PRESS RELEASE

Salik Assigned Strong Investment Grade Credit Ratings by Moody's and Fitch

- *'A3' with stable outlook assigned to Salik by Moody's Ratings, reflecting low-risk business profile, limited competition, history of consistent growth and strong underlying balance sheet.*
- *'A-' with stable outlook assigned to Salik by Fitch Ratings, citing unique market position and long concession agreement.*

Dubai, UAE – 5 December 2024: Salik Company PJSC ("Salik" or the "Company"), Dubai's exclusive toll gate operator, is pleased to announce the assignment of strong investment-grade credit ratings by Moody's Ratings and Fitch Ratings. This milestone affirms Salik's robust financial position, operational strength, and proactive approach to enhancing transparency while optimizing access to capital markets. The assignment of credit ratings to Salik follows the request for a public rating by the Company, in line with its proactive approach to enhancing transparency and its objective of optimizing current and future access to capital markets.

Fitch Ratings

A-, stable outlook

Fitch has assigned Salik an Investment Grade A- issuer default rating with stable outlook. The rating considers Salik's unique market position in Dubai, as the exclusive toll gate operator and a key state-owned entity with a long concession agreement ensuring the stability of Salik's long-term cash flow generation. Among other considerations, Fitch also considered Salik's strong linkage with the government of Dubai and its exposure to the emirate's economy and population growth.

Moody's Ratings

A3, stable outlook

Moody's has assigned an Investment Grade issuer rating of A3 with stable outlook to Salik, reflecting the Company's close link to the development of Dubai, with positive economic and demographic trends expected to continue to support Salik's strong operating performance. Additionally, Salik's low-risk business profile is supported by its position as the exclusive toll gate operator in Dubai, a history of consistent traffic growth, minimal capex requirements of the business translating into high cash flow generation, modest financial leverage and strong liquidity position.

As of 30 September 2024, Salik recorded a trailing twelve-month net debt/EBITDA ratio of 2.1x, significantly below its debt covenant of 5.0x, and generated free cash flow of AED 1.05 billion for the nine-month period, up 1.3% YoY, with a free cash flow margin of 64.3%.

His Excellency Mattar Al Tayer, Chairman of the Board of Directors of Salik, commented: "These very positive credit ratings received from two of the world's leading ratings agencies, Fitch and Moody's, are a testament to the strong business we have built and the solid financial position from which we operate. The investment grade ratings also reflect the Company's strong balance sheet, robust liquidity position and high cash flow generation. Our business model affords us a unique position in the market as Dubai's sole toll gate operator, and our consistently robust performance coupled with a very healthy balance sheet are reflected in the investment grade ratings we have been assigned today."

Ibrahim Sultan Al Haddad, Chief Executive Officer of Salik, said: "Coming just weeks after record results for the first nine months of 2024, during which we recorded our highest-ever third quarter revenue, we are delighted to be assigned investment grade ratings in the single A category by both Fitch and Moody's. Making our credit ratings public underscores our commitment to transparency and demonstrates our confidence in Salik's financial position. While we do not have immediate plans for public debt issuance, these ratings offer us greater future flexibility in the financial markets, and I would like to state my gratitude to the whole Salik team for their hard work towards achieving this significant milestone for our business."

Salik is fully committed to maintaining an investment grade credit profile and the newly assigned ratings will support the Company's future financing strategy. The credit reports are available on the Fitch (https://www.fitchratings.com/) and Moody's (https://www.moodys.com/) websites. Salik has been advised by Bank of America and Emirates NBD during the credit rating process.

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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 10 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.

Investor Relations

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