

PRESS RELEASE

Salik Announces the Financial Valuation of Two New Gates and Revises Financial Guidance Upwards with Revenue-Generating Trips expected to Grow 7-8% in 2024

- *Salik advances on its growth strategy to become a global leader in providing sustainable and smart mobility solutions, with the upcoming launch of the two new toll gates at Business Bay and Al Safa South, expected to be operational by the end of November 2024.*
- *With a combined valuation of AED 2,734 million (Two billion 734 million Dirhams), the new gates expand Salik's Dubai toll gate network from eight to ten, aiming to enhance traffic flow and reduce congestion in alignment with RTA's transportation strategy.*
- *Salik has revised its full-year 2024 guidance, with annual revenue-generating trips expected to increase 7-8% in 2024, a significant rise with the launch of the two new gates as well as buoyant macro-economic factors in Dubai.*

Dubai, UAE – 28 August 2024: Salik Company PJSC (“Salik” or the “Company”), Dubai’s exclusive toll gate operator, is pleased to announce the combined valuation of the two new toll gates at Business Bay and Al Safa South, these two new gates have been valued at a total of AED 2,734 million (Two billion 734 million Dirhams), with the Business Bay Gate valued at AED 2,265 million (Two billion 265 million Dirhams) and the Al Safa South Gate valued at AED 469 million.

The new gates are expected to be operational by the end of November 2024, the two new gates at Business Bay Crossing on Al Khail Road and Al Safa South on Sheikh Zayed Road, positioned between Al Meydan Street and Umm Al Sheif Street, will expand Salik’s toll gate network in Dubai from eight to ten. These additions aim to optimize traffic flow by redirecting vehicles to routes with higher capacity, thereby alleviating congestion. RTA has conducted detailed traffic impact studies to ensure that the placement of each gate aligns with its strategic goals for traffic management optimization.

As per the Concession Agreement with RTA, Salik has the exclusive rights to construct, operate, and maintain the toll gates until end of June 2071.

Mattar Al Tayer, Chairman of the Board of Directors of Salik, commented: *“The launch of the two new gates highlights the commitment of both the Roads and Transportation Authority and Salik Company to advancing sustainable mobility solutions and improving Dubai’s transport infrastructure. These strategic investments underscore our dedication to sustainable growth and providing more seamless mobility across Dubai by enhancing travel efficiency and reducing traffic congestion. The new gates will play a crucial role in optimizing travel time and reducing congestion on some of Dubai’s busiest routes.”*

Ibrahim Sultan Al Haddad, CEO of Salik, added: *"We are extremely pleased with the progress we are making on our long-term objectives, in line with our ambition to become a global leader in mobility solutions. We are thriving in the tolling business and remain focused on strengthening our core business offering as we expand our footprint within Dubai."*

Salik's Board approved the valuation of the two new gates and the combined valuation of the two gates was determined to be AED 2,734 million (*Two billion 734 million Dirhams*); with the Business Bay Gate valued at AED 2,265 million (*Two billion 265 million Dirhams*) and the Al Safa South Gate valued at AED 469 million. It is worth noting that the differences between the valuation by Salik and the valuation by the Roads and Transport Authority, did not exceed the 5%. Accordingly, and as per the terms of the concession agreement the average of the two valuations was adopted as the final value for the two new gates, in line with the concession agreement. This reflects our commitment to transparency and accuracy in financial and operational assessments, as well as the alignment of future visions between Salik and the Roads and Transport Authority.

Regarding the payment schedule for the gate's valuation, an agreement has been reached with the Roads and Transport Authority on a repayment plan for the total valuation amount for the two new gates over a period of six years starting from the end of November 2024. The annual instalment will be AED 455.7 million, to be paid in two equal instalments of AED 227.9 million each, every six months, which will be provided from the company's own financial resources.

Expected Financial Impact

Salik expects to see an increase in annual revenue-generating trips with the operation of the Business Bay and Al Safa South gates supported by the positive macro-economic factors in Dubai. Upon their operational launch which is expected to be by the end of November 2024, the new gates are expected to generate a revenue impact from the starting date till the end of the year 2024.

In light of the new gates, revenue-generating trips are now expected to increase in the range of 7-8% for 2024 versus previous guidance of 4-6%, with a robust EBITDA margin of 67-68%, versus previous guidance of 65-66%.

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About Salik Company PJSC

The Company was established in its current form, as a public joint stock company in June 2022 pursuant to Law No. (12) of 2022. “Salik”, which means “seamless mobility” in Arabic, is Dubai’s exclusive toll gate operator and manages the Emirate of Dubai’s automatic toll gates utilising Radio-Frequency-Identification (RFID) and Automatic-Number-Plate-Recognition (ANPR) technologies. The Company currently operates 8 toll gates located at strategic junctures, especially on Sheikh Zayed Road, which is considered the main road in Dubai. In 2023, 593 million journeys were recorded through Salik’s toll gates, whether for residents commuting within the Emirate for their daily activities or for tourists visiting Dubai’s attractions. Under a 49-year concession agreement (ending in 2071), with the Roads and Transport Authority (RTA), Salik has the exclusive right to operate existing and any future toll gates in Dubai.

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