, the Company shall pay to RTA a fee determined based on the valuation of the new toll gate. In case of a difference in the valuation performed by RTA and that performed by Salik by more than 5%, an earnout mechanism will apply, whereby during the period of 5 years following the completion and commissioning of the new toll gate, the Company shall be liable to pay earn-out payments only if there is a positive traffic delta.

On 19th January 2024, RTA formally assigned Salik to install two new toll gates to optimise traffic flow and reduce congestion on key routes within Dubai. The Company constructed the new toll gates for RTA and earned revenue of AED 6.6 million (Note 6) under the cost-plus mark-up arrangement. Both the new gates became operational effective from 24th November 2024 and the addition of two gates increased the total number of gates in Dubai from eight to ten. In accordance with the terms of the concession agreement, valuation for new gates was carried out independently by RTA and Salik. Since the difference between the valuation by both the parties was less than 5% therefore, as per the concession agreement, the average of two valuations was adopted for both the gates, being combined valuation of AED 2,734.28 million.

During the year, the Company recorded revenue of AED 6.6 million (2023: Nil) from toll gate construction. As on 31 December 2024, the unbilled portion associated with toll gate construction amounts to AED 24.4 million which is shown as a contract asset in the statement of financial position.

Replacement of end-of-life tolling assets: The Company shall be reimbursed by RTA on a cost plus 5% basis for replacement of each tolling asset upon the end of its useful life.

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.

Transfer of Assets and Rights: At the end of the agreement, the Operator shall, without consideration, transfer to the Grantor all rights, title and interest of assets, intellectual property rights used in Dubai tolling operations.

17 LEASES

i. Right-of-use assets

	Office space
	AED '000
Cost	
At 1 January 2023	-
Additions	8,096
At 31 December 2023	8,096
Additions	**2,279**
At 31 December 2024	**10,375**
Accumulated depreciation	
At 1 January 2023	-
Charge for the year (Note 11)	1,018
At 31 December 2023	1,018
Charge for the year (Note 11)	**1,903**
At 31 December 2024	**2,921**
Net book value	
At 31 December 2023	7,078
At 31 December 2024	**7,454**

ii. Lease liabilities

	2024	2023
	AED '000	AED '000
At 1 January	7,936	-
Additions during the year	2,279	8,096
Finance charge for the year (Note 12)	447	293
Lease repayments during the year	(2,675)	(453)
At 31 December	**7,987**	**7,936**

Lease liabilities is bifurcated into:

Current	2,290	1,889
Non-current	5,697	6,047
	7,987	**7,936**

iii. Amounts recognised in profit or loss

	2024	2023
	AED '000	AED '000
Finance charge on lease liabilities (Note 12)	447	293
Depreciation of right-of-use assets (Note 11)	**1,903**	**1,018**

iv. Contractual undiscounted cash flows

The contractual undiscounted cash flows associated with the lease are as follows:

	2024	2023
	AED '000	AED '000
Not later than 1 year	2,680	2,264
Between 1 to 5 years	6,080	6,703
	8,760	**8,967**

18 PROPERTY AND EQUIPMENT

	Office furniture and equipment	Motor vehicles	Leasehold improvements	Total
Cost				
At 1 January 2023	150	-	-	150
Additions	1,685	362	2,555	4,602
Adjustment	(128)	-	-	(128)
At 31 December 2023	1,707	362	2,555	4,624
Additions	**2,895**	**-**	**-**	**2,895**
At 31 December 2024	**4,602**	**362**	**2,555**	**7,519**
Accumulated depreciation				
At 1 January 2023	60	-	-	60
Depreciation charge for the year (Note 11)	126	26	171	323
Adjustment	(48)	-	-	(48)
At 31 December 2023	138	26	171	335
Deprecation charge for the year (Note 11)	**654**	**72**	**511**	**1,237**
At 31 December 2024	**792**	**98**	**682**	**1,572**
Net carrying amount				
At 31 December 2023	1,569	336	2,384	4,289
At 31 December 2024	**3,810**	**264**	**1,873**	**5,947**

19 SOFTWARE ENHANCEMENT EXPENSE

The expenditure incurred towards enhancements of the software did not meet the capitalisation criteria and have been expensed in the year in which the expense was incurred. Expenses incurred related to software development were AED 11.9 million for year ended 31 December 2024 and AED 12.9 million for the year ended 31 December 2023.

20 INVENTORIES

	2024	2023
	AED '000	AED '000
Salik tags	16,762	5,461
Salik recharge scratch cards	142	105
	16,904	**5,566**

All inventories are in the form of finished goods. The cost of inventories recognised as expense during the year is disclosed as 'Cost of tags and recharge cards' on the statement of profit or loss and comprehensive income. None of the inventories are carried at net realisable value being lower than cost for all years presented. There are no obsolete or slow-moving inventories. There has been no write-off of inventory in the years presented.

21 TRADE AND OTHER RECEIVABLES

	2024	2023
	AED '000	AED '000
Trade receivables (including fines receivable)	314,329	301,192
Less: loss allowance on fines receivable	(159,312)	(177,827)
	155,017	123,365
VAT receivable	27,031	17,246
Advance to supplier	22,207	19,484
Accrued interest	4,029	12,721
Other assets	855	667
	209,139	**173,483**

Break up of trade receivables is as follows:

	2024	2023
	AED '000	AED '000
Fines	293,946	284,066
Taxi	11,186	10,154
Banks	2,681	2,647
Telecom	53	94
Other Emirates	-	353
Others	6,463	3,878
	314,329	**301,192**

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

Trade and other receivables from Other Emirates, taxi, gas stations, telecom, banks and others are not secured, non-interest bearing and are generally on terms of 30 to 90 days. The allowance for expected credit losses or impairment incurred for trade and other receivables from other Emirates, taxi, gas stations, telecom, banks and others is considered to be not material.

Receivables from fines are not secured, non-interest bearing, and customers are generally required to pay the violation within 12 months from the issuance date. The movement of loss allowance on receivable relating to fines were as follows:

	2024	2023
	AED '000	AED '000
At 1 January	177,827	183,074
Provision for expected credit losses for the year	13,990	34,412
Write offs during the year	(32,505)	(39,659)
At 31 December	**159,312**	**177,827**

The provision for expected credit losses for the year has been included as "Impairment loss on trade receivables" in the statement of profit or loss and comprehensive income. The Company fully writes off a trade receivable arising from a violation 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.

Set out below is the ageing analysis of the Company's trade receivables from fines using a provision matrix:

31 December 2024	Expected credit loss	Gross carrying amount	Loss allowance
	%	AED'000	AED'000
Current (less than 365 days)	**38%**[1]	**127,631**	**48,547**
365+ days	**67%**[1]	**166,315**	**110,765**
		293,946	**159,312**

31 December 2023	Expected credit loss	Gross carrying amount	Loss allowance
	%	AED'000	AED'000
Current (less than 365 days)	40%	121,814	48,378
365+ days	59% - 84%	162,252	129,449
		284,066	**177,827**

[1] During the year ended 31 December 2024, the Company has revised its ECL model resulting in a reduction in the ECL rates. Refer to Note 5 for further details.

22 CASH AND CASH EQUIVALENTS AND SHORT-TERM DEPOSIT WITH BANK

	2024	2023
	AED '000	AED '000
Cash and cash equivalents		
Islamic Mudarabah call account	963,692	266,180
Short term deposit with bank		
Fixed deposit with original maturity of 3 to 12 months	-	750,000

Cash in bank represents amounts held in current accounts, call account and Wakala deposits maintained with Emirates NBD Bank PJSC operating in the UAE. The fixed deposits earn expected profits of Nil as there were no fixed deposits as at 31 December 2024 (2023: 5.3%). During the year ended 31 December 2024, the Company earned a profit of AED 48.5 million (2023: AED 30.0 million) on these Wakala deposits and Mudarabah call account.

23 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties comprise the Parent, ultimate controlling party, the shareholders, key management personnel, subsidiaries, joint venture, directors and businesses which are controlled directly or indirectly by the ultimate controlling party, or directors or over which they exercise significant management influence. The Company has availed the exemption under para 25 of IAS 24 Related Party Disclosure and consider the entities controlled by Government of Dubai as non-related except for RTA, Dubai Taxi Company PJSC ("DTC"), Dubai E-Government, Dubai Digital Authority, Emirates NBD Bank PJSC ("ENBD") and Emirates National Oil Company ("ENOC").

The Company, in the normal course of business, receives services from and provides services to related parties. These transactions comprise the purchase and sale of goods and services in the normal course of business at mutually agreed terms. Additionally, the Company entered into a Service Concession Agreement with RTA (Note 16), Transitional Services agreement with RTA and debt agreement with Emirates NBD Bank PJSC (Note 24).

The following table summarizes related party balances for the relevant financial year.

	2024	2023
	AED '000	AED '000
Due from related parties		
Entities under common control of the Government of Dubai		
Dubai E-Government	112,066	79,567
Roads and Transport Authority[1]	105,723	47,563
Dubai Taxi Company PJSC	13,269	11,948
	231,058	**139,078**

[1] With respect to the balance due to and due from Roads and Transport Authority, the Company does not have an enforceable right to offset and therefore these have been presented separately.

	2024	2023
Due to a related party		
Entities under common control of the Government of Dubai		
Roads and Transport Authority[1]	**2,297,161**	**138,693**
Due to a related party is bifurcated as follows:		
- Non-current	1,813,538	-
- Current	483,623	138,693
	2,297,161	**138,693**

The above related party payable includes AED 2,162.3 million as on 31 December 2024 in relation to toll operation rights for two new gates.

The toll rights fee in relation to the two new toll gates is payable to RTA semi-annually over a period of 6 years. Below table shows the movement of long-term liability related to toll rights fee during the year ended 31 December 2024.

	2024
	AED '000
At 1st January	-
Fair value of long-term liability in relation to toll rights fee	2,378,606
Finance cost on unwinding of discounted liability	11,530
Payment made during the year	**(227,858)**
At 31 December	2,162,278
Less: non-current portion	**(1,813,538)**
Current portion	**348,740**

	2024	2023
	AED '000	AED '000
Loan from a related party		
Entities under common control of the Government of Dubai		
Emirates NBD Bank PJSC	**3,991,985**	**3,988,779**

The Company obtained a financing facility with ENBD, a related party, as has been disclosed in Note 24. Bank balances as disclosed in Note 22 are also held with ENBD.

	2024	2023
	AED '000	AED '000
Contract asset	**24,437**	**-**

It represents unbilled portion of revenue to RTA, associated with toll gate construction, as detailed in Note 16.

Transactions with related parties

Commission expense

Transactions with ENBD, other than finance cost on borrowings as explained in Note 24, relates to commission paid for collection services provided by ENBD and amounts to AED 2.6 million for the year ended 31 December 2024 (2023: AED 2.7 million). Transactions, gross of commission earned, with ENOC relate to the sale of Salik tag and recharge cards and amounts to AED 130.2 million for the year ended 31 December 2024 (2023: AED 138.9 million).

Tolling fees collected by Dubai Taxi Company PJSC

Dubai Taxi Company PJSC (“DTC”) is ultimately controlled by the Government of Dubai. Tolling fees collected by DTC represent toll fee collection by the taxis operated by DTC within the Emirate of Dubai and are based on trips under tollgates where there is a passenger in the taxi vehicle. Tolling fees collected by DTC are AED 69.1 million (2023: AED 68.8 million).

Service concession arrangement

As part of formation of Salik Company P.J.S.C., the Company entered into a Service Concession Agreement with RTA, pursuant to which RTA grants some of its mandates and powers under Dubai Law No. 17 of 2005 regarding the operation, maintenance and management of Salik i.e. Dubai’s automatic road toll collection system. Refer Note 15 and Note 16 for the financial impact associated with the Concession Agreement. Furthermore, the Company has recorded revenue of AED 6.6 million during the year ended 31 December 2024 (2023: Nil) from the construction of new toll gates (Note 6).

Transitional Service Agreement (‘TSA’)

The Company entered into a transitional services agreement (“TSA”) with RTA, effective from 1 July 2022, wherein RTA provides services to Salik for performance of the tolling operations and back-office functions such as financial services, information technology (IT), human resources, administration, marketing and communication in accordance with the tolling Concession Agreement. During the year, an amount of AED 5.1 million (2023: AED 6.7 million) has been charged by RTA for such transitional services and these have been included as ‘Transition service expense’ under ‘Other expenses’ in the statement of profit or loss and comprehensive income.

Toll rights for new toll gates

During the year ended 31 December 2024, the Company installed two new toll gates and obtained the rights from RTA, to charge the users for these new gates, for a consideration of AED 2,734.3 million which has been recorded as an addition to intangible assets (Note 15 and 16).

An agreement was reached with RTA to repay the toll rights fee semi-annually over a period of six years, starting from the end of November 2024. The liability associated to the toll rights fee is initially measured at fair value of AED 2,378.6 million. The difference between the fair value of the long-term liability and intangible asset recognised amounted to AED 355.7 million, which is recorded as a contribution directly in equity as a transaction between related parties under the same ultimate controlling party.

Key management and directors’ remuneration

	2024	2023
	AED ‘000	AED ‘000
Salaries and other benefits	8,597	8,721
End of service benefits	804	643
	9,401	**9,364**
Directors’ remuneration	5,090	6,635

24 BORROWINGS

	2024	2023
	AED ‘000	AED ‘000
Term loan from Emirates NBD Bank PJSC	4,000,000	4,000,000
Unamortised loan cost	(8,015)	(11,221)
	3,991,985	3,988,779
Less: current portion	-	-
Non-current portion	**3,991,985**	**3,988,779**

On 30 June 2022, the Company and Emirates NBD Bank PJSC entered into an agreement to underwrite a 5-year, AED 4,200 million unsecured Islamic Mudarabah credit facility (the “Facility”). The Facility is bifurcated further into a term facility commitment of AED 4,000 million and a revolving facility commitment of AED 200 million. On 19 May 2023, the Company agreed with the bank for a partial reduction of Facility B, that is, revolving Murabaha facility commitment, to reduce the commitment to AED 50 million instead of the original commitment of AED 200 million. The purpose of the overall borrowing facility is firstly, towards making an upfront payment under the requirements of the Concession Agreement; and secondly, for general corporate purposes including fees and expenses in relation to the Facility.

Borrowings under the term facility carries variable interest at 3-month EIBOR plus a margin at a rate per annum of 0.82%. The upfront fee under the Facility is 0.4% flat and the commitment fee on the revolving credit facility is 0.25% per annum, calculated on daily undrawn and available commitments, and payable quarterly in arrears. Transaction costs incurred in relation to the term facility have been deducted from the financial liability amount and considered in the computation of the effective interest rate. The upfront fee allocated to the revolving facility has been capitalised and is amortized on a straight-line basis over the term of the agreement and is disclosed as an ‘Other asset’ in the statement of financial position.

Principal amounts outstanding under the term facility will be due and payable in full on final maturity which is 5 years from the date of the facility agreement.

The Facility contains customary representations and warranties, subject to limitations and exceptions and customary covenants restricting the Company’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. The Company is also required to comply with a financial covenant, leverage (Net Debt to EBITDA): 5x or lower tested semi-annually with testing commencing from June 2023. The Company complied with the financial covenant throughout the year ended 31 December 2024.

As at 31 December 2024, the Company has access to the following borrowing facilities:

	2024	2023
	AED '000	AED '000
Total available facilities	4,050,000	4,050,000
Facility utilised	(4,000,000)	(4,000,000)
Available financing facility	**50,000**	**50,000**

25 PROVISION FOR EMPLOYEES' END-OF-SERVICE BENEFITS

	2024	2023
	AED '000	AED '000
At 1 January	2,519	2,624
Charge for the year	922	699
Adjustment	-	(804)
Payments during the year	(102)	-
At 31 December	**3,339**	**2,519**

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its obligations as at 31 December 2024 and 2023, using the projected unit credit method, in respect of employees' end of service benefits payable under the Government of Dubai Human Resources Management law. Under this method, an assessment has been made of the employee's expected service life with the Company and the expected basic salary at the date of leaving the service. Future salary increases have been estimated on a basis consistent with the natural progression of an employee's salary in-line with the Company's salary scales, past experience and market conditions.

26 TRADE AND OTHER PAYABLES

	2024	2023
	AED '000	AED '000
Trade payables - operation and maintenance service provider	69,580	39,638
Advance from customers[1]	2,449	5,350
Fine refund payables	2,290	2,888
Employee benefits	1,555	1,400
Commission accruals and other payables	24,146	20,976
	100,020	**70,252**

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.

[1] It includes advance received from a related party, Roads and Transport Authority, in relation to construction of new toll gates.

27 CONTRACT LIABILITIES

As of 31 December 2024, current contract liabilities of AED 317.2 million (2023: AED 299.7 million) and non-current contract liabilities of AED 65.0 (2023: AED 53.4 million), either relate to account balances paid in advance by the customer or arise from tag sale activation fees. The Company expects to recognise these unsatisfied performance obligations as revenue over a period of up to 5 years. At the end of 5 years any inactive customer account balances will be released and recognised as revenue.

As of 31 December 2024, contract liabilities of AED 93.1 million (31 December 2023: AED 76.6 million), arising from tag activation fees are expected to be recognised as revenue as follows:

	2024	2023
	AED '000	AED '000
0 to 12 months	28,035	23,236
13 to 24 months	25,176	20,543
25 – 36 months	20,486	17,149
37 – 48 months	14,235	11,562
49 – 60 months	5,140	4,096
	93,072	**76,586**

Movements in contract liabilities during the year are as follows:

	2024	2023
	AED '000	AED '000
At 1 January	353,059	337,533
Add: Recharges during the year	2,028,357	1,859,152
Add: Tag activation fees received	57,352	45,732
Less: Revenue recognised – toll usage (Note 6)	(1,992,463)	(1,845,477)
Less: Revenue recognised – tag activation fee (Note 6)	(40,866)	(38,200)
Less: Others	(23,177)	(5,681)
	382,262	**353,059**

28 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 will apply for the Company's financial year commencing on 1 January 2024. The Company is required to file its first annual tax return and pay the declared income tax, pertaining to the financial year ended 31 December 2024, before 30 September 2025.

While current taxes are not payable on profits generated before the Company's financial year commencing on 1 January 2024, the existence of an enacted tax law results in the need to immediately record deferred taxes on assets and liabilities where the carrying amount differs from the tax base. Based on the assessment performed by the management, an immaterial deferred tax impact has been noted as of and for years ended 31 December 2024 and 31 December 2023. As certain other cabinet decisions are pending as on the date of these financial statements, the Company will continue to assess the impact of these pending cabinet decisions on deferred taxes as and when finalized and published.

(i) Components of income tax expense

Income tax expense comprise the following:

	2024	2023
	AED '000	AED '000
Current tax	115,250	-

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

The income tax rate applicable to the Company's income is 9%. A reconciliation between the expected and actual taxation charge is as follows:

	2024
	AED '000
Profit before tax	1,279,686
‣ Tax charge of 0% on profit up to AED 375,000	-
‣ Tax charge of 9% on profit beyond AED 375,000	115,138
Income tax expense	**115,138**

29 SHARE CAPITAL

The share capital of the Company comprised of 7,500,000,000 (2023: 7,500,000,000) shares of AED 0.01 each. All shares are authorised, issued and fully paid up.

30 STATUTORY RESERVE

In accordance with the UAE Federal Decree Law No. (32) of 2021, 5% of net profit of the Company is to be allocated every year to a statutory reserve. This statutory reserve, as per the Articles of Association, is subject to a maximum of 50%, of the Company's issued share capital. This reserve is not available for distribution except as stipulated by the law. There was no allocation from net profit to statutory reserve during the years ended 31 December 2024 and 31 December 2023 as the Company has reached the maximum limit for the reserve.

31 DIVIDENDS

Dividends of AED 1,094,759 thousand were declared and paid during the year ended 31 December 2024 (2023: AED 1,039,334 thousand) with details as follows:

a On 13th August 2024, the Board of Directors approved to distribute a dividend of AED 544,725 thousand (AED 0.07263 per share) to the shareholders, representing 100% of the Company's distributable net profit for the first half of 2024, which was subsequently paid on 5 September 2024.

b Dividend of AED 550,035 thousand (AED 0.073338 per share) in respect of the year ended 31 December 2023 was declared and approved in Annual General Assembly Meeting held on 2nd April 2024, which was subsequently paid on 22nd April 2024.

32 EARNINGS PER SHARE

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

	2024	2023
Profit attributable to ordinary equity holders of the Company (AED '000)	1,164,548	1,097,967
Weighted average number of ordinary shares for basic and diluted EPS (number)	7,500,000,000	7,500,000,000
Basic and diluted earnings per share for profit attributable to the ordinary equity holders of the Company (AED)	0.16	0.15

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the number of ordinary shares outstanding. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary equity holders of the Company and the number of shares on formation for the effects of all dilutive potential ordinary shares. There were no instruments or any other items which could cause a dilutive effect on the earnings per share calculation.

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

33.1 Financial risk factors

The Company's activities and borrowings potentially expose it to a variety of financial risks including the effects of changes in market risk (including cash flow interest rate risk, price risk and foreign exchange risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company'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 Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors are responsible for developing and monitoring the Company's risk management policies.

Market risk

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 Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

At 31 December 2024, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, profit for the year would have been AED 39,920 thousand (2023: AED 39,888 thousand) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Price risk

Price risk is a 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 Company is not exposed to significant price risk as it does not have significant price sensitive financial instruments.

Foreign exchange risk

Foreign exchange risk is a risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are primarily denominated in a currency that is not the Company's measurement currency. The Company is not exposed to significant foreign exchange risk as majority of its transactions are denominated in AED.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company and arises principally from trade and other receivables, due from related parties, contract assets, cash and cash equivalents and short-term deposit with bank.

The Company seeks to limit its credit risk with respect to related party balances by continuously monitoring outstanding balances through the parties involved and with respect to bank balances and deposits by only dealing with reputable banks. The Company has well defined trade and non-trade transactions with related parties. Non-trade transactions entail pre-approval by both parties prior to execution of the transactions with the related parties. The balances are reconciled monthly with the related parties through intercompany reconciliations. These balances are unsecured, however, since these balances are with related parties and there has been no prior history of default, management believes there is no significant credit risk in relation to these balances.

Bank balances are limited to high-credit-quality financial institution and bank ratings are reviewed on an annual basis. Management expects any credit losses from non-performance by these counterparties would be insignificant.

The Company evaluates the concentration of risk with respect to trade and other receivables as low. The Company is exposed to credit risk primarily on trade receivables arising from fines. An impairment analysis is performed at each reporting date to measure expected credit losses. The maximum exposure to credit risk at the reporting date is the carrying value of each class of trade and other receivables as disclosed in Note 21.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities. The Company's objective is to maintain a balance between continuity of funding from the shareholders and flexibility through efficient cash management. The Company limited its liquidity risk by ensuring adequate funds from operations and committed credit lines are available.

The table below analyses the Company'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. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Undiscounted cashflows				
	Carrying amount	Less than 1 year	Between 2-5 years	More than 5 years	Total
	AED '000	AED '000	AED '000	AED '000	AED '000
As at 31 December 2024					
Borrowings (including future interest)	**3,991,985**	**208,682**	**4,313,023**	**-**	**4,521,705**
Lease liabilities (Note 17)	**7,987**	**2,680**	**6,080**	**-**	**8,760**
Due to a related party (Note 23)	**2,297,161**	**483,623**	**1,822,853**	**227,857**	**2,534,333**
Trade and other payables excluding advance from customers	**97,571**	**97,571**	**-**	**-**	**97,571**
	6,394,704	**792,556**	**6,141,956**	**227,857**	**7,162,369**
As at 31 December 2023					
Borrowings (including future interest)	3,988,779	255,146	4,637,866	-	4,893,012
Lease liability (Note 17)	7,936	2,264	6,703	-	8,967
Due to a related party (Note 23)	138,693	138,693	-	-	138,693
Trade and other payables excluding advance from customers	64,902	64,902	-	-	64,902
	4,200,310	**461,005**	**4,644,569**	**-**	**5,105,574**

33.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company'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 Company may adjust the amount of profit distributed to the shareholder, repay debt or obtain additional funding.

The Company 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, due to a related party associated with new gates toll rights fee and lease liabilities less cash and cash equivalents. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

The gearing ratio as at 31 December 2024 and 31 December 2023 is as below:

	2024	2023
	AED '000	AED '000
Borrowings (Note 24)	3,991,985	3,988,779
Due to a related party associated with new gates toll rights fee (Note 23)	2,162,278	-
Lease liabilities (Note 17)	7,987	7,936
Less: cash and cash equivalents (Note 22)	(963,692)	(266,180)
Net debt	5,198,558	3,730,535
Net equity	1,088,009	662,547
Total capital	**6,286,567**	**4,393,082**
Gearing ratio	83%	85%

33.3 Fair value estimation

The fair values of the Company's financial assets and liabilities as at 31 December 2024 and 2023 approximate their carrying amounts as reflected in Note 34 of these financial statements.

34 FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	2024	2023
	AED '000	AED '000
Financial assets at amortised cost		
Trade and other receivables (excluding VAT receivable and advance to supplier)	159,901	136,753
Due from related parties (Note 23)	231,058	139,078
Short-term deposit with bank (Note 22)	-	750,000
Contract asset (Note 23)	24,437	-
Cash and cash equivalents (Note 22)	963,692	266,180
Total	**1,379,088**	**1,292,011**
Financial liabilities at amortised cost		
Long term borrowings (Note 24)	3,991,985	3,988,779
Due to a related party (Note 23)	2,297,161	138,693
Lease liabilities (Note 17)	7,987	7,936
Trade and other payables excluding advance from customers	97,571	64,902
Total	**6,394,704**	**4,200,310**

35 NET DEBT RECONCILIATION

The table below sets out an analysis of the net debt and the movements in net debt for each of the years presented.

	2024	2023
	AED '000	AED '000
Cash and cash equivalents (Note 22)	963,692	266,180
Borrowings (Note 24)	(3,991,985)	(3,988,779)
Due to a related party associated with new gates toll rights fee (Note 23)	(2,162,278)	-
Lease liabilities (Note 17)	(7,987)	(7,936)
Net debt	**(5,198,558)**	**(3,730,535)**

	Borrowings	Due to a related party associated with new gates toll rights fee	Lease liability	Cash and cash equivalents	Dividends payable	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Net debt as at 1 January 2023	(3,985,573)	-	-	822,707	-	(3,162,866)
Cash flows	-	-	453	(556,527)	-	(556,074)
Other movement	(3,206)	-	(8,389)	-	-	(11,595)
Dividends declared	-	-	-	-	1,039,334	1,039,334
Dividends paid	-	-	-	-	(1,039,334)	(1,039,334)
Net debt as at 31 December 2023	(3,988,779)	-	(7,936)	266,180	-	(3,730,535)
Cash flows	**-**	**227,858**	**2,675**	**697,512**	**-**	**928,045**
New toll gates toll right fee (Note 23)	**-**	**(2,378,606)**	**-**	**-**	**-**	**(2,378,606)**
Other movement	**(3,206)**	**(11,530)**	**(2,726)**	**-**	**-**	**(17,462)**
Dividends declared	**-**	**-**	**-**	**-**	**1,094,759**	**1,094,759**
Dividends paid	**-**	**-**	**-**	**-**	**(1,094,759)**	**(1,094,759)**
Net debt as at 31 December 2024	**(3,991,985)**	**(2,162,278)**	**(7,987)**	**963,692**	**-**	**(5,198,558)**

36 SUBSEQUENT EVENTS

Dividend distribution

On 4th March 2025, the Board of Directors proposed to distribute AED 619,836 thousand dividend to the shareholders (8.2645 fils per share). The proposed dividend is subject to approval by the shareholders at the Company's General Assembly Meeting in April 2025.

37 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors of Salik Company P.J.S.C. on 4th March 2025 and signed on its behalf by His Excellency Mattar Al Tayer, Chairman of the Board of Directors and Ibrahim Sultan Al Haddad, Chief Executive Officer.