This is a non-certified translation of the original Arabic version of the Prospectus. This English version is provided for convenience only and does not constitute a legal document. Subscribers should only rely on the Arabic version of the Prospectus. In the case of any discrepancies or omissions, the Arabic version of the Prospectus shall prevail.

OFFER TO SUBSCRIBE FOR SHARES IN A PUBLIC SUBSCRIPTION IN THE UAE ONLY

Prospectus for the Public Offering of Shares in

SALIK COMPANY P.J.S.C. *(A PUBLIC JOINT STOCK COMPANY)* (the "Company" or "Salik")

Dated: 05 September 2022

This is the prospectus (the "**Prospectus**") for the sale of 1,500,000,000 (one billion, five hundred million) ordinary shares with a nominal value of AED 0.01 (one fils) each (representing 20% (twenty percent) of the total issued shares in the Company) (the "**Offer Shares**") in a public subscription in the United Arab Emirates (the "**UAE**"). The Government of Dubai represented by the Department of Finance (the "**Selling Shareholder**"), reserves the right to amend the size of the Offering at any time prior to the end of the subscription period at its sole discretion, subject to applicable laws and the approval of the Securities & Commodities Authority (the "**SCA**"). The offer price will be in AED and determined based on the offer price range, which will be announced in a listing announcement (the announcement prior to the date of listing) that will be published on the same day of the opening of the Offer Period on 13 September 2022 and prior to the start of the subscription period (the "**Offer Price Range**"). The Offer Shares will be duly and validly listed as at the date of listing (the "**Listing**") of the Offer Shares on the Dubai Financial Market (the "**DFM**").

The final offer price (the "Final Offer Price") and the final offering size (the "Final Offer Size") will be announced after the closing of the subscription period. Please refer to the section on the Final Offer Price in the first section of this Prospectus which sets out a description of how the Final Offer Price will be calculated.

Except in the UAE, no action has been taken or will be taken in any jurisdiction that would permit a public subscription of the Offer Shares pursuant to this Prospectus or the possession, circulation or distribution of this Prospectus. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offering material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any jurisdiction except in compliance with any applicable rules and regulations of any such jurisdiction. The SCA is not responsible for the content of this Prospectus or the information contained herein.

Investment in the Offer Shares involves a high degree of risk. Prospective Subscribers for Offer Shares should carefully read the "Investment Risks" section of this Prospectus to inform themselves about factors that should be considered before investing in the Offer Shares.

Offer Period

The offer period for the First Tranche, the Second Tranche and the Third Tranche (as described in this Prospectus) starts on 13 September 2022 and will close on 20 September 2022 for the First Tranche and Third Tranche and on 21 September 2022 for the Second Tranche.

If all of the Offer Shares are subscribed for and allocated and there is no increase in the number of Offer Shares, the Offer Shares will represent 20% (twenty percent) of the total issued ordinary shares in the capital of the Company (the "**Shares**") (this percentage has been calculated based on the total number of Shares in the share capital of the Company). The Selling Shareholder reserves the right to amend the size of the Offering and the size of the Tranches at any time prior to the end of the subscription period at its sole discretion, subject to applicable laws and the approval of the Securities and Commodities Authority (the "**SCA**" or the "**Authority**".) Prior to this Offering, the Shares have not been listed on any financial market and there has been no public market for the Shares. Following the closing of the Offer Periods in respect of the First Tranche, the Second Tranche and the Third Tranche, the Company will apply to list its Shares on the DFM.

Date of the SCA's approval to publish this Prospectus: 31 August 2022

This Prospectus contains data that has been submitted in accordance with the rules for issuance and disclosure issued by the SCA in the UAE and the publication of this Prospectus has been approved by the SCA on 31 August 2022 under number (2022/85//kh/ta). However, the SCA's approval of the publication of this Prospectus does not constitute an endorsement of the feasibility of investment nor a recommendation to subscribe to the Shares; the approval only means that this Prospectus contains the minimum information required in accordance with the applicable rules issued by the SCA with respect to the Prospectus. The SCA is not considered responsible for the accuracy, completeness or adequacy of the information contained in this Prospectus and the SCA does not bear any responsibility for any damages or losses incurred by any person as a result of relying on this Prospectus or any part of it. The members of the Company's board of directors, jointly and severally, bear full responsibility regarding the validity of the information and data contained in this Prospectus, and they confirm, to the extent of their knowledge and belief, and subject to due diligence and after conducting reasonable studies, that there are no other facts or material information, which were not included in this Prospectus that renders any statement contained therein misleading to the subscribers or influencing their decision to invest.

Method of sale of the Offer Shares in a public subscription:

The Offer Shares represent 1,500,000,000 (one billion, five hundred million) Shares, which will be sold by the Selling Shareholder and offered for subscription in a public offering whereby the Final Offer Price will be determined through the application of a book building process, where a subscription orders ledger will be created through the subscription orders made only by the Second Tranche Subscribers. The Selling Shareholder reserves the right to amend the size of the Offering and the size of the Tranches at any time prior to the end of the subscription period at its sole discretion, subject to applicable laws and the SCA's approval.

In creating the subscription orders ledger, the Offer Shares subscribed by the Second Tranche Subscribers will constitute all of the Offer Shares used in calculating the Final Offer Price of each Offer Share. In order for the subscription to succeed, the subscription percentage of the Second Tranche Subscribers must not be less than 60% (sixty percent), and the subscription percentage of First Tranche and Third Tranche Subscribers must not be more than 40% (forty percent), of the Offer Shares.

If the First Tranche is not subscribed to in full, the remaining Offer Shares will be allocated to the Second Tranche. If the Third Tranche is not subscribed to in full, the remaining Offer Shares will be allocated to the First Tranche. The Receiving Banks commit to refund the oversubscription amounts received from the First Tranche and the Third Tranche Subscribers for the Offering and any earned profit on such amounts one day after the subscription closing until one day prior to the refund to the Subscribers of the First Tranche and the Third Tranche, provided that the refund is made within 5 (five) working days from the date on which all allocations of Offer Shares to all Tranches are determined.

The Selling Shareholder may not subscribe directly for any of the Offer Shares.

Book Building Mechanism

Book building is a mechanism, pursuant to which the price per share is set through the following steps.

a. The Company hires one or more investment bank(s) which is/are a financial advisor(s) licenced by the SCA to act as lead manager(s) who is/are tasked with assisting the Company in determining the price range at which the security can be sold and assisting the Company with drafting a prospectus to distribute to potential investors.

b. The appointed investment banks invite certain qualified investors, normally, but not restricted to, large-scale sophisticated buyers and fund managers, to submit bids on the number of shares that they are interested in buying and the prices that they would be willing to pay for such shares and recording the qualified investors' opinions in the register specifically for recording the subscription orders for the shares offered.

c. The book is "built" by Listing and evaluating the aggregated demand for the issue from the submitted bids. The investment banks analyse the information and, based on that analysis, determine with the Company and the Selling Shareholder the final price for the shares, which is termed the Final Offer Price.

d. Shares for submitted bids pertaining to the Second Tranche, are then allocated among the accepted bidders, at the discretion of the Company and the Selling Shareholder.

A list of further definitions and abbreviations is provided in the "*Definitions and Abbreviations*" section of this Prospectus.

Tranche Structure

(A) ***First Tranche***

The First Tranche offer will be made pursuant to this Prospectus, 7% (seven percent) of the Offer Shares, representing 105,000,000 (one hundred and five million) Shares, are allocated to the First Tranche. The First Tranche is restricted to the following persons:

- ***Individual Subscribers***
  Natural persons (including Assessed Professional Investors (as described under the Second Tranche) who do not participate in the Second Tranche or the Third Tranche) who have a bank account (except for any person who is resident in the United States within the meaning of the US Securities Act 1933, as amended (the "**US Securities Act**"). There are no other citizenship or residence requirements to qualify as an Individual Subscriber.

  Minors are permitted to apply for Offer Shares in accordance with the procedures applied by the Receiving Banks and the laws in force in this regard.

- ***Other investors***
  Other investors (companies and establishments) who do not participate in the Second Tranche or Third Tranche and who have a bank account (except for any person who is resident in the United States within the meaning of the US Securities Act).

All First Tranche Subscribers must hold a National Investor Number ("NIN") with the DFM.

The Selling Shareholder reserves the right to amend the size of the First Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the approval of the SCA. Any increase in the size of the First Tranche will result in a corresponding reduction in the size of the Second Tranche and/or the Third Tranche, provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% (sixty percent) of the Offer Shares and the subscription percentage of the subscribers in the First Tranche and the Third Tranche combined (as appropriate) does not exceed 40% (forty percent) of the Offer Shares.

If all of the Offer Shares in the First Tranche are not fully subscribed, the unsubscribed Offer Shares will be available to Second Tranche Subscribers, or alternatively (in consultation with the SCA) the Selling Shareholder may (i) extend the Closing Date for the First Tranche, the Second Tranche and the Third Tranche and/or (ii) accept the Offering at the level of applications received.

The minimum application size for subscribers in the First Tranche is AED 5,000 (UAE Dirhams five thousand) with any additional application in increments of AED 1,000 (UAE one thousand).

There is no maximum application size for subscribers in the First Tranche.

(B) *Second Tranche*

The Second Tranche offer will be made pursuant to the Second Tranche Document, 92% (ninety two percent) of the Offer Shares, 1,380,000,000 (one billion three hundred and eighty million) Shares, are allocated to the Second Tranche, which is restricted to "*Professional Investors*" (as defined in the SCA Board of Directors' Chairman Decision No.13/R.M of 2021 (as amended from time to time)), which specifically includes those investors which can be categorised in the following manner:

Professional Investors

(i) **Deemed Professional Investors** which include:

a. international corporations and organisations whose members are state, central banks or national monetary authorities;

b. governments, government institutions, their investment and non-investment bodies and companies wholly owned by them;

c. central banks or national monetary authorities in any country, state or legal authority;

d. capital market institutions licensed by the Authority or regulated by a supervisory authority equivalent to the Authority;

e. financial institutions;

f. regulated financial institutions, local or foreign mutual investment funds, regulated pension fund management companies and regulated pension funds;

g. any entity whose main activity represents investment in financial instruments, asset securitisation or financial transactions;

h. any company whose shares are listed or accepted to trade in any market of an IOSCO member country;

i. a trustee of a trust which has, during the past 12 (twelve) months, assets of AED 35,000,000 (UAE Dirhams thirty-five million) or more;

j. licensed family offices with assets of AED 15,000,000 (UAE Dirhams fifteen million) or more;

k. joint ventures and associations which have or had, at any time during the past two years, net assets of AED 25,000,000 (UAE Dirhams twenty-five million) or more (excluding partner and shareholder loans);

l. a body corporate who fulfils (on the date of its last financial statements) a "large undertaking" test, whereby it fulfils at least two of the following requirements:

   i. holds total assets of AED 75,000,000 (UAE Dirhams seventy-five million) or more (excluding short-term liabilities and long-term liabilities);

   ii. has a net annual revenue of AED 150,000,000 (UAE Dirhams one hundred and fifty million) or more; or

   iii. an aggregate total of cash and investments on its balance sheet; or its total equity (after deducting paid up share capital), is not less than AED 7,000,000 (UAE Dirhams seven million);

(ii) **Assessed Professional Investors** which include:

a. a natural person who owns net assets, excluding the value of their main residence, of not less than AED 4,000,000 (UAE Dirhams four million) (a **HNWI**);

b. a natural person who is:

   i. approved by the Authority or a similar supervisory authority;

ii. an employee of a licensed entity or a regulated financial institution who has been employed for the past 2 (two) years;

iii. assessed to have sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); or

iv. represented by an entity licensed by the Authority;

c. a natural person (the **account participant**) with a joint account for investment management with a HNWI (the **main account holder**), provided that each of the following conditions are satisfied:

i. the account participant must be an immediate or second degree relative of the main account holder;

ii. the account is used to manage the investments of the main account holder and their subscribers; and

iii. written confirmation is obtained from the subscriber (i.e., the account participant) confirming that investment decisions relating to the joint investment account are made on their behalf by the main account holder;

d. special purpose vehicles and trusts established for the purpose of managing an investment portfolio of assets for a HNWI; and

e. an undertaking which satisfies the following requirements:

i. an aggregate total of cash and investments on its balance sheet; or its total equity (after deducting paid up share capital), is not less than AED 4,000,000 (UAE Dirhams four million);

ii. is assessed to have sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); or

iii. it has a controller (e.g. a person controlling the majority of the shares or voting rights in the relevant undertaking or possesses the ability to appoint or remove the majority of the relevant undertaking's board of directors); or

iv. it has a holding or subsidiary company or a joint venture partner that meets the definition of a Deemed Professional Investor or an Assessed Professional Investor,

who, in each case, have been approved by the Company and the Selling Shareholder, in consultation with the Joint Lead Managers and to which the following characteristics apply: (a) a person outside the United States to whom an offer can be made in reliance on Regulation S under the US Securities Act, (b) a person in the DIFC to whom an offer can be made pursuant to an exemption from registration under the Markets Rules Module of the DFSA's Rulebook, or (c) a person in the ADGM to whom an offer can be made pursuant to an exemption from registration under the FSMR Regulations Markets Rules and made only to persons who meet the Professional Client criteria set out in the FSRA Conduct of Business Rulebook.

All Second Tranche Subscribers must hold a NIN with the DFM.

If all of the Offer Shares in the Second Tranche are not fully subscribed, then the Offer will be withdrawn.

The minimum application size for the subscribers in the Second Tranche is AED 1,000,000 (UAE Dirhams one million).

There is no maximum application size for subscribers in the Second Tranche.

(C) ***Third Tranche***

The Third Tranche offer will be made pursuant to this Prospectus, 1% (one percent) of the Offer Shares, representing 15,000,000 (fifteen million) Shares are allocated to the Third Tranche, which is restricted to the following persons:

Eligible Employees

Natural persons (including natural persons constituting Assessed Professional Investors (as described under the Second Tranche)), who have a bank account and do not participate in the First Tranche nor the Second Tranche and who are the Eligible Employees and whose details have been shared by the Company with the Receiving Banks on or before 20 September 2022 (except for any person who is resident in the United States within the meaning of the US Securities Act, as amended).

If all of the Offer Shares in the Third Tranche are not fully subscribed for, the unsubscribed Offer Shares will be available to the First Tranche Subscribers, or alternatively (in consultation with the SCA) the Selling Shareholder may (i) extend the Closing Date for the First Tranche, the Second Tranche and the Third Tranche and/or (ii) close the Offering at the level of applications received.

The Selling Shareholder reserves the right to amend the size of the Third Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the approval of the SCA, and any increase in the size of the Third Tranche will result in a decrease in the size of the First Tranche and/or the Second Tranche (as applicable), provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% (sixty percent) of the Offer Shares and the subscription percentage of the subscribers in the First Tranche and Third Tranche does not exceed 40% (forty percent) of the Offer Shares in aggregate.

All Third Tranche Subscribers must hold a NIN with the DFM.

The minimum application size for subscribers in this Tranche is AED 5,000 (UAE Dirhams five thousand) with any additional application in increments of at least AED 1,000 (UAE Dirhams one thousand).

There is no maximum application size for subscribers in the Third Tranche.

(D) *EIA*

5% (five percent) of the Offer Shares are reserved for the EIA, in accordance with the requirements of Article 127 of the Companies Law. Offer Shares allocated to the EIA under this preferential rights regime will be deducted from the total size of the Second Tranche. If the EIA does not exercise its preferential rights to apply for Offer Shares then those Offer Shares will be available to other Second Tranche Subscribers.

(E) *Pensions and Social Security Fund of Local Military Personnel*

5% (five percent) of the Offer Shares are reserved for the Fund, in accordance with the requirements of Dubai Law No. 2 of 2022 concerning the subscription in shares of companies owned by the Government of Dubai. Offer Shares allocated to the Fund under this preferential rights regime will be deducted from the total size of the Second Tranche. If the Fund does not exercise its preferential rights to apply for Offer Shares then those Offer Shares will be available to other Second Tranche Subscribers.

Every Subscriber must hold a NIN with the DFM and a bank account number in order to be eligible to apply for Offer Shares. Subscribers may apply for Offer Shares in only one Tranche. In the event a person applies in more than one Tranche, the Receiving Banks and the Joint Lead Managers may disregard one or both of such applications.

The approval of the Authority has been obtained for publication of the prospectus for the sale of the Offer Shares in a public subscription in the UAE (outside the ADGM and the DIFC). Other than in the UAE, the Shares have not been registered with any other regulatory authority in any other jurisdiction.

The publication of the Arabic version of this Prospectus has been approved by the Authority.

A copy of the offering document for the Second Tranche (in English only), referred to as the "**Second Tranche Document**", which was not reviewed, endorsed or approved by the Authority, will be available at http://ipo.salik.ae/ . No information contained in, or referred to in, the Second Tranche Document, forms part of, or is incorporated into, this Prospectus.

In accordance with Article 121 of the Companies Law, each of the Offer Participants shall be liable for its participation in the Offering process, including the Selling Shareholder and the Board members, with regard to the validity of the information contained in this Prospectus within the limits of the scope of work and expertise of each Offer Participant.

This Prospectus was issued on **05 September 2022.**

This Prospectus is available on the website of the Company at

http://ipo.salik.ae/

Name and Contact Details of the Offer Participants

Joint Lead Managers

Emirates NBD Capital PSC

1ST Floor, Emirates NBD Head Office Building

Baniyas Road, Deira

P.O. Box 2336

Dubai, United Arab Emirates

Telephone: +971 4 201 2940

EFG Hermes UAE LLC

Office 106, The Offices 3

One Central, DWTC Dubai, United Arab Emirates

Telephone: +971 4 363 4000

HSBC Bank Middle East Limited

HSBC Tower, Level 17, Downtown

P.O. Box 66

Dubai, United Arab Emirates

Telephone: +971 4 228 8007

Lead Receiving Bank

Emirates NBD BANK P.J.S.C.

Headquarters

Baniyas Road, Deira

P.O. Box 777

Dubai, United Arab Emirates

Telephone: +971 4 316 0018/ +971 4 316 0333

Receiving Banks

As per the list of banks attached as Annex 2 to this Prospectus

IPO Subscription Legal Counsel

Legal adviser to the Company as to English, UAE and US law

Freshfields Bruckhaus Deringer LLP

Al Fattan Currency House 20th Floor

Dubai International Financial Centre

P.O. Box 506569

Dubai, United Arab Emirates

Telephone: +971 4 5099 100

Legal adviser to the Company as to UAE law

Al Tamimi & Company

Central Park Towers, Level 7

Dubai International Financial Centre

P.O. Box 9275

Dubai, United Arab Emirates

Telephone: +971 4 364 1641

Legal adviser to the Joint Lead Managers as to English, UAE and US law

Shearman & Sterling LLP

Dubai International Financial Centre

Gate Village 10, Office 406-409

P.O. Box 506771

Dubai, United Arab Emirates

Telephone: +971 4 249 2100

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United Kingdom

Telephone: +44 20 7655 5000

Independent Auditors

PricewaterhouseCoopers (Dubai branch)

Building 5, Emaar Square

P.O. Box 11987

Dubai, United Arab Emirates

Telephone: +971 (0)4 304 3100

IPO Subscription Auditors

Deloitte & Touche (M.E.)

Emaar Square Building 3, Downtown Dubai

P.O.Box 4254

Dubai, United Arab Emirates

Telephone: +971 (0)4 376 8888

Investor Relations Officer

Mohamed Hisham Aly Zeinelabedin

SALIK Company P.J.S.C.

First Floor, Block C,

RTA Headquarters,

Dubai, United Arab Emirates.

Telephone: +971 507497174

This Prospectus is dated **05 September 2022**.

IMPORTANT NOTICE

(To be carefully read by all Subscribers)

- This Prospectus is intended to provide potential Subscribers with information to assist in deciding whether or not to apply for Offer Shares. Potential Subscribers should read this document in its entirety, and carefully review, examine and consider all data and information contained in it, before deciding whether or not to apply for Offer Shares (and, in particular, the section headed "Investment Risks") as well as the Articles of Association of the Company, when considering making an investment in the Company.
- In making an investment decision, each potential Subscriber must rely on its own examination, analysis and enquiry of the Company and the terms of the Offer, including the merits and risks involved and obtain any necessary advice from his or her legal and financial advisers regarding the investment. An investment in Offer Shares entails considerable risks. Potential Subscribers should not apply for Offer Shares unless they are able to bear the loss of some or all of that investment.
- Recipients of this Prospectus are authorized solely to use this Prospectus for the purpose of considering the subscription in the Offer Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not use any information herein for any purpose other than considering whether or not to apply for Offer Shares under the First Tranche and the Third Tranche. Recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus.
- The contents of this Prospectus should not be construed as legal, financial or tax advice.
- The information contained in this Prospectus shall not be subject to revision or addition without securing the approval of the Authority and informing the public of such revision or addition by publication in 2 (two) daily newspapers in accordance with the rules issued by the Authority. The Selling Shareholder reserves the right to cancel the Offering at any time and at its sole discretion with the prior written approval of the SCA.
- The Offer Shares are being offered under this Prospectus for the purpose of subscription in the UAE only. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the Offer Shares or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, Offer Shares by any person in any jurisdiction outside of the UAE (including the ADGM and the DIFC).
- This document is not being published or distributed, and must not be forwarded or transmitted, in or into or to any jurisdiction outside the UAE (including the ADGM and the DIFC). The Offer Shares have not been registered with any regulatory authority in any jurisdiction other than the Authority.
- If the Offer Shares are offered in another jurisdiction, the Company shall offer the Offer Shares in a manner that is compliant with the applicable laws and rules and acceptable to the relevant authorities in the relevant jurisdiction.
- This Prospectus is not intended to constitute a financial promotion, offer, sale or delivery of shares or other securities under the FSRA Markets Rules or the DIFC Markets Law or under the DFSA's Markets Rules.
- The Offer has not been approved or licensed by the FSRA or the DFSA and does not constitute an offer of securities in the ADGM in accordance with the FSRA Markets Rules or in the DIFC in accordance with the DIFC Markets Law or the DFSA's Markets Rules.
- The publication of this Prospectus has been approved by the SCA. The SCA's approval of the publication of this Prospectus shall neither be deemed as an endorsement or approval of the subscription feasibility nor a recommendation of investment, but it means only that the minimum requirements according to the issuance rules and information disclosure applicable to the prospectus and issued by the SCA have been met. The SCA and the DFM shall not be held liable for the accuracy, completeness or sufficiency of the information contained in this Prospectus, nor shall they be held liable for any damage or loss suffered by any person due to reliance upon this Prospectus or any part thereof.

This Prospectus was approved by the SCA on 31 August 2022.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

No representation or warranty, express or implied, is made and no responsibility or liability is accepted by any person other than the Company, as to the accuracy, completeness, verification or sufficiency of the information contained herein, and nothing in this Prospectus may be relied upon as a promise or representation in this respect, as to the past or future. No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. The delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained herein is correct as of any time subsequent to its date.

The contents of this Prospectus are not to be construed as legal, business or tax advice.

Presentation of Financial and Other Information

Presentation of financial information

The historical financial statements included in this Prospectus are:

- the audited carve-out financial statements of the Salik Tolling Business for each of the years ended 31 December 2021, 31 December 2020 and 31 December 2019, including the related notes thereto (the "*Annual Carve-out Financial Statements*"); and
- the unaudited condensed interim carve-out financial statements of Salik Company P.J.S.C. for period 1 January to 1 July 2022, which include the comparative financial information not audited or reviewed for the period 1 January to 1 July 2021, and the related notes thereto (the "*Interim Carve-out Financial Statements*" and together with the "*Annual Carve-out Financial Statements*", the "*Financial Statements*").

The Annual Carve-out Financial Statements have been prepared in accordance with IFRS and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The Annual Carve-out Financial Statements have been prepared on a carve-out basis as the business did not constitute a stand-alone legal entity in any of the periods presented therein. As the Salik Tolling Business did not operate as a stand-alone entity in the past, the Annual Carve-out Financial Statements may not be indicative of its future performance and do not necessarily reflect what its results of operations, financial position and cash flows would have been had it operated as a separate entity apart from RTA during the periods presented therein. Further information on the basis of preparation of the Annual Carve-out Financial Statements is presented in Note 2 ("Basis of Preparation") to the Annual Carve-out Financial Statements.

The Interim Carve-out Financial Statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". The Interim Carve-out Financial Statements do not include all information and disclosures required in the Annual Carve-out Financial Statements and should be read in conjunction with the Annual Carve-out Financial Statements. Further information on the basis of preparation of the Interim Carve-out Financial Statements are presented in Note 2 ("Basis of Preparation") to the Interim Carve-out Financial Statements.

Except as described below, the financial information presented in this Prospectus as at and for each of the years ended 31 December 2019, 2020 and 2021 has been derived without material adjustment from the Annual Carve-out Financial Statements, and the financial information as at and for the period 1 January 2022 to 1 July 2022 and 1 January 2021 to 1 July 2021 has been derived from the Interim Carve-out Financial Statements.

Potential investors should consult their own professional advisers to gain an understanding of the Annual Carve-out Financial Statements and the Interim Carve-out Financial Statements in the section "*Third Section: Financial Disclosures*" and in "*Annex 4 Financial Statements*".

Please note that references to the "Company" in this Prospectus refer to the Salik Tolling Business for the years ended 31 December 2021, 2020, 2019 and to Salik Company P.J.S.C. after 30 June 2022, being the date of transfer of the Salik Tolling Business into Salik Company P.J.S.C..

Non-IFRS measures

This Prospectus contains certain financial measures that are not defined or recognised under, and thus not calculated in accordance with IFRS, or any other generally acceptable accounting principles, including EBITDA, EBITDA Margin, Capital Expenditure, Cash Flow Conversion, Working Capital and Free Cash Flow ("*Non-IFRS measures*"). The Company believes that these Non-IFRS measures provide valuable information. These measures are used by the Company's management to evaluate the efficiency of its operations and ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company. As these measures are not standardized, these measures, by themselves, do not provide a sufficient basis to compare the Company's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity. The Company has presented these Non-IFRS measures because it believes these are helpful to investors and financial analysts in highlighting trends in the overall business of the Company.

None of the Non-IFRS measures are a measurement of performance or liquidity under IFRS or any other generally accepted accounting principles and you should not consider Adjusted EBITDA, Adjusted EBITDA Margin, Cash Flow Conversion, Working Capital, Capital Expenditure and Free Cash Flow to Equity as an alternative to net income, operating profit or other financial measures determined in accordance with IFRS or other generally accepted accounting principles. Non-IFRS measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of the Company's operating performance reported in accordance with IFRS.

The Non-IFRS measures are management's responsibility and are based on management's review of its financial results and estimates; accordingly the above information has not been audited or reviewed by PricewaterhouseCoopers (Dubai branch) ("**PwC**") or any audit firm, and are to be read in conjunction with the historical information presented, but it is not intended to form part of the Company's statement of financial position or profit and comprehensive income up to the date hereof. Accordingly, prospective investors should not place undue reliance on Adjusted EBITDA, Adjusted EBITDA Margin, Cash Flow Conversion, Working Capital, Capital Expenditure and Free Cash Flow to Equity or the other non-IFRS financial measures contained in this Prospectus.

EBITDA and EBITDA Margin

The Company defines "EBITDA" as profit for the year/period, excluding the impact of interest, tax, depreciation and expense. "EBITDA Margin" is defined as the ratio of EBITDA revenue, expressed as a percentage. EBITDA and EBITDA Margin are key performance metrics reviewed by the Directors.

Cash Flow Conversion

The Company defines "Cash Flow Conversion" as profit for the year plus loss on property and equipment disposal and depreciation expense, minus purchase of property and equipment divided by EBITDA.

Working Capital

The Company defines "Working Capital" as the sum of inventories, trade and other receivables and advances to suppliers, minus trade and other payables and current portion of contract liabilities. Customers recharge their Salik accounts in advance and revenue is only recognised once the vehicle passes through a toll gate, resulting in negative working capital profile.

Capital Expenditure

The Company defines "Capital Expenditure" as the purchases of property and equipment.

Free Cash Flow

The Company defines "Free Cash Flow" as net cash flows from operating activities less purchases of property and equipment and proceeds from the sale of property and equipment.For a reconciliation of certain of the Non-IFRS Financial measures to the most directly comparable measures calculated and presented in accordance with IFRS, please see *"Third Section- Financial Disclosures"*.

Unaudited Pro-forma financial information

This Prospectus contains:

- the unaudited pro-forma financial information of Salik Company P.J.S.C. comprising the unaudited pro-forma statement of profit and comprehensive income for the year ended 31 December 2021,the unaudited pro-forma statement of financial position as at 31 December 2021 and related notes (the "Annual Pro-Forma Financial Information"), which has been compiled by the management to illustrate the impact of the transactions described below and set out in Note 2 to the Annual Pro-forma Financial Information (collectively referred to as the 'Pre-Offering Transactions and Contractual Arrangements"), on Salik Tolling Business' financial position as at 31 December 2021 and its financial performance for the year ended 31 December 2021, as if the Pre-Offering Transactions and Contractual Arrangements had taken place on 31 December 2021 and 1 January 2021 respectively. As part of this process, information about Salik's financial position and financial performance has been extracted by the management from the Annual Carve-out Financial Statements of the Salik Tolling Business for the year ended 31 December 2021; and
- the unaudited pro-forma financial information of Salik Company P.J.S.C., comprising the unaudited pro-forma statement of profit and comprehensive income for the period 1 January to 1 July 2022 and related notes (the "Interim Pro-Forma Financial Information" and together with the Annual Pro-forma Financial Information the "Pro-Forma Financial Information") which has been prepared using the Interim Carve-out Financial Statements.

Pre-Offering Transactions and Contractual Arrangements

- *Term Financing and Revolving Financing Facilities:* In June 2022, the Company entered into a five-year murabaha financing arrangement with Emirates NBD Bank P.J.S.C. ("**ENBD**") for a term financing of AED 4 billion (UAE Dirhams four billion) and a revolving financing facility of AED 200 million (UAE Dirhams two hundred million) (the "Term Financing and Revolving Financing Facilities Agreement") for the purpose of making the Upfront Concession Payment (as defined below) to the RTA under the Concession Agreement (as defined below) and for general corporate purposes.
- *Concession Agreement:* The RTA entered into a tolling concession agreement effective 1 July 2022 (the "Concession Agreement") with Salik Company P.J.S.C., pursuant to which the 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. The Concession Agreement also grants the Company the right to charge toll road users for which it has made an upfront concession payment of AED 4 billion (UAE Dirhams four billion) (the "Upfront Concession Payment") to the RTA for existing toll gates and will pay an amount as agreed upon as and when new toll gates are constructed. The Company expects to pay AED 200 million (UAE Dirhams two hundred million) in VAT in relation to the Upfront Concession Payment in 2023, for which it will be fully reimbursed. Also, a variable concession fee based on toll revenues earned will be payable to the RTA over the life of the Concession Agreement.
- *Transitional Services Agreement (the "**TSA**"):* the RTA entered into the TSA with the Company effective 1 July 2022 wherein the RTA shall provide services to the Company for an interim period, as defined under the TSA, for performance of the tolling operations and back-office functions such as finance, Information Technology (IT), Human Resources, Administration, Marketing and Communication.in accordance with the Concession Agreement.
- *Lease Agreement:* The Company entered into a lease agreement with the RTA on 13

June 2022 for a period of 2 (two) years commencing from 1 July 2022. As per the terms of the lease agreement, Salik pays AED 1,023,200 (UAE Dirhams one million, twenty-three thousand two hundred) as rent and pays for certain additional costs for maintenance, utilities consumption and soft services amounting to AED 22,500 (UAE Dirhams twenty-two thousand, five hundred), AED 349,600 (UAE Dirhams three hundred and forty-nine thousand, six hundred) and AED 139,600 (UAE Dirhams one hundred and thirty-nine, six hundred) respectively on an annual basis. All amounts presented are excluding VAT. Salik may terminate the lease agreement, without any penalty, at any time during the term of the agreement by giving not less than 2 (two) months' notice to the lessor.

- *Capital injection by the Department of Finance for the Government of Dubai (the "Department of Finance") received on 29 June 2022*: Upon formation of Salik Company P.J.S.C., the Department of Finance injected bank balances totaling AED 205 million (UAE Dirhams two hundred and five million) into the Company.
- *Appointment of the Board of Directors (the "Board") and employees for Salik:* Salik Company P.J.S.C. was established on 17 June 2022 and has appointed its Board Members, key management personnel and certain employees. The Board consists of seven members (Chairman, Vice-Chairman and five Board members). The Salik employee structure is comprised of management personnel including Chief Executive Officer (CEO), Chief Financial Officer (CFO), Strategy & Growth Head, Investor Relations Head and another eight employees.

These transactions are referred to as the "*Pre-Offering Transactions and Contractual Arrangements*". See "*Selected Unaudited Pro-Forma Financial Information*", "*Related Party Transactions*", "*Material Agreements*" and "*the Unaudited Pro-Forma Financial Information*" for more information.

The Unaudited Pro-Forma Financial Information is presented for illustrative purposes only and is not intended to represent or to be indicative of the results of operations or financial position that would have been reported by the Company had the Pre-Offering Transactions and Contractual Arrangements occurred as of the dates indicated or what financial position or results of operations would be for any future periods. The pro-forma adjustments and related assumptions are described in the accompanying Notes to the Unaudited Pro-Forma Financial Information.

The Unaudited Pro-Forma Financial Information should be read together with the information included in the "*Third Section: Financial Disclosures*", "*Material Agreements*", and the "*Pro-Forma Financial Information*" sections.

Currency presentation

Unless otherwise indicated, all references in this document to "UAE Dirhams" or "AED" are to the lawful currency of the UAE.

- The "UAE Dirhams" or "AED" are to the lawful currency of the United Arab Emirates; and
- The "United States dollars" or "US$" are to the lawful currency of the United States of America.

The value of UAE Dirhams has been pegged to a United States Dollar rate of AED 3.6725 (UAE Dirhams three point six seven two five) per US$1 (United States Dollars one) since 1997. All AED/US$ conversions in this Prospectus have been calculated at this rate. References to a "billion" are to a thousand million.

Rounding

Certain data in this document, including financial, statistical, and operating information, has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and accordingly may not add up to 100% (hundred percent).

FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. The forward-looking statements contained in this document speak only as of the date of this document. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of the Company and all of which are based on current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “believe”, “expects”, “may”, “will”, “could”, “should”, “shall”, “risk”, “intends”, “estimates”, “aims”, “plans”, “predicts”, “continues”, “assumes”, “positioned” or “anticipates” or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding intentions, beliefs and current expectations concerning, among other things, results of operations, financial condition, liquidity, prospects, growth, strategies, and dividend policy and the industry in which the Company operates.

These forward-looking statements and other statements contained in this Prospectus regarding matters that are not historical facts as of the date of this Prospectus involve predictions and are based on the beliefs of the Company’s management, as well as the assumptions made by, and information currently available to, the Company’s management. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, the Company cannot give any assurance that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. There is no obligation or undertaking to update these forward-looking statements contained in this document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so: (i) as a result of an important change with respect to a material point in this Prospectus; or (ii) by applicable laws of the UAE.

Important factors that could cause actual results to differ materially from the Company’s expectations are contained in cautionary statements in this Prospectus, including, without limitation, in conjunction with the forward looking statements included in this Prospectus. Please refer to the section headed “*Investment Risks*” for further information.

IMPORTANT INFORMATION

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities other than the securities to which it relates or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

Recipients of this Prospectus are authorized solely to use this Prospectus for the purpose of considering making an investment in the Offer Shares, and may not reproduce or distribute this Prospectus, in whole or in part, and may not use any information herein for any purpose other than considering an investment in the Offer Shares. Such recipients of this Prospectus agree to the foregoing by accepting delivery of this Prospectus. Prior to making any decision as to whether to invest in the Offer Shares, prospective Subscribers should read this Prospectus in its entirety (and, in particular, the section headed "*Investment Risks*") as well as the Articles of Association of the Company. In making an investment decision, each Subscriber must rely on their own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved.

No person is authorized to give any information or to make any representation or warranty in connection with the Offer or Offer Shares which is not contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been so authorized by the Company, the Selling Shareholder or the other Offer Participants. By applying for Offer Shares, a Subscriber acknowledges that (i) they have relied only on the information in this Prospectus and (ii) no other information has been authorized by the Company, the Selling Shareholder, any other Offer Participant, or any other of the Company's advisers (the "**Advisers**").

No person or Adviser, except the Joint Lead Managers and the Receiving Banks set out on Page 8-9, are participating in, receiving subscription funds from, or managing, the public offering of the Offer Shares in the UAE. Neither HSBC Bank Middle East Limited nor any of its respective affiliates is responsible for participating in, marketing or managing any aspect of the Offering to natural persons (including natural persons constituting Assessed Professional Investors).

Neither the content of the Company's website or any other website referred to in the Prospectus, nor the content of any website accessible from hyperlinks on any of such websites, forms part of, or is incorporated into, this Prospectus, and neither the Company, the Selling Shareholder, any other Offer Participant, nor the Advisers bears or accepts any responsibility for the contents of such websites.

None of the Company, the Selling Shareholder, the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisers accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Company, the Offer or the Offer Shares. None of the Company, the Selling Shareholder, the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisers makes any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

None of the Company, the Selling Shareholder, any of the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisers warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

Statements contained in this Prospectus are made as at the date of this Prospectus unless some prior time is specified in relation to them and the publication of this Prospectus (or any action taken pursuant to it) must not be interpreted as giving rise to any implication that there has been no change in the condition, facts or affairs of the Company since such date.

This Prospectus will not be subject to revision, unless the prior written approval of the SCA is received. Any revision will become effective only after it has been announced in 2 (two) daily newspapers circulating in the UAE. The Selling Shareholder reserves the right, with the prior approval of the SCA, to withdraw the Prospectus and cancel the Offer at any time and in its sole discretion. If the Offer is withdrawn, the subscription amounts will be fully refunded to the Subscribers, along with any earned profits. Neither the delivery of this Prospectus nor any sale made under it may, under any circumstances, be taken to imply that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

Emirates NBD Capital PSC, EFG Hermes UAE LLC and HSBC Bank Middle East Limited have been appointed as the Joint Lead Managers and will manage the issuance, marketing and promotion of the Offer Shares and coordinate with the Company, the SCA and the other Offer participants with regard to the offering of the Offer Shares in the UAE. Emirates NBD Bank P.J.S.C. has also been appointed as the Lead Receiving Bank and, in its capacity as such, is responsible for receiving the subscription amounts set out in this Prospectus in accordance with the rules and laws applicable in and within the UAE under the First Tranche, the Second Tranche and the Third Tranche. The Joint Lead Managers and the Lead Receiving Bank are duly licensed by the SCA.

Each of the Offer Participants shall be liable for its participation in the Offering process, including the Selling Shareholder and the Board members, with regard to the validity of the information contained in this Prospectus within the limits of the scope of work and expertise of each Offer Participant. Neither HSBC Bank Middle East Limited nor any of its affiliates are participating in receiving the subscription funds or bookrunnings or otherwise participating in, or managing, any aspect of the Offering to natural persons (including natural persons constituting Assessed Professional Investors).

The Joint Lead Managers are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this document) as a client to any of the Offer Participants in relation to the Offer. Whereas each Offer Participant shall be liable, including the Selling Shareholder and the Board members, with regard to the completeness and accuracy of the information contained in this Prospectus, within the limits of the scope of work and expertise of each Offer Participant. The Joint Lead Managers, the Joint Bookrunners and the Offer Participants may have engaged (directly or through their respective affiliates) in transactions with, and provided various investment banking, financial advisory and other services for, the Company and the Selling Shareholder for which they would have received customary fees. Any previous transactions between the Joint Lead Managers and the Offer Participants and the Company or the Selling Shareholder do not constitute any conflict of interest between them.

In connection with the Offer, each of the Joint Lead Managers and any of their respective affiliates, may take up a portion of the Offer Shares in the Offer as a principal position and in that capacity may retain, purchase or sell for its own account such Offer Shares and may offer or sell such Offer Shares otherwise than in connection with the Offer. Accordingly, references in the Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Joint Lead Managers or any of their respective affiliates acting in such capacity. In addition certain of the Joint Lead Managers or their affiliates may enter into financing arrangements (including swaps) with investors. None of the Joint Lead Managers intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Joint Lead Managers and the Joint Bookrunners may have engaged (directly or indirectly through their respective affiliates) in transactions with, and provided various investment banking, financial advisory, risk management, hedging and other services for, the Company and the Selling Shareholder, for which they would have received customary fees. The Joint Lead Managers and any of their respective affiliates may provide such services to, the Company and the Selling Shareholder and any of their respective affiliates in the future. In addition, the Joint Lead Managers and any of their respective affiliates may also provide risk management products to the Company and/or the Selling Shareholder or any parties related to any of them in connection with the Offer for which they could receive payment(s), earn a profit and/or suffer or avoid a loss contingent on the closing of the Offer (and the quantum of such amounts may potentially be significantly in excess of the fees earned by the relevant Joint Lead Managers for its services acting as Joint Bookrunner in connection with the Offer). Any previous transactions between the Joint Lead Managers and the Offer Participants and the Company do not constitute any conflict of interest between them.

The Board members of the Company whose names are set out in this Prospectus assume joint and several responsibility for the completeness, accuracy and verification of the contents of this Prospectus. They declare that, they have carried out appropriate due diligence investigations, that the information contained in this Prospectus is, at the date hereof, factually accurate, complete and correct and that there is no omission of any information that would make any statement in this Prospectus materially misleading.

This Prospectus contains data submitted according to the issuance and disclosure rules issued by the SCA.

In making an investment decision, each potential Subscriber must rely on its own examination and analysis, having reviewed the information contained in the Prospectus (in its entirety) that has been provided by the Selling Shareholder and the Board members of the Company whose names are set out in this Prospectus.

No action has been taken or will be taken in any jurisdiction other than the UAE that would permit a public subscription or sale of the Offer Shares or the possession, circulation or distribution of this Prospectus, or any other material relating to the Company or the Offer Shares, in any country or jurisdiction where action for that purpose is required. Offer Shares may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offer material or advertisement or other document or information in connection with the Offer Shares be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Prospectus comes must inform themselves of and observe all such restrictions.

None of the Company, the Selling Shareholder, any of the Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisers accepts any responsibility for any violation of any such restrictions on the sale, offer to sell or solicitation to purchase Offer Shares by any person, whether or not a prospective purchaser of Offer Shares in any jurisdiction outside the UAE (including the ADGM and the DIFC), and whether such offer or solicitation was made orally or in writing, including electronic mail. None of the Company, the Selling Shareholder, the other Offer Participants, the Joint Lead Managers, the Joint Bookrunners or the Advisers (or their respective representatives) makes any representation to any potential Subscriber regarding the legality of applying for Offer Shares by such potential Subscriber under the laws applicable to such potential Subscriber.

The Internal Sharia Supervision Committee of Emirates NBD P.J.S.C. have issued (or are expected to issue) a Shariah pronouncement confirming that, in their view, the Offering is compliant with Shariah principles. Investors should undertake their own due diligence to ensure that the Offering is Shariah compliant for their own purposes.

Apart from the responsibilities and liabilities, if any, which may be imposed on any of the Joint Lead Managers and the Joint Bookrunners under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of the Joint Lead Managers and the Joint Bookrunners and their respective subsidiary undertakings and affiliates and their (or their subsidiary undertakings' or affiliates') respective directors, officers, employees or agents accepts any responsibility whatsoever or makes any representation or warranty, express or implied, as to the accuracy, completeness or verification of the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Offer Shares or the Offering and nothing in this Prospectus should be relied upon as a promise or representation in this respect, whether or not to the past or future. Each of the Joint Lead Managers, the Joint Bookrunners and their respective subsidiary undertakings and affiliates and their (or their subsidiary undertakings' or affiliates') respective directors, officers, employees or agents accordingly disclaims all and any responsibility or liability whatsoever which it might otherwise have in respect of this Prospectus or any such statement or the public offering of the Offer Shares in the UAE generally.

This Prospectus was approved by the SCA on 31 August 2022.

Definitions and Abbreviations

ADGM	Abu Dhabi Global Market.
AED or UAE Dirhams	The lawful currency of the United Arab Emirates.
Annual Carve-out Financial Statements	The audited carve-out financial statements of the Roads and Transport Authority – Salik tolling business for each of the years ended 31 December 2021, 31 December 2020 and 31 December 2019, including the related notes thereto.
Annual Pro-Forma Financial Information	The unaudited pro-forma financial information of Salik Company P.J.S.C. comprising the unaudited pro-forma statement of profit and comprehensive income for the year ended 31 December 2021, the unaudited pro-forma statement of financial position as at 31 December 2021 and the related notes thereto
Articles of Association or Articles	The articles of association of the Company.
Authority or SCA	The Securities and Commodities Authority of the United Arab Emirates.
Board or Board of Directors	The board of directors of the Company.
CAGR	Compound Annual Growth Rate.
Carve-Out	the process of transferring the assets, rights and obligations relating to the Business from the RTA to the Company pursuant to the Concession Agreement and the TSA.
Chief Executive Officer	The chief executive officer of the Company.
Chief Financial Officer	The chief financial officer of the Company.
Closing Date	Tuesday 20th September 2022 for the First Tranche and the Third Tranche and Wednesday 21st September 2022 for the Second Tranche.
Companies Law	Federal Law No. 32 of 2021 concerning commercial companies.
Company or Salik	Salik Tolling Business, now known as Salik Company P.J.S.C., a public joint stock company incorporated in the Emirate of Dubai, UAE pursuant to the Salik Incorporation Law (as further defined below) and in accordance with the provisions of the Companies Law (as defined above) and the Company's approved articles of association.
Concession Agreement	The tolling concession agreement entered into between the Company and the RTA on 30 June 2022, granting the exclusive right of operating and maintaining toll gates operations and activities in Dubai to Salik Company P.J.S.C..
COVID-19	SARS-CoV-2 or COVID-19, and any evolutions or variants thereof.

Copyrights Law	Federal Law No. 38 of 2021 on copyright and neighbouring rights.
Department of Finance	The Department of Finance for the Government of Dubai.
DFM	Dubai Financial Market in the UAE.
DFSA	Dubai Financial Services Authority.
DIFC	Dubai International Financial Centre.
Directors	The Executive Director and the Non-Executive Directors.
Dubai Data	Data relating to the Emirate of Dubai
Dubai Data Law	Law No. 26/2015 Regulating Data Dissemination and Exchange in the Emirate of Dubai.
Dubai Health Insurance Law	Dubai Law No. 11 of 2013.
EIA	Emirates Investment Authority.
Electronic Applications	Applications via online banking / mobile banking / FTS and ATMS as provided by the Receiving Banks and the DFM to the Subscribers of the First Tranche and the Third Tranche.
Eligible Employees	The relevant individuals employed by the RTA, Salik and/or the Dubai Taxi Corporation, who are permanent full-time employees of the RTA, Salik and/or the Dubai Taxi Corporation.
ENBD	Emirates NBD Bank P.J.S.C.
ENOC	Emirates National Oil Company.
EOI	Expression of interest.
ESG	Environmental, Social and Governance.
Executive Directors	The executive Directors of the Company.
Final Offer Price	The offer price at which all the Subscribers in the First Tranche, the Second Tranche and the Third Tranche will purchase each Offer Share. The Final Offer Price of each Offer Share will be determined following a bookbuild process for the Second Tranche and following consultation between the Joint Lead Managers, the Selling Shareholder and the Company. The shares of the Second Tranche Subscribers must represent all of the Offer Shares used to calculate the Final Offer Price of each Offer Share. Following closing of the Second Tranche, the Company will publish an announcement setting out the Final Offer Price (the "**Offer Price Announcement**"), which will be published in 2 (two) Arabic local daily newspapers and one English newspaper in the UAE and on the website http://ipo.salik.ae/ or made available on contacting 800 72545 476 (800 SALIK IPO).

Financial Adviser	Emirates NBD Capital PSC.
Financial Statements	the Annual Carve-out Financial Statements and the Interim Carve-out Financial Statements.
Financial Year	The financial year of the Company starts on 1 January and ends on 31 December of each year.
First Tranche	The Offering of the Offer Shares in the UAE to First Tranche Subscribers.
First Tranche Subscribers	Individual Subscribers and other investors (including natural persons, companies and establishments) who do not participate in the Second Tranche or the Third Tranche and who hold a NIN with the DFM and have a bank account.
FSMR Regulations	Financial Services and Markets Regulations.
FSRA	ADGM Financial Services Regulatory Authority.
FTS	UAE Central Bank Fund Transfer mode.
Fund	Pensions and Social Security Fund of Local Military Personnel in the Emirate of Dubai.
GCC	Gulf Cooperation Council countries comprising the United Arab Emirates, Kingdom of Saudi Arabia, Sultanate of Oman, State of Qatar, State of Kuwait and Kingdom of Bahrain.
GDP	Gross Domestic Product.
GRI	Global Reporting Initiative.
IFRS	International Financial Reporting Standards.
Immigration Law	Federal Law No. 29 of 2021 Concerning Entry and Residence of Foreigners.
Independent Auditors	PricewaterhouseCoopers (Dubai Branch) or PwC.
Individual Subscribers	Natural persons who hold a NIN with the DFM and have a bank account (including Assessed Professional Investors). There are no citizenship or residence requirements.
Industry Consultant	FTI Consulting Gulf Limited.
Industry Report	Report on the markets in which the Company operates prepared by the Industry Consultant.
Interim Carve-out Financial Statements	The unaudited condensed interim and carve-out financial statements of Salik Company P.J.S.C. for the period 1 January to 1 July 2022 which include the comparative financial information not audited or reviewed as at and for the period 1 January to 1 July 2021, and the related notes thereto.
Interim Pro-Forma Financial Information	The unaudited pro-forma financial information of Salik Company P.J.S.C. comprising the unaudited pro-forma statement of financial profit and comprehensive income for the period 1 January to 1 July 2022 and the related notes thereto.

IOSCO	The International Organisation of Securities Commissions.
ISAs	International Standards on Auditing.
ISR	Information Security Regulation issued by the Dubai Electronic Security Centre.
IT	Information Technology licensed by TransCore.
Joint Bookrunners	Emirates NBD Capital PSC, EFG Hermes UAE LLC, HSBC Bank Middle East Limited and certain regional and international investment banks.
KPIs	Key performance indicators.
Joint Lead Managers	Emirates NBD Capital PSC, EFG Hermes UAE LLC, and HSBC Bank Middle East Limited.
Labour Law	the Federal Law No. 33 of 2021 Regulating Labour Relations
Lead Receiving Bank	Emirates NBD Bank P.J.S.C..
Licensing Agency	The Licensing Agency of the RTA.
Listing or Listing of the Shares	Following the closing of the subscription and the allocation to successful Subscribers, the Company will apply to list and admit to trading all of its Shares on the DFM. Trading in the Shares on the DFM will be effected through the DFM Share Registry.
Lock-up	For the duration of the Lock-up Period, neither the Company nor any of its affiliates (as defined in the underwriting agreement) nor any person acting on its or their behalf will, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed): (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined, directly or indirectly, by reference to the price of the Shares; (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction. For the duration of the Lock-up Period, neither the Selling Shareholder nor any of its affiliates (as defined in the underwriting agreement) nor any person acting on its or their behalf will, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed) (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option,

	right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or otherwise transfer or dispose of, directly or indirectly, any Shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares (excluding for the avoidance of doubt any securities issued by the Selling Shareholder); (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Shares, in each case, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction. The foregoing sentence shall not apply to: a) the offer and sale of the Shares in the Offering; b) any transfers of Shares by the Selling Shareholder in favour of its affiliates (the "Transferees") (provided that the Transferee agrees to comply with the foregoing restrictions) but in the event that the Transferee is due to cease to be an affiliate, the Shares shall be transferred back to the Selling Shareholder before such Transferee ceases to be an affiliate; c) accepting a general offer (including from the Company) made to all holders of Shares then in issue (other than Shares held by the person making the offer or its affiliates) on terms which treat all holders of Shares alike, or executing and delivering an irrevocable commitment or undertaking to accept such a general offer (without any further agreement to transfer or dispose of any Shares or any interest therein); d) taking up any rights granted in respect of a pre-emptive share offering by the Company in order to sell a sufficient number of its rights in order to acquire the balance of its rights; e) selling or otherwise disposing of Shares pursuant to any offer by the Company to purchase its own Shares which is made on identical terms to all holders of Shares in the Company; f) transferring Shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for Shares or other shares of the Company (the "Relevant Securities") (i) upon giving prior written notice to the Joint Global Coordinators, to: (A) any foreign government or (B) a foreign strategic investor who operates in the infrastructure sector and who will provide technical and operational support to, and for the benefit of, the Company or (ii) with the prior written consent of the Joint Global Coordinators, to any other investor, (in each case a "Permitted Transferee") provided that, in each case, (X) the Relevant Securities to be transferred will (i) comprise, whether in one or a series of related transactions, not less than 2.5% (two point five percent) of the Company's outstanding issued share capital at such time and (ii) not be sold at a price which

	is less than the Offer Price and (Y) as a condition to such transfer, the relevant Permitted Transferee shall comply with the same lock-up restrictions in relation to the Relevant Securities as are applicable to the Selling Shareholder in the underwriting agreement, in addition to any lock-up restrictions imposed by applicable rules and regulations or any other restrictions agreed to by such Permitted Transferee; g) any disposal by and/or allotment and issue of shares to the Selling Shareholder pursuant to any capital reorganisation in respect of any Shares beneficially owned, held or controlled by the Selling Shareholder (provided that any shares issued to or otherwise acquired by the Selling Shareholder pursuant to such capital reorganisation shall be subject to the foregoing restrictions); h) transferring any securities convertible into or exercisable or exchangeable for Shares or other shares of the Company; provided that such securities are only convertible into or exercisable or exchangeable for Shares or other shares of the Company pursuant to their terms after the lapse of at least twelve months since the date on which they are issued and/or transferred; i) transferring or otherwise disposing of Shares where such transfer or disposal is required by law or any competent authority or by a final order of a court of competent jurisdiction; j) transferring or otherwise disposing of Shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members or any class of them which is agreed to by the creditor or members and (where required) sanctioned by any applicable authority; or k) transfers permitted under Article 215 of the Companies Law.
Lock-up Period	The period from the date of the underwriting agreement up to and including 180 (one hundred and eighty) calendar days from Listing during which the Lock-up is in effect.
Manager's Cheque	Certified bank cheque drawn on a bank licensed and operating in the United Arab Emirates.
Maximum Investment	No maximum subscription in Offer Shares has been set.
MENA	Middle East and North Africa.
Minimum Investment	The minimum subscription for Offer Shares in the First Tranche and the Third Tranche has been set at AED 5,000 (UAE Dirhams five thousand), with any additional investment to be made in increments of at least AED 1,000 (UAE Dirhams one thousand). The minimum subscription for Offer Shares in the Second Tranche has been set at AED 1,000,000 (UAE Dirhams one million) (see the section on "*Subscription Amounts*" in the first section of this Prospectus for further details).

The Ministry	The Ministry of Economy.
The Minister	The Minister of Economy.
Net Toll Traffic	Total traffic minus discounted trips.
NIN	A unified investor number that a Subscriber must obtain from the DFM for the purposes of subscription and trading in the DFM and Nasdaq Dubai.
Non-Executive Directors	The non-executive Directors of the Company.
Non-IFRS measures	Certain measures that are not defined or recognised under IFRS, or any other generally acceptable accounting principles, including EBITDA, EBITDA Margin, Cash Flow Conversion, Working Capital and Free Cash Flow.
Novation Agreement	The novation of the TransCore Agreement to the Company, effective 1 July 2022.
OCR	Optical character recognition.
Offer Participants	The entities listed on Pages 8, 9 and 10 of this Prospectus.
Offer Period	The subscription period for the First Tranche and the Third Tranche starts on Tuesday 13th September 2022 and will close on Tuesday 20th September 2022. The subscription period for the Second Tranche starts on Tuesday 13th September 2022 and will close on Wednesday 21st September 2022.
Offer Price	The price at which each Share is to be sold in the Offering.
Offer Price Range	The Offer Shares are being offered at an offer price range in AED that will be published on the first day of opening of the Offer Period.
Offer Shares	1,500,000,000 (one billion, five hundred million) Shares which will be sold by the Selling Shareholder in a public subscription process. The Selling Shareholder reserves the right to amend the size of the Offering at any time prior to the end of the subscription period at its sole discretion, subject to applicable laws and the SCA's approval.
Offering or Offer	The public subscription for 1,500,000,000 (one billion, five hundred million) Shares (representing 20 % (twenty percent) of the total issued shares in the Company) which are being offered for sale by the Selling Shareholder.
Offering Regulations	The SCA Chairman of the Board Resolution No. (11/R.M) of 2016 on the Regulations for Issuing and Offering Shares of Public Joint Stock Companies, as amended.
OT	Operational Technology licensed by TransCore.
Pensions Law	Law No. 7 of 1999.
Pre-Offering Trnasactions and Contractual Arrangements	Collectively, the Term Financing and Revolving Financing Facilities Agreement, the Concession Agreement, the TSA, the Lease Agreement, the Capital Injection by the

	Department of Finance received on 29 June 2022 and the appointment of the Board and employees for Salik.
Pro-Forma Financial Information	The Annual Pro-Forma Financial Information and the Interim Pro-Forma Financial Information.
Professional Client	Persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.
Professional Investors	(i) **Deemed Professional Investors** which include: a. international corporations and organisations whose members are state, central banks or national monetary authorities; b. governments, government institutions, their investment and non-investment bodies and companies wholly owned by them; c. central banks or national monetary authorities in any country, state or legal authority; d. capital market institutions licensed by the Authority or regulated by a supervisory authority equivalent to the Authority; e. financial institutions; f. regulated financial institutions, local or foreign mutual investment funds, regulated pension fund management companies and regulated pension funds; g. any entity whose main activity represents investment in financial instruments, asset securitisation or financial transactions; h. any company whose shares are listed or accepted to trade in any market of an IOSCO member country; i. a trustee of a trust which has, during the past 12 (twelve) months, assets of AED 35,000,000 (UAE Dirhams thirty-five million) or more; j. licensed family offices with assets of AED 15,000,000 (UAE Dirhams fifteen million) or more; k. joint ventures and associations which have or had, at any time during the past 2 (two) years, net assets of AED 25,000,000 (UAE Dirhams twenty-five million) or more (excluding partner and shareholder loans); l. a body corporate who fulfils (on the date of its last financial statements) a "large undertaking" test, whereby it fulfils at least 2 (two) of the following requirements: i. holds total assets of AED 75,000,000 (UAE Dirhams seventy-five million) or more (excluding short-term liabilities and long-term liabilities); ii. has a net annual revenue of AED 150,000,000 (UAE Dirhams one hundred and fifty million) or more; or

	iii. an aggregate total of cash and investments on its balance sheet; or its total equity (after deducting paid up share capital), is not less than AED 7,000,000 (UAE Dirhams seven million); (ii) **Assessed Professional Investors** which include: a. a natural person who owns net assets, excluding the value of their main residence, of not less than AED 4,000,000 (UAE Dirhams four million) (a **HNWI**); b. a natural person who is: i. approved by the Authority or a similar supervisory authority; ii. an employee of a licensed entity or a regulated financial institution who has been employed for the past 2 (two) years; iii. assessed to have sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); or iv. represented by an entity licensed by the Authority; c. a natural person (the **account participant**) with a joint account for investment management with a HNWI (the **main account holder**), provided that each of the following conditions are satisfied: i. the account participant must be an immediate or second degree relative of the main account holder; ii. the account is used to manage the investments of the main account holder and their subscribers; and iii. written confirmation is obtained from the subscriber (i.e. the account participant) confirming that investment decisions relating to the joint investment account are made on their behalf by the main account holder; d. special purpose vehicles and trusts established for the purpose of managing an investment portfolio of assets for a HNWI; and e. an undertaking which satisfies the following requirements: i. an aggregate total of cash and investments on its balance sheet; or its total equity (after deducting paid up share capital), is not less than AED 4,000,000 (UAE Dirhams four million); ii. is assessed to have sufficient knowledge and experience in respect of the relevant investments and their risks (following a suitability assessment); or iii. it has a controller (e.g. a person controlling the majority of the shares or voting rights

	in the relevant undertaking or possesses the ability to appoint or remove the majority of the relevant undertaking's board of directors), a holding or subsidiary company or a joint venture partner that meets the definition of a Deemed Professional Investor or an Assessed Professional Investor, who, in each case, have been approved by the Company and the Selling Shareholder, in consultation with the Joint Lead Managers and to which the following characteristics apply: (a) a person outside the United States to whom an offer can be made in reliance on Regulation S under the US Securities Act, (b) a person in the DIFC to whom an offer can be made pursuant to an exemption from registration under the Markets Rules Module of the DFSA's Rulebook, or (c) a person in the ADGM to whom an offer can be made pursuant to an exemption from registration under the FSMR Regulations Markets Rules and made only to persons who meet the Professional Client criteria set out in the ADGM Financial Services Regulatory Authority (**FSRA**) Conduct of Business Rulebook.
PwC	PricewaterhouseCoopers (Dubai Branch).
Receiving Banks	The group of banks led by the Lead Receiving Bank as set out in the list of receiving banks attached in Annex 2 to this Prospectus.
Regulation S	Regulation S under the US Securities Act.
Revenue Generating Trips	The proportion of posted trips motorists get charged for.
RFID	Radio Frequency Identification.
RTA	The Roads and Transport Authority.
RTA Agency	An agency established under the RTA, such as the TRA, the Public Transport Agency or the Rail Agency.
RTA Law	Law No. 17 of 2005 concerning the establishment of Roads and Transportation Authority.
Road Toll Law	Law No. 22 of 2006 concerning the Road Toll in the Emirate of Dubai.
Salik Data	The Dubai Data (which includes personal data) collected via the Salik system.
Salik Incorporation Law	Dubai Law No. 12 of 2022 concerning the incorporation of Salik Company P.J.S.C.
Salik Tags	Company's toll gates free-flow (or open-road) toll systems utilising RFID 'tags'.
Salik Tolling Business	The RTA's Salik tolling business, prior to 30 June 2022.
Second Tranche	The offer of Offer Shares to Second Tranche Subscribers made under the Second Tranche Document.

Second Tranche Document	The offer document that has been drafted in a specific manner to be addressed only to Professional Investors for the Second Tranche and in compliance with the laws and regulations of the relevant competent jurisdictions and acceptable to such jurisdictions, and it has not been approved by the SCA, and such offer document does not form part of this Prospectus and the information contained therein does not form part of this Prospectus. This offer document for the Second Tranche will be available at http://ipo.salik.ae/.
Second Tranche Subscribers	Professional Investors.
Selling Shareholder	The Government of Dubai, represented by the Department of Finance. Immediately following the Offering, the Selling Shareholder will continue to own 80% (eighty present) of the Company's issued and outstanding share capital assuming that the size of the Offering is not increased.
Senior Managers	Those individuals identified as such in "*The Company's proposed management structure - Senior Management*".
Shareholder	Holder of Shares in the capital of the Company.
Shares	The ordinary shares of the Company, each with a nominal value of AED 0.01 (one fils), which are fully paid, issued and outstanding. The Shares have the rights set out in the Articles.
SMS	Short Message Service.
Subscriber	A natural or juridical applicant, in either case who applies for subscription in the Offer Shares.
TEC	The Dubai Executive Council.
Term Financing and Revolving Financing Facilities Agreement	The (5) five year Murabaha financing arrangement for a term financing of AED 4 billion (UAE Dirhams four billion) and a revolving financing facility of AED 200 million (UAE Dirhams two hundred million) entered into between the Company and ENBD on 29 June 2022.
Third Tranche	The offer of the Offer Shares to the Third Tranche Subscribers.
Third Tranche Subscribers	Eligible Employees.
Toll Roads and Bridges	The toll roads and bridges affiliated with the Company's toll gates, as well the works, structures, facilities, plant and equipment which are integral to, or necessary for, the operation of the toll roads, including without limitation, toll facilities, road furniture and other structures and infrastructure for toll road and bridge service areas.
Toll and Fine Regulation	Executive Council Resolution No. 19 of 2010 approving the charges and fines of the Traffic Tariff Law in the Emirate of Dubai.
TRA	Traffic and Roads Agency.

TransCore	TransCore LP Dubai Branch.
TransCore Agreement	The arrangement in place between the RTA and TransCore since 2006 for the full range of operation and maintenance services of the toll gate system across various locations in Dubai.
Trademark Law	Federal Law No. 36 of 2021.
Tranche	The First Tranche or the Second Tranche or the Third Tranche, as the case maybe.
TSA	The transitional services agreement entered into between the Company and the RTA on 30 June 2022.
TTSCORE	TransCore Toll System Core Modules.
UAE	United Arab Emirates.
UAE Central Bank	The central bank of the United Arab Emirates.
UAE Data Protection Law	Federal Decree-Law No. 45/2021 On the Protection of Personal Data on 20 September 2021.
Upfront Concession Payment	The AED 4billion (UAE Dirhams four billion) upfront concession payment under the Concession Agreement that the Company has made to the RTA for existing toll gates. The Company expects to pay AED 200 million (UAE Dirhams two hundred million) in VAT in relation to the Upfront Concession Payment in 2023, for which it will be fully reimbursed.
UTS	Unified Traffic System.
United States or *US*	The United States of America, its territories and possessions, any State of the United States of America, and the District of Columbia.
US Securities Act	The US Securities Act of 1933, as amended.
UTS	Unified Traffic System.
VAT	Value added tax.

First Section: Subscription Terms and Conditions

Key details of shares offered for sale to the public

- **Name of the Company**: SALIK COMPANY P.J.S.C.
- **Share capital**: The share capital of the Company as at the date of the Listing has been set at AED 75,000,000 (UAE Dirhams seventy-five million) divided into 7,500,000,000 (seven billion, five hundred million) Shares paid-in-full, with the value of each Share being AED 0.01.
- **Percentage, number and type of the Offer Shares:** 1,500,000,000 (one billion, five hundred million) Shares, all of which are ordinary shares and which constitute 20% (twenty percent) of the Company's issued share capital (this percentage has been calculated based on the total number of Shares in the capital as at the date of this Prospectus).
- **Offer Price Range per Offer Share:** The Offer Price Range will be in UAE Dirhams and published prior to the day of opening the Offer Period and on the same day of opening the Offer Period on 13 September 2022.
- **Eligibility of the qualified categories of Subscriber to apply for the acquisition of the Offer Shares:**
  - **First Tranche:** The First Tranche of the Offering will be open to First Tranche Subscribers as described on the cover page of this Prospectus and the "*Definitions and Abbreviations*" section of this Prospectus. All Subscribers in the First Tranche must hold a NIN with the DFM and a bank account number. 7% (seven percent) of the Offer Shares, representing 105,000,000 (one hundred and five million) Shares are allocated to the First Tranche. The Selling Shareholder reserves the right to amend the size of the First Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the approval of the SCA. Any increase in the size of the First Tranche will result in a corresponding reduction in the size of the Second Tranche and/or Third Tranche (as applicable), provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% (sixty percent) of the Offer Shares and the subscription percentage of the subscribers in the First Tranche and Third Tranche does not exceed 40% (forty percent) of the Offer Shares.
  - **Second Tranche:** The Second Tranche of the Offering will be open to Second Tranche Subscribers as described on the cover page of this Prospectus and the "*Definitions and Abbreviations*" section of this Prospectus. All Subscribers in the Second Tranche must hold a NIN with the DFM. 92% (ninety two percent) of the Offer Shares, representing 1,380,000,000 (one billion, three hundred and eighty million) Shares are allocated to the Second Tranche.
  - **Third Tranche:** The Third Tranche of the Offering will be open to Third Tranche Subscribers as described on the cover page of this Prospectus and the "*Definitions and Abbreviations*" section of this Prospectus. All Subscribers in the Third Tranche must hold a NIN with the DFM and have a bank account number. The final size of the Third Tranche will be determined by the Selling Shareholder on the date of the Offer Price Announcement. 1% (one percent) of the Offer Shares, representing 15,000,000 (fifteen million) Shares are allocated to the Third Tranche. The Selling Shareholder reserves the right to amend the size of the Third Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the approval of the SCA. Any increase in the size of the Third Tranche will result in a corresponding reduction in the size of the First Tranche and/or the Second Tranche, provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% (sixty percent) of the Offer Shares and the subscription percentage of the subscribers in the First Tranche and Third Tranche does not exceed 40% (forty percent) of the Offer Shares in aggregate.
- **Public subscription in the Offer Shares is prohibited as follows:** Public subscription is prohibited to any Subscriber whose investment is restricted by the laws of the jurisdiction where the Subscriber resides or by the laws of the jurisdiction to which the Subscriber belongs. It is the Subscriber's responsibility to determine whether the Subscriber application for, and investment in, the Offer Shares conforms to the laws of the applicable jurisdiction(s).

- **Minimum investment:** The minimum subscription in Offer Shares in the First Tranche and the Third Tranche has been set at AED 5,000 (UAE Dirhams five thousand) with any additional investment to be made in AED 1,000 (UAE Dirhams one thousand) increments. The minimum subscription for Offer Shares in the Second Tranche has been set at AED 1,000,000 (UAE Dirhams one million).
- **Maximum investment:** No maximum subscription in Offer Shares has been set.
- **Subscription by Selling Shareholder:** The Selling Shareholder may not subscribe for Offer Shares directly.
- **Lock-up period:** The period from the date of the underwriting agreement up to and including 180 (one hundred and eighty) calendar days from Listing during which the Lock-up is in effect.
- **Reasons for the Offering and Use of Offer Proceeds**

  The Company will not receive any proceeds from the Offering. All expenses of the Offering will be borne by the Selling Shareholder including any selling commissions and any discretionary fees. The Offering is being conducted, among other reasons, to allow the Selling Shareholder to sell part of its respective shareholding interests, while providing increased trading liquidity in the Shares and raising the Company's profile with the international investment community.
- **Subscription costs / Offering expenses**

  All expenses of the Offering (including selling commissions and any discretionary fees) will be borne by the Selling Shareholder.

Further Information on the First Tranche and Third Tranche

1. Subscription Applications

Each Subscriber in the First Tranche and the Third Tranche may submit one subscription application only (i) in the case of a subscription application by a natural person, in his or her personal name (unless he or she is acting as a representative for another Subscriber, in which case the subscription application will be submitted in the name of such Subscriber) or (ii) in the case of a subscription application by a corporate entity, in its corporate name. In case a Subscriber submits more than one application in his or her personal name or its corporate name, the Receiving Banks and the Joint Lead Managers reserve the right to disqualify all or some of the subscription applications submitted by such Subscriber and not to allocate any Offer Shares to such Subscriber.

Subscribers must ensure to have an updated NIN on the DFM and must complete all of the relevant fields in the subscription application along with all required documents and submit it to any Receiving Bank together with the subscription amount during the Offer Period for the First Tranche and the Third Tranche.

The completed subscription application should be clear and fully legible. If it is not, the Receiving Banks shall refuse to accept the subscription application from the Subscriber until the latter satisfies all the required information or documentation before the close of the subscription.

All of the Eligible Employees who are interested in participating in the Third Tranche are required to submit their EOI along with their corresponding NIN details through the platforms provided by Salik on or before *20 September 2022.* The list of the Eligible Employees who had submitted their EOI by *12 September 2022* will be forwarded to the Receiving Bank and DFM a day prior to the start of the Subscription Period and any incremental additions to the list of employees will be provided to the Lead Receiving Bank and DFM on a daily basis until *1:00 pm on 20 September 2022.* Any EOI received thereafter will not qualify for the Third Tranche allocation. The Lead Receiving Bank will not be responsible for verifying the accuracy or completeness of the Eligible Employees list and it will be the sole responsibility of Salik.

If any of the Eligible Employees participating in the Third Tranche have not provided his/her EOI prior to the date and time stipulated above, their subscription will be shifted to the First Tranche, and if any of the Eligible Employees participating in the First Tranche have provided his/her EOI prior to the date and time stipulated above, their subscription will be deemed accepted and forming part of the Third Tranche.

Subscription for Offer Shares would deem the Subscriber to have accepted the Articles of Association of the Company and complied with all the resolutions issued by the Company's general meeting. Any conditions added to the subscription application shall be deemed null and void. No photocopies of subscription applications shall be accepted. The subscription application should only be fully completed after reviewing the Prospectus and the Company's Articles of Association. The subscription application then needs to be submitted to any of the Receiving Bank's branches mentioned herein or through electronic channels (see "*Electronic subscription*").

The Subscribers or their representatives shall affirm the accuracy of the information contained in the application in the presence of the bank representative in which the subscription was made. Each subscription application shall be clearly signed or certified by the Subscriber or his or her representative.

The Lead Receiving Bank and Receiving Banks may reject subscription applications submitted by any Subscriber in the First Tranche and the Third Tranche for any of the following reasons:

- the subscription application form is not complete or is not correct with regard to the amount paid or submitted documents (and no Offer Participant takes responsibility for non-receipt of an allotment of Offer Shares if the address of the subscribers is not filled in correctly);
- the subscription application amount is paid using a method that is not a permitted method of payment;
- the subscription application amount presented with the subscription application does

not match the minimum required investment or the increments set for the First Tranche and the Third Tranche offers;

- the completed subscription application form is not clear and fully legible;
- the Manager's Cheque is returned for any reason;
- if the amount in the bank account mentioned in the subscription application form is insufficient to pay for the application amount mentioned in the subscription application form or the Receiving Bank is unable to apply the amount towards the application whether due to signature mismatch or any other reasons;
- if the NIN is not made available to the DFM or if the NIN is incorrect;
- if the subscription application is found to be duplicated (any acceptance of such duplicate application is solely at the discretion of the Company and the Selling Shareholder);
- if the subscription application is otherwise found not to be in accordance with the terms of the Offering;
- if the Subscriber is found to have submitted more than one application (it is not permitted to apply in more than one of the First Tranche, the Second Tranche or the Third Tranche, nor is it permitted to apply in any Tranche more than once), any acceptance of such duplicate / multiple application(s) is solely at the discretion of the Company and the Selling Shareholder);
- if the Subscriber is a natural person and is found to have submitted the subscription application other than in his or her personal name (unless he or she is acting as a representative for another Subscriber);
- a Subscriber has not adhered to the rules applicable to the First Tranche, the Second Tranche or the Third Tranche offers;
- if it is otherwise necessary to reject the subscription application to ensure compliance with the provisions of the Companies Law, the Articles of Association, this Prospectus or the requirements of the UAE Central Bank, the SCA or the DFM; or
- if for any reason FTS/SWIFT/Online Banking/Mobile Banking/ATM/Website subscription channels transfer fails or the required information in the special fields is not enough to process the application.

The Receiving Banks and the Lead Receiving Bank may reject an application for any of the reasons listed above at any time until allocation of the Offer Shares and have no obligation to inform the Subscribers before the notification of the allocation of Shares to such rejected Subscribers.

Documents accompanying Subscription Applications

Subscribers shall submit the following documents along with their subscription application forms:

For *individuals* who are UAE or GCC nationals or nationals of any other country:

- NIN details;
- The original and a copy of a valid passport or Emirates identity card; and
- In case the signatory is different from the Subscriber:
  - the duly notarized power of attorney held by that signatory or a certified copy by UAE-regulated persons/bodies, such as a notary public, or as otherwise duly regulated in the country;
  - the original passport/Emirates ID of the signatory for verification of signature and a copy of the original passport/Emirates ID; and
  - a copy of the passport/Emirates ID of the Subscriber for verification of signature; and
  - NIN details; or

- In case the signatory is a guardian of a minor, the following will be submitted:
  - Original and copy of the guardian's passport/Emirates ID for verification of signature;
  - Original and copy of the minor's passport; and
  - If the guardian is appointed by the court, original and copy of the guardianship deed attested by the court and other competent authorities (e.g. notary public).

For *corporate bodies* including banks, financial institutions, investment funds and other companies and establishments:

- UAE registered corporate bodies:
  - The original and a copy of a trade license or commercial registration for verification or a certified copy by one of the following UAE-regulated persons/bodies; a notary public or as otherwise duly regulated in the country;
  - The original and a copy of the document that authorizes the signatory to sign on behalf of the Subscriber and to represent the Subscriber, to submit the application, and to accept the terms and conditions stipulated in the Prospectus and in the subscription application form;
  - The original and a copy of the passport/Emirates ID of the signatory; and
  - NIN details.
- Foreign corporate bodies: the documents will differ according to the nature of the corporate body and its domicile. Accordingly, please consult with the Joint Lead Managers to obtain the list of required documents.

For individuals who are Eligible Employees participating in the Third Tranche:

- To submit their EOI along with their corresponding NIN details through the platforms provided;
- To submit an application with one of the Receiving Banks; and
- Passport/Emirates ID.

In case the signatory is different from the Subscriber:

- The duly notarized power of attorney held by that signatory or a certified copy by UAE-regulated persons/bodies, such as a notary public, or as otherwise duly regulated in the country;
- The original passport/Emirates ID of the signatory for verification of signature and a copy of the original passport/Emirates ID; and
- NIN details.

2. Method of subscription and payment for the First Tranche and the Third Tranche

Method of payment for the First Tranche and the Third Tranche

The subscription application must be submitted by a Subscriber to any of the Receiving Banks listed in this Prospectus and the NIN with the DFM and the Subscriber's bank account number must be provided, together with payment in full for the amount it wishes to use to subscribe for the Offer Shares, which is to be paid in one of the following ways:

- Certified bank cheque (Manager's Cheque) drawn on a bank licensed and operating in the UAE, in favor of "Salik Company P.J.S.C.";
- Debiting a Subscriber's account with a Receiving Bank; or
- Electronic subscriptions (please refer to the section on Electronic subscription below).

Details of the Subscriber's bank account must be completed on the subscription application form even if the application amount will be paid by Manager's Cheque.

The subscription amount may not be paid or accepted by a Receiving Bank using any of the following methods:

- In cash;
- Cheques (not certified); or
- Any other mode of payment other than mentioned above.

Please refer to Annex 2 for the Receiving Banks' participating branches.

Electronic subscription

E-subscription through the Receiving Banks and DFM - General Terms

Electronic subscriptions: The Receiving Banks may also have their own electronic channels (ATMs, Internet Banking, Mobile Banking applications, Website, etc.) interfaced with the DFM IPO system. By submitting the electronic subscription application, the customer submitting the application is accepting the Offering terms and conditions on behalf of the Subscriber and is authorising the relevant Receiving Bank to pay the total subscription amount by debiting the amount from the respective bank account of the customer and transferring the same to the Offer account in favor of "**Salik Company P.J.S.C.**" held at the Receiving Bank, as detailed in the subscription application. The submission of an electronic application will be deemed to be sufficient for the purposes of fulfilling the identification requirements and accordingly, the supporting documentation in relation to applications set out elsewhere in this Prospectus will not apply to Electronic Applications under this section. Notification of the final allocation of Offer Shares and the refund of proceeds for unallocated Offer Shares (if any) and any profit thereon following the closing of the Offer Period and prior to the Listing of the Shares shall be performed solely by, and processed through, the Receiving Bank in which the electronic subscription application was submitted.

Emirates NBD e-Subscription

Account holders with Emirates NBD Bank can subscribe via the bank's online internet banking and mobile application channel as well as through ATMs. Eligible persons can access Emirates NBD Bank's ATMs with their debit card, and online banking or mobile application using their relevant username and password (as is customary with these channels). This will be deemed sufficient for the purposes of identification and accordingly the supporting documentation in relation to application set out elsewhere in this Prospectus will not apply to electronic applications.

Subscribers without an Emirates NBD Bank account, who are either in the UAE or outside the UAE, can subscribe through the dedicated IPO website https://IPO.EmiratesNBD.com and pay through Online Banking via the UAE Central Bank Payment Gateway ("PGS") or through UAE Central Bank Fund Transfer ("FTS") or SWIFT.

In case of any issues or support, please contact the dedicated ENBD team through our call center 800 72545 476 (800 SALIK IPO).

Emirates Islamic Bank e-Subscription

Account holders with Emirates Islamic Bank can subscribe via the bank's online internet banking channel as well as through ATMs & Mobile application. Eligible persons can access the ATMs using their debit card, and internet banking accounts with their username and password (as is customary with electronic banking channels). This will be deemed sufficient for the purposes of identification with regard to their subscriptions.

Please note that non-Emirates Islamic Bank customers will not be eligible for subscription through Emirates Islamic Bank's electronic subscription channels.

In case of any issues or support, please contact the dedicated Emirates Islamic Bank IPO team through our call center 800 72545 476 (800 SALIK IPO).

First Abu Dhabi Bank ("FAB") e-Subscription

Access https://www.bankfab.com/en-ae/cib/iposubscription.

Refer to the "How to subscribe page" and follow the instructions and submit subscriptions for the First Tranche & Third Tranche.

FAB Mobile Banking application (For FAB Client)

If you need any support, please call FAB Call Centre No. 026161800

Abu Dhabi Islamic Bank ("ADIB") e-Subscription

ADIB's electronic subscription channels, including online internet banking, are accessible via ADIB's official website www.adib.ae and mobile banking app. These are duly interfaced with the DFM database and are only available to ADIB account holders.

ADIB account holders will access ADIB's electronic subscription channels with their relevant username and password and this will be deemed to be sufficient for the purposes of fulfilling the identification requirements.

ADIB account holders complete the electronic application form relevant to their tranche by providing all required details including an updated DFM NIN, an active ADIB account number, the amount they wish to subscribe for, and by selecting the designated brokerage account.

By submitting the electronic subscription form, the ADIB account holder accepts the Offering terms and conditions, authorizes ADIB to debit the amount from the respective ADIB account and to transfer the same to the IPO account in favor of the issuer account held at ADIB, as detailed in the subscription application.

ADIB account holders with a successful subscription automatically receive an acknowledgement of receipt by email and have to keep this receipt until they receive the allotment notice.

For any further queries, kindly contact us on +971 2 652 0878

Mashreq Bank e-Subscription

Mashreq Bank's Digital Journey will offer the functionality to existing Mashreq customers to digitally submit their IPO subscription requests, generate NINs with DFM & open brokerage account with Mashreq Securities real-time through one seamless journey via their Mashreq Mobile App. Eligible clients can also apply for up to 5 multiples of leverage through the same digital journey.

Non-Mashreq customers can avail the above by first opening their Mashreq NEO account instantly through the Mashreq NEO App.

For further clarifications please refer to https://mashreq.com/salik-ipo

For any further queries, kindly contact us on +971 4 424 4457

Dubai Islamic Bank e-Subscription

For any further queries kindly contact us on +971 4 609 2222

Ajman Bank e-Subscription

Ajman Bank account holders will be able to subscribe for the IPO via Online Banking and through the nominated participating Branches. Please login to https://www.ajmanbank.ae to subscribe through our online banking channel by following simple steps.

For any further queries, kindly contact us on 800 22

Abu Dhabi Commercial Bank ("ADCB") e-Subscription

Process Steps:

Step # 1 ADCB customers to visit the https://www.adcb.com/salik and click

IPO Subscription Link

Step # 2 Complete login authentication using UAE Pass or (Customer ID, Mobile Number and OTP)

Step # 3 Enter NIN Number

Step # 4 Select Broker, Enter Subscription Amount, Select Account and Submit.

For any further queries, kindly contact us on 600502030

Al Maryah Community Bank ("MBank") e-Subscription

Mbank UAE Mobile Banking Application

For applying through Al Maryah Community Bank LLC's MBank UAE app, access https://www.mbank.ae/IPO.

Refer to the section "How to subscribe" for instructions on subscribing through Mbank UAE app on your mobile device (the app is available for download on the Apple App store and Google Play).

Applicants can also issue DFM NINs from the Mbank mobile app.

Subscription applications through Al Maryah Community Bank LLC will only be accepted if made by UAE residents.

For any further queries, kindly contact us on 600 571 111

Commercial Bank of Dubai ("CBD") e-Subscription

The IPO will be open to all CBD account holders.

Account holders can login to their CBD online banking portal and submit their interest for the IPO. The dedicated team will then contact the client and complete the requirements including opening up of CBD FS brokerage account.

For any further queries, kindly contact us on +971 4 212 1895

Sharjah Islamic Bank ("SIB") e-Subscription

For any further queries, kindly contact us on +971 6 599 9999

DFM electronic subscription channels

The DFM will make its official website www.dfm.ae and the DFM mobile application available to Subscribers with a NIN registered on the DFM website www.dfm.ae or the DFM mobile application and holding a valid iVESTOR Card or hold an account with one of the banks based in UAE that are part of Central Bank of the UAE payment gateway for them to submit their electronic subscriptions to the Lead Receiving Bank via DFM available channels.

The Receiving Banks and DFM's licensed brokers may also have their own electronic channels (On-line internet banking applications, mobile banking applications, ATMs, etc.) interfaced with the DFM IPO system. By submitting the electronic subscription form the customer submitting the application is accepting the Offering terms and conditions on behalf of the Subscriber and is authorising the Receiving Banks or DFM to pay the total subscription amount by debiting the amount from the respective iVESTOR Card or the bank account of the customer and transferring the same to the IPO account in favor of "**Salik Company P.J.S.C.**" held at the Receiving Banks, as detailed in the subscription application. The submission of an electronic application will be deemed to be sufficient for the purposes of fulfilling the identification requirements and accordingly, the supporting documentation in relation to applications set out elsewhere in this document will not apply to electronic applications under this section. Notification of the final allocation of Offer Shares and the refund of proceeds for unallocated Offer Shares (if any) and profits thereon following the closing of the Offer Period and prior to the Listing of the Shares shall be performed solely by, and processed through, the Receiving Banks or DFM in which the original application for subscription was submitted.

In the event any of the Subscribers do not comply with this Prospectus, especially in relation to the electronic subscription, iVESTOR Card and Central Bank of UAE Payment Gateway, neither the DFM, the Founders, the Company, the Board, the Receiving Banks nor the iVESTOR Card issuing bank shall in any way be liable for the use of the electronic subscription facility by the customer of the bank or the Subscriber, the debiting of the customer account of the Receiving Bank, nor the debiting of the iVESTOR Card by the iVESTOR Card issuing bank or Central Bank of UAE Payment Gateway, in respect of all and any losses or damages suffered, directly or indirectly as a result of the electronic subscription facility and/or the iVESTOR Card.

Subscription applications may also be received through FTS mode. The investor choosing the FTS method will be required to provide their valid NIN with the DFM along with the value of Offer Shares subscribed for in the special instructions field.

Important dates relevant to the methods of payment of the subscription amounts

- Subscription amounts paid by way of Manager Cheque must be submitted before 1:00pm on 18 September 2022.
- Subscription amount paid by way of PGS, FTS and SWIFT must be submitted before 1:00 pm on 19 September 2022.
- Subscription applications received through ATM, Internet Banking, Mobile Banking and Website must be made before 1:00 pm on 20 September 2022.

Subscription amounts

Subscribers in the First Tranche must submit applications to purchase Offer Shares in the amount of AED 5,000 (UAE Dirhams five thousand) or more, with any subscription over AED 5,000 to be made in increments of AED 1,000 (UAE Dirhams one thousand). Subscribers in the First Tranche and the Third Tranche shall accordingly apply for an AED subscription amount which shall be applied towards purchasing Offer Shares at the Final Offer Price, rather than applying for a specific number of Offer Shares.

Final Offer Price

The offer price at which all the Subscribers will purchase Offer Shares will be at the Final Offer Price.

The Offer Shares will be sold in an initial public offer and the Final Offer Price will be determined by way of the application of a book building process, where an application orders' ledger will be created through the application orders made only by the Second Tranche Subscribers (see details of who may apply in the Second Tranche). Second Tranche Subscribers will be invited to bid for Offer Shares within the Offer Price Range using price sensitive orders (as in, by indicating application amounts that vary in size depending on price). The Joint Lead Managers will use the information on the extent of demand at various prices provided by these Second Tranche Subscribers to determine and recommend to the Company and the Selling Shareholder the Final Offer Price (which must be within the Offer Price Range) for all participants in the Offering.

The Shares of the Professional Investors must represent all of the Offer Shares used to calculate the Final Offer Price of the Offer Shares.

Subscription process

Subscribers must complete the application form relevant to their Tranche, providing all required details. Subscribers who do not provide the NIN with the DFM and a bank account number will not be eligible for subscription and will not be allocated any Offer Shares.

Subscribers may only apply in one Tranche. In the event a person applies in more than one Tranche, then the Receiving Banks and the Joint Lead Managers may disregard one or both of such applications.

The Receiving Bank through which the subscription is made will issue to the Subscriber an acknowledgement of receipt which the Subscriber has to keep until the Subscriber receives the allotment notice. One copy of the subscription application after being submitted, signed and stamped by the Receiving Bank shall be considered an acknowledgement for receipt of the subscription application. This receipt shall include the data of the Subscriber, address, amount paid, details of the payment method, and date of the investment. The acknowledgement in the case of Electronic Applications via online internet banking and ATM would provide basic information of the application such as NIN number, Amount, Date and Customer bank account details.

If the address of the Subscriber is not filled in correctly, the Company, the Selling Shareholder, the Joint Lead Managers and the Receiving Banks take no responsibility for non-receipt of such allotment advice.

3. Further information on various matters

Offer Period

Commences on Tuesday 13th September 2022 and closes on Tuesday 20th September 2022 for the First Tranche and the Third Tranche, and Wednesday 21st September 2022 for the Second Tranche.

Receiving Banks

- **Lead Receiving Bank:** Emirates NBD Bank P.J.S.C.
- **Receiving Banks:** A list of all Receiving Banks is attached as Annex 2 to this Prospectus.

Method of allocation of Offer Shares to different categories of Subscribers
Under the Regulations for Issuing and Offering of Public Joint Stock Companies issued by the SCA pursuant to Resolution No. (11/R.M. of 2016) (as amended from time to time), the Selling Shareholder will allocate the Offer Shares according to the allotment policy specified below.

Should the total size of subscriptions received exceed the number of Offer Shares, then the Selling Shareholder will allocate the Offer Shares according to the allotment policy specified below and will refund to Subscribers the excess subscription amounts and any earned profit resulting thereon.

Notice of Allocation

A notice to successful Subscribers in the First Tranche and the Third Tranche will be sent by way of SMS initially confirming the acceptance of subscription and number of offered shares allocated to them. This will be followed by a notice setting out each Subscriber's Share allocation, which will be sent by registered mail to each Subscriber in the First Tranche and the Third Tranche.

Method of refunding surplus amounts to Subscribers

By no later than 27 September 2022 (being within 5 (five)) working days of the Closing Date of the Second Tranche), the Offer Shares shall be allocated to Subscribers and, within f (five) working days of such allocation, the surplus subscription amounts, and any profit resulting thereon, shall be refunded to Subscribers in the First Tranche and the Third Tranche who did not receive Offer Shares, and the subscription amounts and any earned profit resulting thereon shall be refunded to the Subscribers in the First Tranche and the Third Tranche whose applications have been rejected for any of the above reasons. The surplus amount and any earned profit thereon are returned to the same Subscriber's account through which the payment of the original application amount was made. In the event payment of the subscription amount is made by certified bank cheque, these amounts shall be returned by sending a cheque with the value of such amounts to the Subscriber at the address mentioned in the subscription application.

The difference between the subscription amount accepted by the Company and the Selling Shareholder for a Subscriber, if any, and the application amount paid by that Subscriber will be refunded to such Subscriber pursuant to the terms of this Prospectus.

Inquiries and complaints

Subscribers who wish to submit an inquiry or complaint with respect to any rejected requests, allocation or refunding of the surplus funds, must contact the Receiving Bank through which the subscription was made, and if a solution cannot be reached, then the Receiving Bank must refer the matter to the Investor Relations Manager. The Subscriber must remain updated on the status. The Subscriber's relationship remains only with the party receiving the subscription request.

Listing and trading of Shares

Subsequent to the allocation of Offer Shares, the Company will list all of its Shares on the DFM in accordance with the applicable listing and trading rules as at the Listing Date being 29th September 2022. Trading in the Shares will be effected on an electronic basis, through the DFM's share registry, with the commencement of such trading estimated to take place after completion of the registration.

Voting rights

All Shares are of the same class and shall carry equal voting rights and shall rank pari passu in all other rights and obligations. Each Share confers on its holder the right to cast one vote on all Shareholders' resolutions.

Risks

There are certain risks that are specific to investing in this Prospectus. Those risks have been discussed in a section headed "*Investment Risks*" of this Prospectus and must be taken into account before deciding to subscribe in Offer Shares.

Emirates Investment Authority

The EIA shall be entitled to subscribe to up to 5% (five percent) of the Offer Shares, and the percentage of subscription which the EIA will purchase shall be allocated in full before the commencement of allocation. Shares allocated to the EIA under this preferential rights regime will be deducted from the total size of the Second Tranche. If the EIA does not exercise its preferential rights then its reserved portion shall be available to Second Tranche Subscribers for subscription.

Pensions and Social Security Fund of Local Military Personnel

The Fund shall be entitled to subscribe up to 5% (five percent) of the Offer Shares, and the percentage of subscription which the Fund will purchase shall be allocated in full before the commencement of allocation. Shares allocated to the Fund under this preferential rights regime will be deducted from the total size of the Second Tranche. If the Fund does not exercise its preferential rights then its reserved portion shall be available to Second Tranche Subscribers for subscription.

4. Timetable for subscription and Listing

The dates set out below outline the expected timetable for the Offering. However, the Company reserves the right to change any of the dates/times, or to shorten or extend the specified time periods, upon obtaining the approval of the appropriate authorities and publishing such change during the Offering period in daily newspapers.

Event	Date
Offering commencement date (The Offer Period for the First Tranche and Third Tranche shall continue for seven (7) business days, including Saturdays, for the purposes of accepting Subscribers' applications)	Tuesday, 13 September 2022
Closing Date of the First Tranche and the Third Tranche	Tuesday, 20 September2022
Closing Date of the Second Tranche	Wednesday, 21 September 2022
Announcement of Final Offer Price	Thursday, 22 September 2022
Allocation of First Tranche and the Third Tranche	no later than Tuesday, 27 September 2022
SMS notification of final allocations of the First Tranche and the Third Tranche	Tuesday, 27 September 2022
Commencement of refunds related to the surplus subscription monies, and any earned profit resulting thereon, to the First Tranche and Third Tranche Subscribers as well as commencement of sending emails or dispatch of registered mail relating to allotment of Offer Shares	Wednesday, 28 September 2022
Expected date of Listing the Shares on the DFM	Thursday, 29 September2022

5. Tranches

The Offering of the Offer Shares is divided as follows:

The First Tranche:

Size:	7% (seven percent) of the Offer Shares, representing 105,000,000 (one hundred and five million) Shares. The Selling Shareholder reserves the right to amend the size of the First Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the approval of the SCA. Any increase in the size of the First Tranche will result in a corresponding reduction in the size of the Second Tranche and/or the Third Tranche, provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% (sixty percent) of the Offer Shares and the subscription percentage of the subscribers in the First Tranche and the Third Tranche does not exceed 40% (forty percent) of the Offer Shares.
Eligibility:	First Tranche Subscribers, as described on the cover page of this Prospectus and the "*Definitions and Abbreviations*" section of this Prospectus.
Minimum application size:	AED 5,000 (UAE Dirhams five thousand) with any additional application in increments of AED 1,000 (UAE Dirhams one thousand).
Maximum application size:	There is no maximum application size.
Allocation policy:	In case of over-subscription in the First Tranche, Offer Shares will be allocated to First Tranche Subscribers pro rata to each Subscriber's subscription application amount based on the Final Offer Price. Applications will be scaled back on the same basis if the First Tranche is over-subscribed. Any fractional entitlements resulting from the pro rata distribution of Offer Shares will be rounded down to the nearest whole number. Shares will be allocated in accordance with the aforementioned allotment policy, based on the Final Offer Price. Each Subscriber will have a guaranteed minimum allocation of 1,000 (one thousand) Shares.
Unsubscribed Offer Shares:	If all of the Offer Shares allocated to the First Tranche are not fully subscribed, the unsubscribed Offer Shares shall be available to Professional Investors, or alternatively (in consultation with the SCA) the Selling Shareholder may extend the Closing Date for the First Tranche, the Second Tranche and the Third Tranche, and/or close the Offering at the level of applications received.

The Second Tranche:

Size:	92% (ninety two percent) of the Offer Shares, representing 1,380,000,000 (*one billion, three hundred and eighty million*) Shares.
Eligibility:	Second Tranche Subscribers, as described on the cover page of this Prospectus and the "*Definitions and Abbreviations*" section of this Prospectus.
Minimum application size:	The minimum application size is AED 1,000,000 (UAE Dirhams one million).
Maximum application size:	There is no maximum application size.

Allocation policy:	Allocations within the Second Tranche will be determined by the Company and the Selling Shareholder, in consultation with the Joint Lead Managers (excluding HSBC Bank Middle East Limited in connection with any Offering to natural persons). It is therefore possible that Subscribers who have submitted applications in this tranche may not be allocated any Shares or that they are allocated a number of Shares lower than the number of Shares mentioned in their subscription application.
Discretionary allocation:	The Company and the Selling Shareholder reserve the right to allocate Offer Shares in the Second Tranche in any way as they deem necessary.
Unsubscribed Offer Shares:	If all of the Offer Shares allocated to the Second Tranche are not fully subscribed, then the Offer will be withdrawn. If the Offer is withdrawn, the subscription amounts will be fully refunded to the Subscribers, along with any earned profits.

The Third Tranche:

Size:	1% (one) of the Offer Shares representing 15,000,000 (fifteen million) Shares. The Selling Shareholder reserves the right to amend the size of the Third Tranche at any time prior to the end of the subscription period at its sole discretion, subject to the approval of the SCA. Any increase in the size of the Third Tranche will result in corresponding amendments in the size of the First Tranche and/or the Second Tranche, provided that the subscription percentage of the subscribers in the Second Tranche does not fall below 60% (sixty percent) of the Offer Shares and the subscription percentage of the subscribers in the First Tranche and Third Tranche does not exceed 40% (forty percent) of the Offcer Shares in aggregate.
Eligiblity:	The Third Tranche Subscribers as described on the cover page of this Prospectus and the "*Definitions and Abbreviations*" section of this Prospectus.
Minimum application size:	AED 5,000 (UAE Dirhams five thousand) with any additional application in increments of at least AED 1,000 (UAE Dirhams one thousand).
Maximum application size:	There is no maximum application size.
Allocation policy:	In case of over-subscription in the Third Tranche, Offer Shares will be allocated to the Third Tranche Subscribers pro rata to each Subscriber's subscription application amount based on the Final Offer Price. Applications will be scaled-back on the same basis if the Third Tranche is over-subscribed. Any fractional entitlements resulting from the pro rata distribution of Offer Shares will be rounded down to the nearest whole number. Shares will be allocated in accordance with the aforementioned allotment policy, based on the Final Offer Price. Each Subscriber will have a guaranteed minimum allocation of 1,000 (one thousand) Shares.
Unsubscribed Offer Shares:	If all of the Offer Shares allocated to the Third Tranche are not fully subscribed, the unsubscribed Offer Shares shall be available to the First Tranche Subscribers, or alternatively (in consultation with the SCA) the Selling Shareholder may extend the Closing Date for the First

Tranche, the Second Tranche and the Third Tranche, or close the Offering at the level of applications received.

Multiple applications

A Subscriber should only submit an application for Offer Shares under one Tranche. In the event a Subscriber applies for subscription in more than one Tranche, the Receiving Banks and the Joint Lead Managers may deem one or both applications invalid.

Emirates Investment Authority

(Preferential allocation rights equal to 5% (five percent) of the Offer Shares)

5% (five percent) of the Offer Shares are reserved for the EIA, in accordance with the requirements of Article 127 of the Companies Law. Offer Shares allocated to the EIA under this preferential rights regime will be deducted from the total size of the Second Tranche. If the EIA does not exercise its preferential rights to apply for Offer Shares then those Offer Shares will be available to other Second Tranche Applicants for application.

Pensions and Social Security Fund of Local Military Personnel

(Preferential allocation rights equal to 5% (five percent) of the Offer Shares)

5% (five percent) of the Offer Shares are reserved for the Fund, in accordance with the requirements of Dubai Law No. 2 of 2022 concerning the subscription in shares of companies owned by the Government of Dubai. Offer Shares allocated to the Fund under this preferential rights regime will be deducted from the total size of the Second Tranche. If the Fund does not exercise its preferential rights to apply for Offer Shares then those Offer Shares will be available to other Second Tranche Applicants for application.

Important notes

Subscribers in the First Tranche and the Third Tranche will be notified of whether they have been successful in their application for Offer Shares by means of an SMS from the DFM through Dubai CSD.

Upon Listing of the Shares on the DFM, the Shares will be registered on an electronic system as applicable to the DFM through Dubai CSD. The information contained in this electronic system will be binding and irrevocable, unless otherwise specified in the applicable rules and procedures governing the DFM.

Subject to the approval of the SCA, the Company reserves the right to alter the percentage of the Offer Shares, which are to be made available to either the First Tranche, the Second Tranche or the Third Tranche.

Second Section: Key details of the Company

1. Overview of the Company

Name of the Company:	Salik Company P.J.S.C. A public joint stock company incorporated in Dubai; United Arab Emirates pursuant to Dubai Law No. 12 of 2022.
Primary objects of the Company:	1. To operate, manage and develop the traffic toll system exclusively within the Emirate of Dubai and apply the legislation governing the tariffs, including the Executive Council Resolution No. 19 of 2010, in accordance with the concession agreement entered into with the Roads & Transport Authority. 2. To manage, develop and operate the traffic systems, in accordance with the agreements entered into with the authorities concerned with the traffic systems in and outside the Emirate of Dubai. 3. To provide consultancy services in the field of traffic and toll systems. 4. To prepare studies related to the plans and locations of toll gates in the Emirate of Dubai in coordination with the RTA. 5. To invest in the field of traffic and toll systems.
Head office:	First Floor, Block C, RTA Headquarters, Al Garhoud, Marrakech Street Dubai, United Arab Emirates.
Details of trade register and date of engaging in the activity:	License No. 1073626, registered on 17 June 2022.
Term of the Company:	99 (ninety-nine) years
Financial Year:	1 January to 31 December
Independent Auditors:	PricewaterhouseCoopers (Dubai Branch) Building 5, Emaar Square P.O. Box 11987 Dubai UAE
Major bank dealing with the Company:	Emirates NBD Bank P.J.S.C.
Corporate Structure:	Please refer to Annex 3 of this Prospectus for details of the Company's corporate structure

Details of current Board Members

Name	Year of Birth	Nationality	Capacity
His Excellency Mattar Al Tayer	1958	Emirati	Chairman, Non-executive
Abdul Muhsen Ibrahim Kalbat	1967	Emirati	Vice-chairman, Non-executive
Maitha Bin Adai	1970	Emirati	Director, Non-executive
Mohammed Al-Mudharreb	1982	Emirati	Director, Non-executive
Ibrahim Al Haddad	1977	Emirati	Chief Executive Officer, Executive
Mohammed Abdulla Lengawi	1971	Emirati	Director, Non-executive
Mohammad Alhawi	1983	Emirati	Director, Non-executive

None of the Board members hold any memberships in the boards of directors of any joint stock companies in the UAE.

No bankruptcy ruling or a bankruptcy arrangement was issued against any member of the Board or members of the senior management of the Company.

None of the members of the Board or the Senior Management and their first-degree relatives own any shares in the Company.

Summary of the remuneration of the Board of Directors

As the Company has recently been incorporated, the Board of Directors will not receive remuneration from the Company prior to Listing.

2. **Business Description:**

Investors should read this section in conjunction with the more detailed information contained elsewhere in this Prospectus, including the financial and other information. Where stated, financial information in this section has been extracted from *"Annex 4 Financial Statements"*.

Overview

'Salik', meaning "open" or "clear" in Arabic, is Dubai's exclusive toll operator and currently consists of eight automatic toll gates utilising RFID technology throughout the heart of the Emirate of Dubai. The Company has rights to advanced technology, which it uses to optimise the free flow of traffic, as opposed to physical toll collectors or toll booths which would otherwise obstruct free traffic flow at highway speeds. Salik is maintained completely above the road from walkways inside the cladded gantries and requires no road closures for maintenance purposes. Salik also features the world's widest Open Road Tolling Zone at 40.3 (forty point three) mts spanning seven open road tolls in a single direction.

Salik does not require the use of cash—the toll amount is automatically deducted from a prepaid Salik toll account via a Salik Tag attached to a vehicle's windshield which users buy once they register their car with Salik. Salik's scanning technology automatically identifies each vehicle as it drives through a toll gate. Salik Tags may be purchased and re-charged at petroleum stations, as well as at various locations of over 15 leading banks. Users may also re-charge their accounts using selected websites and apps. Fines may be paid at various locations in Dubai and online.

As of 30 April 2022, Salik had 3.6 million (three million and six hundred thousand) registered vehicles, out of which 1.8 million (one million and eight hundred thousand) were Dubai vehicles.

Operation and management of the affiliated Toll Roads and Bridges is undertaken by the

RTA. Salik has, under the Concession Agreement, been granted the sole and exclusive concession rights to the eight toll gates and any future toll gates across the Emirate of Dubai. It is responsible for all aspects of the toll gates, including operations, maintenance and corporate services. However, the RTA has full and exclusive rights to use and manage Dubai's roads, including the Toll Roads and Bridges, as required for the operation and maintenance of the Company's own assets. It is also the RTA's responsibility to finance the construction and all reasonable costs incurred by the Company in relation to any new toll gates. The relationship between the Company and the RTA is governed under a series of agreements, including the Concession Agreement, which sets out, for example, the RTA's obligations to the Company with regards to operating and maintaining the Toll Roads and Bridges.

On 17 June 2022, the Salik Company P.J.S.C. was issued with its Trade Licence and commenced business. On 30 June 2022, the RTA transferred certain of the assets, rights and obligations relating to the Salik Tolling Business from the RTA to the Company pursuant to the Concession Agreement (the "Carve-out"). Prior to the Carve-out, the Salik Tolling Business operated as part of the RTA.

The Company's principal asset is the Concession Agreement with the RTA, which gives the Company the exclusive rights to operate current and future toll gates established across the Emirate of Dubai. The Concession Agreement is long-dated and includes a toll price uplift that can be used to offset inflation (and in case tariffs increases are not approved by TEC, there is a further mechanism to offset inflation by way of a reduction in the concession fee payable to the RTA by the Company, the concession fee, however, is capped at 25% (twenty five percent) of toll revenues and cannot be reduced below the floor of 15% (fifteen percent) of toll revenues for any given year) and a pre-agreed valuation and earn-out mechanism for new gates. The Concession Agreement's maturity date is 2071.

The following table sets out certain key financial and operating metrics of the Company for the periods indicated. For a reconciliation of certain of the Non-IFRS Measures to the nearest corresponding IFRS financial measure, see *"Third Section – Financial Disclosures"*.

	For the year ended 31 December			For period 1 January to 1 July	
	2019	2020	2021	2021	2022
		(AED `000, unless stated otherwise)			
Non-IFRS Financial Measures					
EBITDA[(1)]	1,653,237	1,111,116	1,386,575	637,410	800,065
EBITDA Margin[(2)]	83.7%	80.0%	81.9%	80.4%	84.7%
Cash Flow Conversion[(3)]	99.9%	100.2%	99.9%	99.9%	99.6%
Working Capital[(4)]	(165,321)	(235,229)	(78,095)	n/a[(7)]	(106,412)
Capital Expenditure[(5)]	1,343	2,853	1,209	400	3,161
Free Cash Flow [(6)]	1,721,017	1,179,196	1,232,739	614,339	824,975
Other operating measures					
Total Trips[(8)]	571 million	400 million	481 million	227 million	267 million
Revenue Generating Trips[(9)]	435 million	301 million	367 million	172 million	205 million
Discounted Trips[(10)]	130 million	95 million	111 million	53 million	58 million
Net Toll Traffic	441 million	305 million	370 million	174 million	209 million

Notes:

(1) EBITDA is Profit for the Year/period, excluding the impact of interest, tax and depreciation expense.

(2) EBITDA Margin is EBITDA as a percentage of revenue.

(3) Cash Flow Conversion is profit for the year plus loss on property and equipment disposal and depreciation expense, minus purchase of property and equipment divided by EBITDA.

(4) Working Capital is inventories plus trade and other receivables and advance to suppliers, minus trade and other payables and current portion of contract liabilities.

(5) Capital Expenditure is purchases of property and equipment.

(6) Free Cash Flow is net cash flows from operating activities less purchases of property and equipment and plus proceeds from the sale of property and equipment.

(7) Financial position as at July 2021 is not presented in this Prospectus.

(8) Total posted trips for period.

(9) Proportion of posted trips motorists get charged for ("Revenue Generating Trips"). The difference between total traffic minus discounted trips ("Net Toll Traffic") and Revenue Generating Trips is due to violations (which account for most of the difference) and unreconciled transaction trips, which are not include in the Revenue Generating Trips figure.

(10) Proportion of total trips to which a discounted rate is applied.

For more information on the Non-IFRS measures listed in the table above, see "Third Section: Financial Disclosures – Certain Non-IFRS Measures".

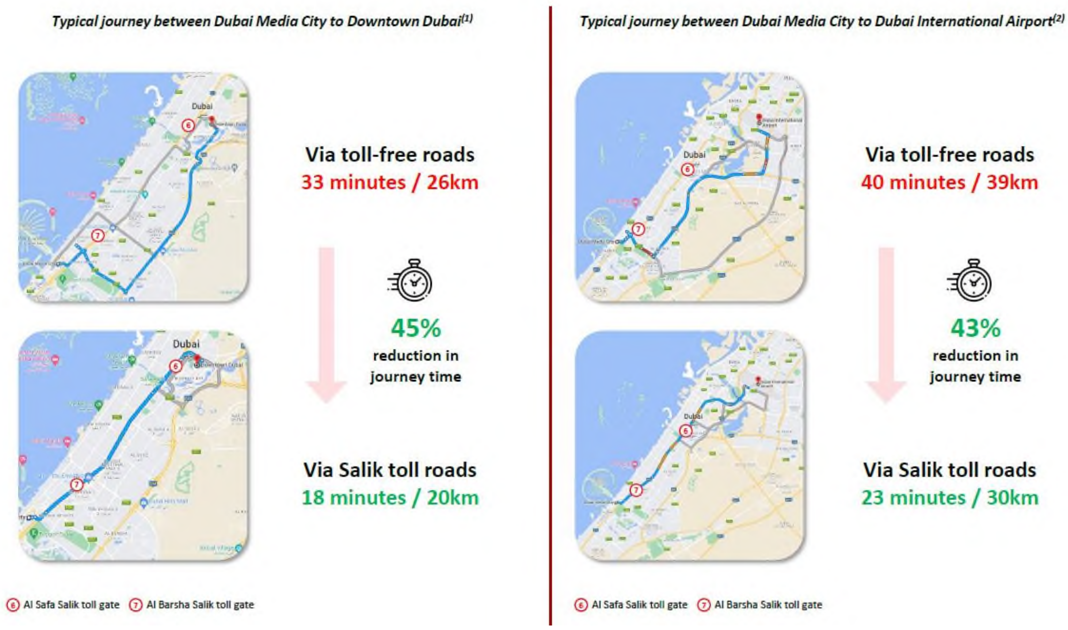
Competitive Strengths

The Company is the Sole Toll Operator for Dubai's Road Network

The Company is the sole toll operator in Dubai. Currently, it exclusively operates eight toll gates located throughout Dubai through a 49 (forty-nine) year Concession. Salik will also exclusively operate any toll gates created after the Offering across the Emirate of Dubai. Six of the toll gates are located on Route E11, also known as "Sheikh Zayed Road" in Dubai. It is the longest road in the Emirates and considered the main artery of the city of Dubai, connecting its main business and commercial hubs including Dubai International Financial Centre (the "**DIFC**"), Downtown Dubai, Dubai Marina, Jebel Ali and other key locations, that serve as the backbone of Dubai's commercial, industrial, and tourist activity. In addition, Sheikh Zayed Road is considered a critical infrastructure because it connects different Emirates and provides access to Abu Dhabi (the Capital of the UAE) and Sharjah (the second most populous Emirate in UAE after Dubai).

Private cars remain the most preferred mobility mode in Dubai; 61% (sixty-one percent) of people in Dubai use private cars, as compared with 14% (fourteen percent) that use public transportation and 13% (thirteen percent) that walk. A number of Dubai's structural features render it conducive to private cars, including: (i) widespread neighbourhoods with indirect connections to public transport routes (e.g. Dubai Metro), (ii) low taxi fares compared to international standards, (iii) wide-spread corporate car allowance policies with about 54% (fifty-four percent) of companies in the UAE providing a corporate car or car allowance, (iv) low cost of purchasing and maintaining a car, and (vi) hot climate that pushes commuters to avoid walking from public transport to destination. These factors contribute to the view that public transportation alternatives are not competitive with private vehicle transportation and results in vehicle penetration in Dubai among the highest in the world with 540 (five hundred and forty) vehicles per 1,000 (one thousand) inhabitants. Historically, the opening of new Dubai Metro lines and the Dubai Tram had a limited effect on the Company's Net Toll Traffic. For example, when the Dubai Metro Red Line opened in 2009, the Company's Net Toll Traffic was 192 million (one hundred and ninety-two million), as compared to 187 million (one hundred and eighty seven million) and 194 million (one hundred and ninety-four million) in 2010 and 2011, respectively.

Salik's toll gates are located at strategic junctures, bridges and other high traffic areas throughout Dubai. This reduces the availability of alternative routes and meaningfully reduces commute time, resulting in lower elasticity of demand for the toll gates. Running several live algorithms based on a typical trip between 2 (two) of Dubai's most populated business centres (Dubai Media City to Downtown / Dubai International Airport) showed that the toll roads helped save on average 44% (forty-four percent) of journey time compared to toll free roads. This, among other things, translates into Salik having a 92% (ninety-two percent) customer satisfaction rate.



Strong Growth Momentum, Benefiting from Dubai's Ambitious Expansion Plans and Own Organic Growth Initiatives

In the mid-1990s, following a decline in oil production, Dubai sought to diversify its economy. Today, Dubai is recognised as a hub for real-estate, tourism, trade and is often seen as the financial capital of the UAE, with limited reliance on oil and gas (approximately 1% (one percent) of GDP). The UAE, particularly Dubai, has a track record of delivering long-term stable growth with its vibrant economy and agile management methods. UAE GDP increased by 4.1% (four point one percent) CAGR between 2015-2019, compared to developed countries growth of 3.4% (three point four percent), with GDP per capita increasing by 2.6% (two point six percent) CAGR during the same period. The UAE population has also experienced strong growth in disposable income, growing at a 6.5% (six point five percent) CAGR between 2015-2019, compared to developed countries growth of 3.4%, (three point four percent) which contributed to an increase in discretionary consumer spending. With a solid underlying credit profile, high credit ratings and a competitive tax environment, the UAE is rated Aa2 stable by Moody's and AA- stable by Fitch. Dubai's population growth is mainly driven by job growth, given that 90% (ninety percent) of its residents are non-UAE nationals.

Dubai has consistently been one of the best places in the world to travel to live and do business in, and the 3rd best city for expats to live and work in according to InterNations. The UAE also recently allowed up to 100% (one hundred percent) foreign ownership of certain companies, facilitating foreign direct investment. Further, in 2000, Dubai was the first Emirate to open up its property market to foreign ownership. To attract expats to reside in the UAE, the Government of Dubai has undertaken various initiatives including (i) the creation of several new visa schemes to attract and retain expatriate talents (such as the path to citizenship; extension of long-term "Golden Visas" to retain talent; and other visa and residency schemes to facilitate business (business visa), develop culture (cultural visa) and attract retirees (retirement visa)) and (ii) the implementation of social reforms to make the country more appealing for foreigners (such as changes in divorce and inheritance procedures; the decriminalisation of unmarried cohabitation and alcohol consumption; and creating a more welcoming environment for other religions by, for example, building non-Islamic places of worship and hosting the first ever Papal visit to the Gulf).

Dubai has achieved a unique fast-tracked development over a span of 50 (fifty) years with approximately 3.5 million (three million, five hundred thousand) Dubai residents and 4.5 million (four million, five hundred thousand) active daytime population as of 31 December 2021 and is expected to achieve 71% (seventy-one percent) population growth from 2020 through 2040. 37% (thirty-seven percent) of the total UAE population currently reside in Dubai. Dubai is home to one of the world's largest and most visited shopping malls and the largest international airline. Dubai also hosts the world's busiest airport by international passengers, welcoming approximately 16.7 million (sixteen million, seven hundred thousand) visitors as of 2019 and expecting 25 million (twenty-five million) visitors by 2025. In 2022, Dubai was rated the top travel destination in the world, offering 138,000 (one hundred and thirty-eight thousand) hotel rooms and boasting one of the world's highest hotel occupancy rates at 67% (sixty-seven percent). In 2025, tourism levels are expected to grow by approximately 200% (two hundred percent) from 2010.

Dubai is also undertaking various initiatives to increase its population, including the Dubai 2040 Urban Master Plan where it is focusing on developing and investing in 5 (five) main urban centres, 3 (three) of which are linked via Sheikh Zayed Road with existing toll gates in place; (i) Deira/Bur Dubai, (ii) Downtown/Business Bay and (iii) Dubai Marina/JBR. The Dubai 2040 Urban Master Plan is also expected to increase land areas for hotels and tourism by 134% (one hundred and thirty-four percent) as well as an increase in residents and daytime population to 5.8 million (five million, eight hundred thousand) and 7.8 million (seven million, eight hundred thousand) respectively by 2040. In addition to infrastructure development, there is an extensive roster of events to further drive tourism with plans to host 400+ (four hundred plus) global events p.a. by 2025, backed by the evident success of Expo2020 where over 24 million (twenty-four million) visitors were recorded throughout the 6-month long event.

Due to limited hydrocarbon reserves, over 95% (ninety-five percent) of Dubai's economy is non-oil-based, with tourism contributing 20% (twenty percent) of the GDP. Dubai lifted its COVID-19 lockdown earlier than the other Emirates and other countries in the region, and it was successful in implementing tangible measures to drive economic recovery of tourism and other key sectors. Being one of the first travel destinations to reopen and obtaining a 97% (ninety-seven percent) vaccination rate demonstrates that Dubai's handling of the COVID-19 pandemic has been successful. As a result of its response to COVID-19, the UAE has been placed first in the Pandemic Resiliency Index 2022 and voted #1 on the global list of Tripadvisor Travellers' Choice Awards for Best Global Destination.

Given multiple growth factors, such as Dubai's evident robust economic growth, the addition of new toll gates, and population expansion, the Company's Net Toll Traffic CAGR from 2013 through 2019 was 5.5% (five point five percent). The Company's Net Toll Traffic grew from 319 million (three hundred and nineteen million) trips in 2013 to 412 million (four hundred and twelve million) trips in 2018. For the years ended 31 December 2019, 2020 and 2021, the Company's Net Toll Traffic was 441 million (four hundred and forty-one million), 305 million (three hundred and five million) and 370 million (three hundred and seventy million), respectively, with the decrease in 2020 and 2021 due to the effects of COVID-19.

Salik is an attractive platform for further expansion with additional levers. Most notably, the Company has the exclusive right to acquire and operate any future toll gates in Dubai. The Company also has the ability to bid for tenders in other Emirates or abroad that would be value accretive for shareholders. Other potential future additional revenue streams include (i) advertisement (in-app and on toll gates), (ii) monetisation of data and (iii) consulting services in the region. There is also the potential to benefit from dynamic pricing in the future (subject to TEC approval), which could increase tolling revenue.

Well-invested and Technologically Advanced Core Infrastructure Asset

Dubai's road network is the backbone of its economic development, and the Government of Dubai is committed to continue maintaining high standards for its transportation infrastructure assets, having invested AED 123 billion (UAE Dirhams one hundred and twenty three billion) in its development and maintenance from 2006 through 2021. The total length of roads in Dubai has grown from 16,806 (sixteen thousand, eight hundred and six) (lane-km) in 2017 to 18,255 (eighteen thousand, two hundred and fifty-five) (lane-km) in 2020, and is expected to reach 18,543 (eighteen thousand, five hundred and forty-three) (lane-km) in 2026. The UAE has consistently ranked as the country with the highest quality of roads worldwide, with a road quality score of 6.4 (six point four). 95% (ninety-five percent) of expatriates in Dubai rate the infrastructure for cars positively. Dubai's transportation infrastructure has also been recognised with the following awards: GovTech Innovation Awards 2021, Stevie International Awards 2022, Global Good Bronze Award 2021, and IRF Global Road Achievement Award 2021. The Government of Dubai is expected to continue to maintain the current infrastructure and develop further as the economy and population grows. The RTA was allocated a budget of AED 5 billion (UAE Dirhams five billion) in the Government of Dubai's 2022-2024 budget in support of this goal.

The RTA intends to continue developing the Emirate's infrastructure to ensure that it is able to sustain the strong growth expected in Dubai, driven by economic and population growth. The RTA is also incentivized to support the growth of Salik. The concession fee will contribute to the RTA's and the Government of Dubai's budget that is earmarked for the development of the overall infrastructure of Dubai. Hence, it is expected that the asset and supporting infrastructure (such as, Toll Roads and Bridges) are going to be maintained and managed to ensure the asset's economics are maximised to achieve Dubai's growth agenda. The Company is the sole exclusive operator of the Salik toll gates pursuant to the Concession Agreement, with new gates being added under its perimeter as per an agreed mechanism embedded in the Concession Agreement.

Salik toll gates utilise Radio Frequency Identification (RFID) technology to detect vehicles passing through its gates and scans each vehicle's Salik Tag. They operate with no batteries or moving parts and are intended to last the lifetime of a windshield. Salik Tags work in all weather conditions and vehicle speeds and offers highly accurate and reliable method of identifying vehicles.

Salik's free flow tolling system enabled by RFID technology operates at highway speeds with no plazas, booths, collectors or other impediments to traffic flow. Salik toll gates are maintained completely above the road from walkways inside the cladded gantries and requires no road closures for maintenance purposes. The Salik system is supported by 2 (two) key characteristics that ensures non-payments are minimised; (i) Salik balances are pre-paid in advance which structurally lowers risk of non-payments and (ii) Salik is linked to the user's vehicle registration card, which reduces the risk of non-payment given integration with the traffic department centres that enables the RTA to require payment of fines related to toll violations at the time of Dubai-only registered cars' annual registration renewal. For other Emirates, the collection is administered through an agreement with the relevant commission authorities.

Favourable Regulatory Framework Creating Significant Downside Protection While Enabling for Future Growth

The Company's regulatory framework helps ensure alignment between its various stakeholders. While the RTA will seek to maintain the infrastructure required for the broader development of Dubai, the Concession Agreement incentivises the RTA's support of the Company's development. For the Company, reduced uncertainty around future tariff rates encourages it to invest in the maintenance of a high-quality asset base, as well as future growth, in order to maximise its returns.

Capital Expenditure-Light Business Model Resulting in High Cash Conversion Levels and Best-in-Class Operating Margins

The Company's business model is capital expenditure-light in nature; it operates the toll gates by way of the Concession Agreement, but the associated infrastructure (including the Toll Roads and Bridges) will continue to be operated by the RTA. The Company's capital expenditures were AED 400,000 (UAE Dirhams four hundred thousand) and AED 3,161,000(UAE Dirhams three million, one hundred and sixty-one thousand) for the period 1 January 2021 to 1 July 2021 and 1 January 2022 to 1 July 2022, respectively, and AED 1,343,000(UAE Dirhams one million, three hundred and forty-three thousand), AED 2,853,000(UAE Dirhams two million, eight hundred and fifty-three thousand) and AED 1,209,000 (UAE Dirhams one million, two hundred and nine thousand) for the years ended 31 December 2019, 2020 and 2021, respectively.

In addition, (i) the expansionary capital expenditure required to develop the road networks / toll gates and (ii) the maintenance capital expenditure required for existing and new road networks are fully borne by the RTA. This results in high visibility on future cash conversion and superior margins compared to global infrastructure concessionaire peers who exhibit lower adjusted margins pre concession fee and cash conversion.

The Company's capital structure has been optimised to be fit-for-purpose, providing the Company with the financial flexibility to optimise debt servicing costs, while ensuring an adequate and stable dividend stream is resilient and maintained through potential economic slowdowns. The Company currently has the debt capacity and operational cash flow to fund the valuation amount of potential future gates. In addition, as most revenues are collected from prepaid accounts, the Company benefits from favourable negative net working capital dynamics, which also contributes to the high cash flow generation of the Company.

Forward Thinking Organisation with a Sustainable Agenda Aligned with Dubai's ESG's Goals

The UAE has publicly committed its support to the Paris Agreement to combat climate change and submitted its first Nationally Determined Contribution (NDC) in 2015. Under this NDC declaration, the UAE agreed to increase clean energy contributions to the total energy mix from 0.2% (zero point two percent) in 2014 to 24% (twenty-four percent) by 2021, bring about improvements in energy intensive industries and the oil and gas sector, and increase energy and water efficiency.

Since then, the UAE has taken a decision to set long-term goals to address the climate change agenda and by 2020 it had invested more than US$40 billion (United States Dollars forty billion) in local clean power projects. Further, the UAE became the first country in the Arab world to commit to net zero carbon emissions by 2050.

The Company is aligned with Dubai's green energy transition due in part to its free-flow toll gate system which reduces congestion by reducing starting and stopping, thereby helping to lower emissions. Dubai was ranked 230th (two hundred and thirtieth) among congested cities despite having one of the highest vehicle densities globally. The

Company has been incentivising sustainable mobility via subsidies. For example, the Company provides electric vehicles activated Salik Tags at no cost. Electric vehicle owners are still required to top up their tags and pay the tolls for trips. The Company has also committed to installing solar power capabilities over the next few years with the Jebel Ali gate currently the first gate that utilises solar power for approximately 15% (fifteen percent) of its power requirements. The Company expects that any future gates built will also have solar power capabilities.

In line with its commitment to contribute to the broader community, by leveraging its position and asset base, the Company has exempted various key groups from paying any toll fees. These groups include (i) vehicles transporting government employees or students, (ii) vehicles belonging to the armed forces, UAE Ministry of Defence, police forces, civil defence, ambulance, UAE Ministry of Interior, or the UAE State Security Agency, (iii) vehicles belonging to persons with disabilities, including vehicles of specialised centres for persons with disabilities and (iv) vehicles belonging to charitable or non-profit organisations. For more information, see "*Business Description — Tariffs*" below. The Company has also implemented a focus on human capital by ensuring equality and inclusivity through training and development programs. Its customer service was awarded the "Helpdesk of the Year" award for 2021 with a customer satisfaction rate of approximately 92% (ninety-two percent).

Strategies

New Toll Gates: Strategically expand the network of toll gates to cover high-traffic routes while optimising the traffic flow

With eight gates built in a span of 11 (eleven) years, the Directors believe that the Salik Tolling Business has demonstrated its ability to meet the government's traffic management goals whilst offering Dubai motorists a seamless mobility experience. Additionally, the creation of 5 (five) interconnected urban centres in Dubai (as per the 2040 Urban Master Plan) to meet the needs of Dubai's fast-growing population will create traffic on new roads, and historically, new gates were added in line with population growth.

Pursuant to the Concession Agreement, the Company will be the sole and exclusive toll operator of the current toll gates, with the obligation to pay the RTA a concession fee. The Company will also be the exclusive toll operator for all future toll gates installed by the RTA for the full length of the Concession Agreement, which expires in 2071. The Company will focus on capitalising on data generated as part of its operations to continually provide the RTA with up-to-date insights on traffic flow within Dubai. This will ensure any decision-making process is well-informed, especially in relation to new gate additions designed to optimise traffic flow within Dubai's main traffic arteries.

The Company will also continually invest in its operation in order to seamlessly integrate new gates into its existing portfolio, allowing the Company to immediately bring them online once construction is complete. A new gate typically takes approximately 9 to 10 (nine to ten) months from conception to become operational, and new gates are typically announced 3 to 6 (three to six) months prior to operation. The Company expects the cost for a new gate to be between AED 20 million (UAE Dirhams twenty million) to AED 30 million (UAE Dirhams thirty million) depending on the number of lanes at the selected location. Because this amount is paid over the course of 10 to 12 (ten to twelve) months, as the Company incurred the cost, it will invoice the RTA and collect a cost plus 10% (ten percent) from the RTA (as per the Concession Agreement). Once a new gate is operational, the Company would anticipate traffic usage to ramp up over the course of three (3) to four (4) years.

The Company intends to work closely with the RTA during the construction of all future gates to ensure specifications and design reflects: (i) latest technology leveraging its continual investment in innovation and (ii) operational learnings gathered as part of its experience in operating existing gates. Following the implementation of any new gates, the RTA will continue to monitor travel time reduction on the concerned road section or corridor and travel time index on the same location.

ESG Focus: Implement green practices, provide socially beneficial incentives and ensure strong corporate governance

The Company acknowledges its role and responsibility to incorporate sustainable practices in its operations, in alignment with the Dubai's committed sustainability goals.

The Company is committed to enhancing green energy solutions, with plans to install solar power capabilities in all existing toll gates over the next few years. In addition to that, the Company has been focused on its digital transformation by transitioning into a paperless organisation, which helps it save 4.9 (four point nine) tons of CO_2 annually. All Salik services are available online, and 99% (ninety-nine) of Salik customers have adopted digital self-services (via the Salik app or online) over going to a customer service centre to buy or recharge their Salik Tags.

The Company also plans, and has a budget approved, to install solar power capabilities in all existing toll gates over the next few years and is committed to reducing its carbon footprint (in line with Dubai's goal of achieving net zero emissions by 2050). To support this goal, the Company aims to continue to promote Salik smart channels (its app, website and chatbot) over its service centres, as each transaction made through a Salik smart channel instead of the service centre saves 12 (twelve) kg of CO_2 emissions.

The Company is also committed in promoting and incentivising a transition to more sustainable modes of vehicle transportation. For example the Company provides electric vehicles activated Salik Tags at no cost. Electric vehicle owners are still required to top up their tags and pay tolls for trips. Further, the Company has implemented a strict ESG screening for all potential vendors.

The Company enjoys a 92% (ninety-two percent) customer satisfaction rate, which is a result of the Company's strategy to ensure it continuously focuses on enhancing its brand image by providing top-notch customer service and a seamless experience across each customer's journey. Furthermore, the Company's free-flow gates help reduce traffic congestions at toll gates and save fuel.

The Company believes developing its human capital is the foundation for sustainable growth and prosperity and is focused in promoting equality and inclusivity through training and development programs. The Company also plans to incorporate specific hiring practices to help promote equality and inclusivity. As at the date of this Prospectus 8 (eight) nationalities are represented among total Salik employees. The Salik Tolling business has enjoyed a high employee retention rate, with over a decade of tenor among the Salik toll operations team.

Effective governance is key to the development of the Company and achievement of its strategy. The Company aims to implement a robust corporate governance framework, with transparent reporting and adequate measures in place to ensure all related party arrangements are done at an arm's length basis. The Company will have 2 (two) non-RTA independent directors and the CEO serving on its board, as well as independent audit and remuneration committees.

The Company is committed to transparency and intends to disclose summaries of the key agreements that govern its operations, such as the Concession Agreement.

Revenue Diversification: Addition of other potential revenue streams including advertisements, data monetisation, and consulting services

In addition to a favourable regulatory framework that allows the Company to continue to grow within Dubai, in part by ensuring that all future Dubai toll gates will be within its perimeter, the Company is also focused on diversifying its revenue base and re-investing its cash into accretive opportunities for shareholders. The Company aims to leverage its technology and operational expertise to expand within Dubai to areas that complement its existing service offering and pursue other revenue streams which are not in competition with the RTA to the Company. Some complementary avenues the Company could explore, subject to technical and commercial feasibility, as part of its revenue diversification efforts are:

- Advertisements

The Company has the potential to include in-app advertisements and advertising on its gates, which are located in strategic junctures within Dubai. Approximately 1.6 million (one million, six hundred thousand) vehicles pass through the eight Salik toll gates every day, and there are approximately 2.2 million (two million, two hundred thousand) total registered active Salik customers, approximately 1 million (one million) of which are registered online users. The Company's website attracts approximately 1.2 million (one million, two hundred thousand) visitors per month as at the date of this Prospectus. The

Company sells approximately 600,000 (six hundred thousand) Salik Tags and approximately 2 million (two million) recharge cards annually. The Salik app, website and toll gates could be used for advertising, provided there is white space available and subject to feasibility studies (technical, legal, financial, etc.).

- Data monetisation

The Company will also look to monetise the data it collects as part of its operations, which can provide invaluable insights on traffic flow within Dubai. The Company will aim to partner with retailers and other businesses to offer Salik clients customised offers and opportunities based on data collected per user through electronic Salik Tags/stickers and the Salik app. The Company could also partner with local businesses and set up offers and marketing strategies that are linked to where the customer is and what gate they are passing through every day on the Salik app. Supporting this strategy is the Company's fully-integrated app and access to location and habits of customers. The Company has the ability to interact with its clients through its app, and data such as mobile, trip transaction details (date, time, location and traffic count) and vehicle details could be monetised. Application Programming Interfaces for fleet and car rental companies enable them to use Salik trip details for easier customer billing and fleet management.

- Consulting services

The Company aims to leverage its expertise and experience in free flow tolling systems by offering consulting services to other major cities in the region looking to implement similar systems. As at the date of this Prospectus, there are very few tolling services in the region in general. The Directors believe that the Company has the know-how and talent to sell its services should the opportunity arise. The Company considers consulting services to be a medium-term target for which it would look to leverage its existing partners to being with (for example, TransCore).

- Dynamic pricing

The Company also has the potential to benefit from dynamic pricing in the future. The RTA could implement dynamic pricing through optimizing the toll rates depending on the time of the day, for example, by charging a higher toll fee for specific lanes or during peak hours. Dynamic pricing may be studied and implemented by the RTA (based on approval from the TEC), which could potentially increase tolling revenue, based on similar implementations elsewhere globally such as the Dallas-Fort Worth LBJ Express, the Singapore Electronic Road Pricing System and the Stockholm Dynamic Congestion Zone and Bridge Tolls. A whole network approach would allow for a dynamic system tailored to reduce congestion in specific areas and times in Dubai. The Directors believe Company's technology integration through its app and gates would make the transition to a dynamic system relatively easy. An amendment or addendum to the Concession Agreement would be required in order to implement dynamic pricing, along with an approval from the TEC.

The Company's management will also continue to focus on adding value to shareholders by ensuring the strong cash generated from its operations is (i) paid to shareholders to ensure a sustainable and stable stream of income and (ii) re-invested in accretive opportunities where it could add value and generate future growth and capital appreciation.

Technological Innovation: Develop and adopt the latest technological innovations in tolling operations

The Company's current technology is considered best-in-class, integrated and 'custom-built' to be fit-for-purpose to ensure superior operating performance. The Company will continue to prioritise investing in technology to ensure it is a pioneer of tech-enabled innovation in the sector. Investing in technology materially helps improve the reliability of the Company's operations and also enables potential future revenue streams.

The Company is focusing on leveraging its position as sole and exclusive operator of toll gates in Dubai to invest in its data analytics infrastructure to be able to further profit from its data to serve a wider group of clients.

History of the Company

The RTA was established in the Emirate of Dubai, UAE under decree no. 17/2005 issued by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, the Ruler of Dubai, on 1 November 2005. The RTA was formed to develop solutions for Dubai's transportation needs and manage the roads and traffic systems. Salik toll was launched by the RTA on 1 July 2007 with the introduction of two toll gates, 1 (one) near Al Garhoud Bridge (Al Garhoud gate) and 1 (one) at Al Barsha (Al Barsha gate) near Mall of the Emirates on Sheikh Zayed Road. In September 2008, 2 (two) more gates were installed on Maktoum Bridge (Maktoum gate) and at Al Safa (Al Safa gate), followed by 3 (three) additional gates activated in April 2013– 2 (two) on either side of Al Mamzar Intersection on Al-Ittihad road (Al Mamzar North gate and Al Mamzar South gate) and 1 (one) at the Dubai Airport Tunnel (Airport Tunnel gate). The Jebel Ali gate was added on Sheikh Zayed Road in October 2018, and, as of the date of this Prospectus, there are a total of 8 (eight) Salik toll gates in Dubai.

In November 2021, following the Government of Dubai's direction and a decision by the RTA's senior management, the RTA announced their intention to separate (the Carve-Out) and list Salik, the RTA's tolling system business. On 15 June 2022, the Company was incorporated in the Emirate of Dubai, under the laws of the UAE pursuant to Dubai Law No. 12 of 2022 concerning the establishment of Salik Company P.J.S.C. On 30 June 2022, the RTA entered into a Concession Agreement with the Company, whereby the Company was granted the exclusive right to operate, and collect the revenue generated by, the toll gates in Dubai.

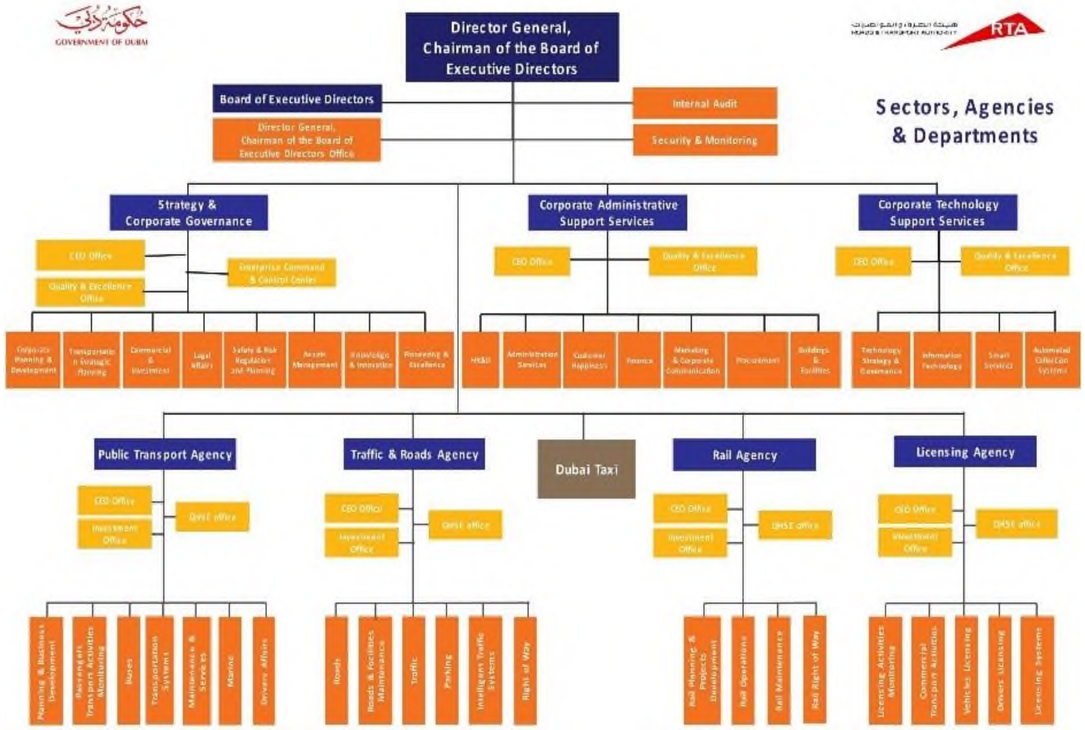
Reorganisation

The Carve-Out

The carve-out of the Company from the RTA consisted of several steps as set out in the table below:

No.	Action	Date
1.	Issuance of the Salik Incorporation Law.	11 June 2022
2.	Approval by the TEC of the Board composition of the Company.	23 July 2022
3.	Approval by the TEC of the Articles of Association.	30 June 2022
4.	Issuance of incorporation documents and certificates.	17 June 2022 – Issuance of Trade License
5.	Appointment of management team and transfer of employees.	July 2022
6.	Availing a multi-tranche murabaha financing from ENBD and other participating financial institutions.	30 June 2022
7.	Receipt of Company exemptions from certain provisions of the Commercial Companies Law by the Cabinet of Ministers.	30 August 2022
8.	Novation of RTA contracts with certain counterparties to the Company (including without limitation, the TransCore Agreement) / entry into certain service contracts by the Company / amendments of RTA contracts with certain counterparties extending the scope of existing services to include the Company.	By 2 September 2022
9.	Effective Date of the Concession Agreement and the TSA.	1 July 2022
10.	The SCA approval for IPO.	31 August 2022

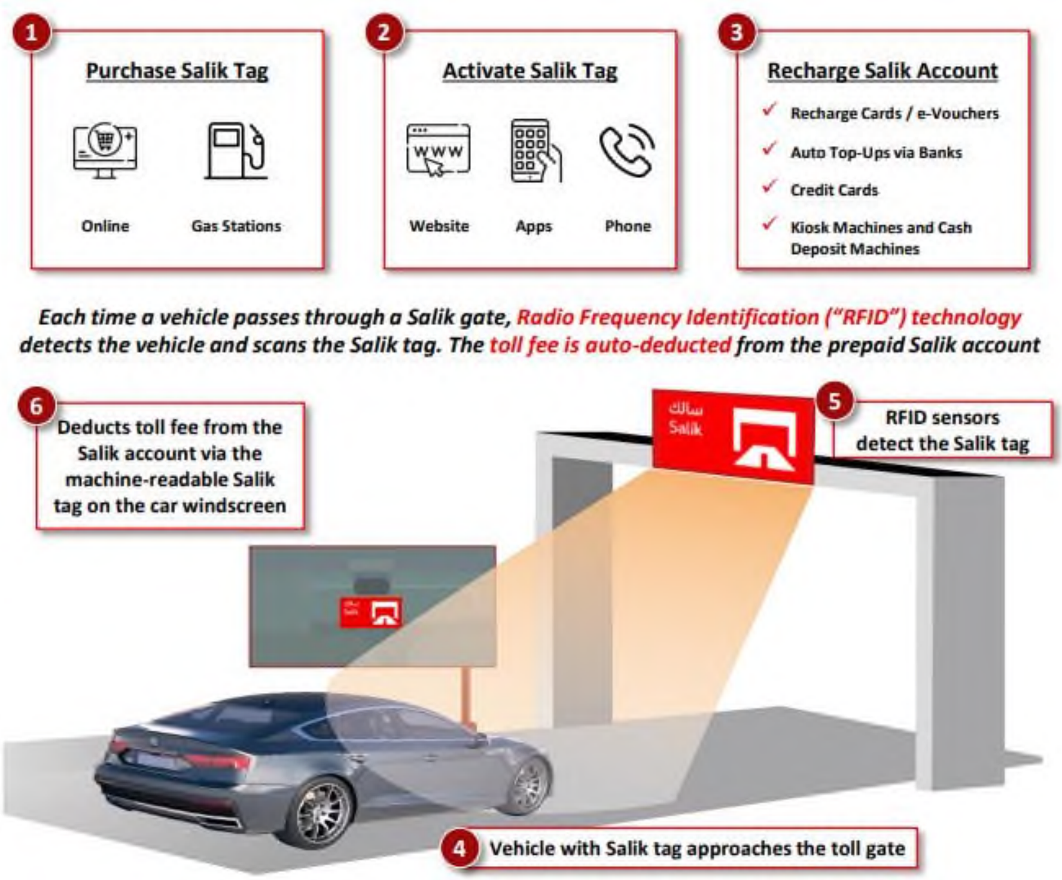
The chart below sets out the sectors, agencies and departments of the Government of Dubai, including the RTA.



Business

The Company is responsible for the Salik toll gate operations, the maintenance of assets required for the Salik tolling operations and the design and implementation of new toll gates in Dubai. Salik may also submit to the RTA tariff increase proposals on an annual basis, which the RTA can then raise with the TEC at its discretion. The physical assets that comprise the toll gates (including the toll gates, camera generators, gantry equipment, scanners (RFID reader), antennae, Salik Tags and other Salik-related equipment) are owned by the RTA, but the Company has rights to such physical assets for the duration of the Concession Agreement.

Salik offers a seamless customer experience using RFID technology within its eight automatic toll gates. The free flow tolling system operates at highway speeds with no plazas, gates, physical toll collectors, toll booths or other impediments to traffic flow. The system permits quick and efficient vehicle movement through the highway tolling points. Vehicle owners utilise the system by purchasing Salik Tags online or at gas stations, activating the Salik Tags online, through Apps or over the phone and then recharging their account via recharge cards, e-vouchers, banks, credit cards and kiosk and cash deposit machines throughout Dubai.



Toll gates

The Company operates eight toll gates throughout Dubai. The tables below set out the historical total traffic evolution of each of the toll gates since their construction, both by total number of trips and Net Toll Traffic:

Historical Total Traffic Evolution across Salik Toll Gates

	Year *(million trips)*														
Toll Gate	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Al Barsha	-	-	89	93	100	106	106	109	111	112	107	105	106	73	93
Al Garhoud	-	-	66	66	70	74	75	76	79	81	81	81	81	54	67
Al Maktoum	-	-	59	55	54	56	56	55	56	55	55	55	54	39	47
Al Safa	-	-	104	104	113	117	114	115	116	118	115	109	105	73	90
Airport Tunnel	-	-	-	-	-	-	22	32	34	33	33	31	29	21	24
Al Mamzar (North)	-	-	-	-	-	-	58	84	83	83	80	77	75	58	66
Al Mamzar (South)	-	-	-	-	-	-	56	78	77	77	74	71	69	54	63
Jebel Ali	-	-	-	-	-	-	-	-	-	-	-	11	52	28	31
Total(1)	-	-	318	317	336	353	487	548	556	559	545	540	571	400	481

Notes:
(1) Total Toll Traffic figures not available for the years 2007-2008.

Historical Net Toll Traffic Evolution across Salik Toll Gates[1]

Toll Gate	2007[2]	2008[2]	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	H1 2022
							Year *(million trips)*									
Al Barsha	-	-	55	56	58	61	63	67	68	70	87	88	88	62	78	44
Al Garhoud	-	-	50	49	51	54	56	60	63	64	64	64	64	44	55	31
Al Maktoum	-	-	29	25	23	32	33	34	35	34	27	26	25	18	21	11
Al Safa	-	-	58	56	61	63	63	66	67	69	90	89	85	60	74	41
Airport Tunnel	-	-	-	-	-	-	19	28	30	30	29	27	26	18	21	11
Al Mamzar (North)	-	-	-	-	-	-	33	48	48	47	45	43	41	32	36	20
Al Mamzar (South)	-	-	-	-	-	-	27	38	38	38	35	34	33	26	30	16
Jebel Ali	-	-	-	-	-	-	-	-	-	-	-	10	48	26	29	17
Taxi Trip Traffic	-	-	-	-	-	-	25	27	27	26	30	32	32	17	25	17
Total	42	140	192	187	194	210	319	369	375	378	408	412	441	305	370	209

(1) Net Toll Traffic in 2007 and 2008 excludes violations (included from 2009 onwards).
(2) Net Toll Traffic figures not available for individual toll gates for the years 2007-2008.

In 2019, the distribution of total traffic was 75% (seventy-five percent) during peak hours (6am to 8:59pm) and 25% (twenty-five percent) during non-peak hours (9pm to 5:59am).

Save for the Airport Tunnel and Al Maktoum gates, all of the Company's toll gates are located on Sheikh Zayed Road. Sheikh Zayed Road, a 558.4km (five hundred and fifty-eight point four kilometers) motorway, is the longest road in the Emirates, stretching from Al-Silah in Abu Dhabi to Ras Al-Khaimah, running through Dubai and remaining roughly parallel to UAE's coastline along the Persian Gulf. The remaining gates are located at strategic junctures, bridges and other high traffic areas throughout Dubai.

Al Barsha

Installed in 2007, the Al Barsha gate is located on Sheikh Zayed Road near Mall of the Emirates and Mashreq Metro Station. During the year ended 31 December 2021, total traffic was 93.2 million (ninety-three million, two hundred thousand). Net Toll Traffic was 78 million (seventy-eight million).

Al Garhoud

Installed in July 2007, the Al Garhoud gate is located on Sheikh Rashid Road near Dubai Creek, Al Garhoud. During the year ended 31 December 2021, total traffic was 66.6 million (sixty-six million, six hundred thousand). Net Toll Traffic was 55 million (fifty-five million).

Al Maktoum

Installed in September 2008, all vehicles that utilise Al Maktoum between: (a) 10:00 pm and 6:00 am on weekdays, and (b) 10:00 pm on a Saturday and 6:00 am on the following Monday, will not be charged due to the alternative option, the floating bridge, being closed during these hours.

It is located on Tariq Bin Ziyad Road, near Dubai Creek, and services the Al Maktoum Bridge. During the year ended 31 December 2021, total traffic was 46.8 (forty-six million, eight hundred thousand) million. Net Toll Traffic was 21 million (twenty-one million).

Al Safa

Installed in September 2008, the Al Safa gate is located on E11 route, Sheikh Zayed Road, near the Business Bay metro station. During the year ended 31 December 2021, total traffic was 90.4 million (ninety million, four hundred thousand). Net Toll Traffic was 74 million (seventy-four million).

Al Mamzar North

Installed in April 2013, the Al Mamzar North gate is located on Sheikh Zayed Road, Al Ittihad Street near Al Nahada, Deira. During the year ended 31 December 2021, total traffic was 66.5 million (sixty-six million, five hundred thousand). Net Toll Traffic was 37 million (thirty-seven million).

Any vehicle that utilises both Al Mamzar North Gate and Al Mamzar South Gate within one journey will be charged the applicable tariff once, provided that such vehicle travels through both gates in the same direction within 1 (one) hour.

Airport Tunnel

Installed in April 2013, the Airport Tunnel gate is located on Route D62, Beirut Street near Dubai International Airport. During the year ended 31 December 2021, total traffic was 23.6 million (twenty-three million, six hundred thousand). Net Toll Traffic was 21 million (twenty-one million).

Al Mamzar South

Installed in April 2013, the Al Mamzar South gate is located on Sheikh Zayed Road, Al Ittihad Street near Al Nahada, Deira. During the year ended 31 December 2021, total traffic was 62.6 million (sixty-two million, six hundred thousand). Net Toll Traffic was 30 million (thirty million).

Any vehicle that utilises both Al Mamzar North Gate and Al Mamzar South Gate within one journey will be charged the applicable tariff once, provided that such vehicle travels through both gates in the same direction within 1 (one) hour.

Jebel Ali

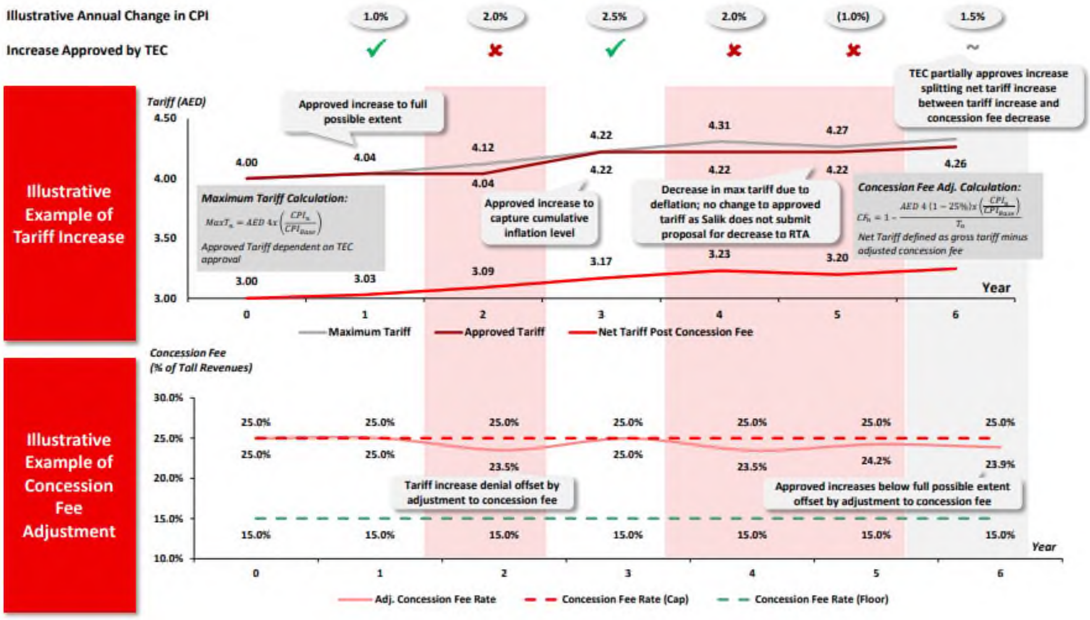
Installed in October 2018, the Jebel Ali gate is located on Sheikh Zayed Road near Jebel Ali Village. During the year ended 31 December 2021, total traffic was 31.5 million (thirty-one million, five hundred thousand). Net Toll Traffic was 29 million (twenty-nine million).

Tariffs

As of the date of this Prospectus, each Salik toll gate charges a fee of 4 AED (UAE Dirhams four) per trip, with 2 (two) discounts currently available to all vehicles:

- Al Mamzar North Gate and Al Mamzar South Gate: Any vehicle that utilises both Al Mamzar North Gate and Al Mamzar South Gate within one journey will be charged the applicable tariff once, provided that such vehicle travels through both gates in the same direction within 1 (one) hour.
- Al Maktoum Gate: All vehicles that utilise Al Maktoum Bridge between: (a) 10:00 pm and 6:00 am on weekdays, and (b) 10:00 pm on a Saturday and 6:00 am on the following Monday, will not be charged a tariff.

Under the Concession Agreement, the Company has the right to recommend tariff reviews to the RTA based on the level of inflation or unforeseen events resulting in higher operating costs. The RTA has discretion as to whether to recommend such increase to the TEC or reject such increase or suggest amendments. The TEC then makes the final decision as to whether tariffs should be adjusted. For example, tariffs may be increased to protect against inflationary pressure or may be subject to other adjustments based on other unforeseen events. If the TEC refuses the Company's request to increase tariffs due to inflationary pressure, then the RTA will lower the concession fee applicable to the Company. The concession fee, however, is capped at 25% (twenty-five percent) of toll revenues and cannot be reduced below the floor of 15% (fifteen percent) of toll revenues for any given year. If the TEC rejects the Company's request to increase tariffs due to other events, the RTA is not obligated to lower the concession fee. The first possible tariff increase can be no earlier than 2023, as set out in the Concession Agreement. The graphic below sets out illustrative examples of tariff and concession fee changes over time.



Vehicles that cross Salik toll gates must have an active Salik Tag within their vehicle. Salik customers must purchase a Salik Tag. No documents are required to be filled or submitted. Each Salik Tag costs AED 100 (UAE Dirhams one hundred), which includes an AED 50 (UAE Dirhams fifty) credit that is automatically deposited into the customer's Salik account. After purchase, Salik customers must attach the Salik Tag to the vehicle's windshield and activate it before crossing a Salik toll gate. Activation can be completed through online channels, such as the Salik Website, Smart Salik App, Dubai Now App and 800-Salik (automated interactive voice response). Once a Salik Tag is activated, the customer is responsible for maintaining a sufficient balance on their Salik account to cover their journeys and avoid violations. Recharging the account can be completed through online channels using credit cards or by purchasing a Salik recharge card from petrol stations.

If a Salik Tag is purchased online, activation will be completed by the Salik team prior to the tag's delivery to the customer. Delivery costs an additional AED 20 (UAE Dirhams twenty) and is added to the price of the Salik Tags purchased online.

Salik participation is mandatory for all commercial fleets, as well as individual vehicles. As at the date of this Prospectus, approximately 95% (ninety-five percent) of Salik registered vehicles are passenger vehicles and approximately 50% (fifty percent) are Dubai registered vehicles.

Fleets that require Salik Tags are taxis, car rentals, couriers, leases, commercial delivery vehicles and buses. The following table sets out the categories of exempted vehicles.

Groups exempt from Toll Fees

Main Category	Subcategory	Remarks
People of Determination and their relatives	(i) any individual with autism, mental disabilities, physical disabilities, visual disabilities and/or any other impairment and/or disability which qualifies for an exemption under Applicable Law (a ***Person of Determination***), and (ii) where relevant, the legal spouse, children, siblings,	1 (one) year exemption (renewable)

Main Category	Subcategory	Remarks
	parents, grandparents or grandchildren of the Person of Determination.	
Special needs organisations		Schools and organisations for People of Determination have a 1 (one) year exemption (renewable)
Charity		1 (one) year exemption (renewable)
Taxi		Dubai taxi plates are exempted until 2099 Taxi companies collect and pay the tolls separately in accordance with their own business rules. The toll is chargeable only when the “meter is on”, meaning there is a passenger in the taxi. “Meter is off” refers to when the taxi is not on duty and there is no passenger in the taxi.
Public Transport Agency	Dubai (RTA buses)	RTA Dubai plates are exempted until 2099
	Outside of Dubai	For public transport agencies in the other Emirates of the UAE, these are exempted until 2099
Schools and religious institutions	Government schools	Exempted until 2099
	Private schools	1 (one) year exemption (renewable)
Police	Ministry of Interior	500 (five hundred) tags exempted until 2099
	Dubai	All the tags are exempted until 2099
	Sharjah	50 (fifty) tags are exempted until 2099
	Ajman	50 (fifty) tags are exempted until 2099
	Abu Dhabi	50 (fifty) tags are exempted until 2099
	Ras Al Khaimah	50 (fifty) tags are exempted until 2099
	Umm Al Quewain	50 (fifty) tags are exempted until 2099
	Al Fujairah	50 (fifty) tags are exempted until 2099
National	Armed forces	All the tags are exempted until 2099
	Civil Defence	All the tags are exempted until 2099

Main Category	Subcategory	Remarks
	Oilfields AD	All the tags are exempted until 2099
	State Security	All the tags are exempted until 2099
	Special Guard	All the tags are exempted until 2099
	Ministry of Defence	All the tags are exempted until 2099
Ambulances and the Red Crescent	Government ambulances	Exempted until 2099
	Private ambulances	1 (one) year exemption (renewable)

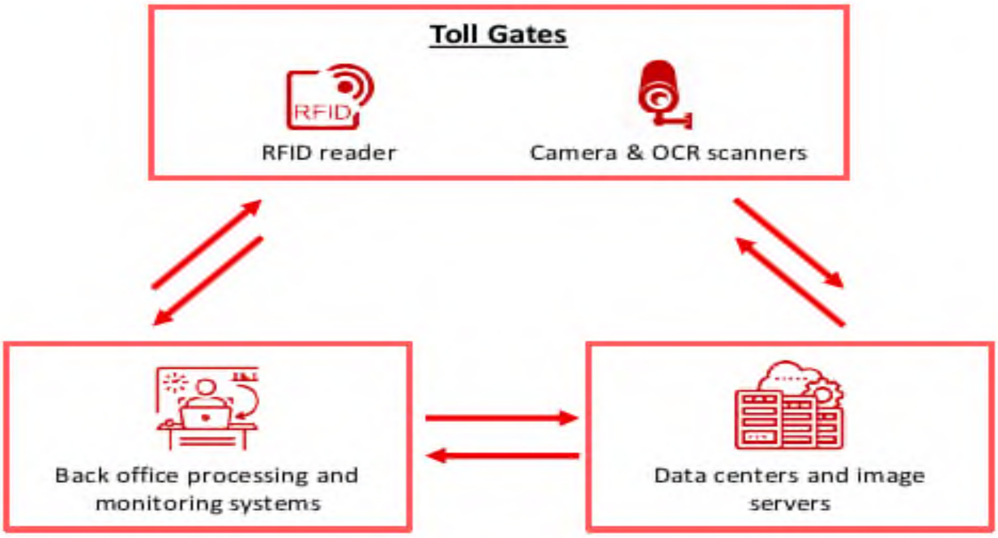
Information Technology

Salik aims to provide a customer-centric experience, with fully digitalised operations.

DTS Platform

The Company has rights under the Concession Agreement to use RFID technology that detects vehicles passing through the Salik toll gates and reads the vehicle's Salik Tag. Salik Tags operate with no batteries or moving parts and are intended to last the lifetime of a windshield. Salik Tags work in all weather conditions and vehicle speeds, and offer a highly accurate and reliable method of identifying vehicles.

The RFID reader recognises the Salik Tag on each vehicle, and the Company charges the relevant account accordingly. Cameras capture at least 1 (one) image of any vehicle passing through one of its gates. If a Salik Tag is not detected on the vehicle, the image is used to either charge the customer or to send an unregistered plate violation to the vehicle owner. The Company utilises dual technology that allows it to capture 99.5% (ninety-nine point five percent) of the traffic passing through its gates. The Company estimates that its toll gate roadside system average uptime and back office (data centre) system uptime are 99.99% (ninety-nine point ninety-nine percent) and 99.97% (ninety-nine point ninety-seven percent), respectively.



Salik Tags should be attached to vehicle windshields in order to operate, and, once attached, Salik Tags cannot be removed without damaging the tag and therefore cannot be moved from 1 (one) vehicle to another. Salik Tags are "passive" RFID tags that are powered by the transceiver in the toll gate. No battery is required for the Salik Tag itself. RFID is an automatic identification method, relying on storing and remotely retrieving data using the RFID Salik Tags. As a result of the RFID technology combined with photographic plate read capabilities, the Company estimates that only approximately 0.3% (zero point three percent) of total traffic on average since 2019 is not processed, due to the plate being unreadable or unmapped.

Salik Tags are sold at multiple venues. Within 1 (one) month of Salik's opening in 2007, more than 700,000 (seven hundred thousand) Salik Tags were sold. Millions of Salik Tags are in use in Dubai at present. Salik Tags are available at selected branches of EPPCO, Tasjeel, ADNOC, Emarat and ENOC petroleum stations, and over 15 (fifteen) leading banks including ENBD, FAB, ADIB, Emirates Islamic Bank, Dubai Islamic Bank and ADCB. Salik card re-charge facilities are available at selected branches of EPPCO, Emarat and ADNOC petrol stations while Salik account top-up facilities are available at selected branches of Commercial Bank of Dubai, RAK Bank, Citibank, Barclays Bank, Dubai Bank, Abu Dhabi Commercial Bank, Mashreq Bank, First Abu Dhabi Bank through their ATM/CDM machines. Users may also re-charge their accounts using the Dubai Pay (epay), the Salik Website, the Salik Smart App and/or the "mPay" system hosted by the Government of Dubai's 'Dubai Now Mobile Payment App'. Users may pay fines related to violations at the RTA counters in various locations in Dubai, including the RTA customer service centres, traffic department centres, Dubai Police stations and online at the Government of Dubai's e-Government portal. Salik Tags are also available online on the Salik website and can be delivered to customers via online ordering.

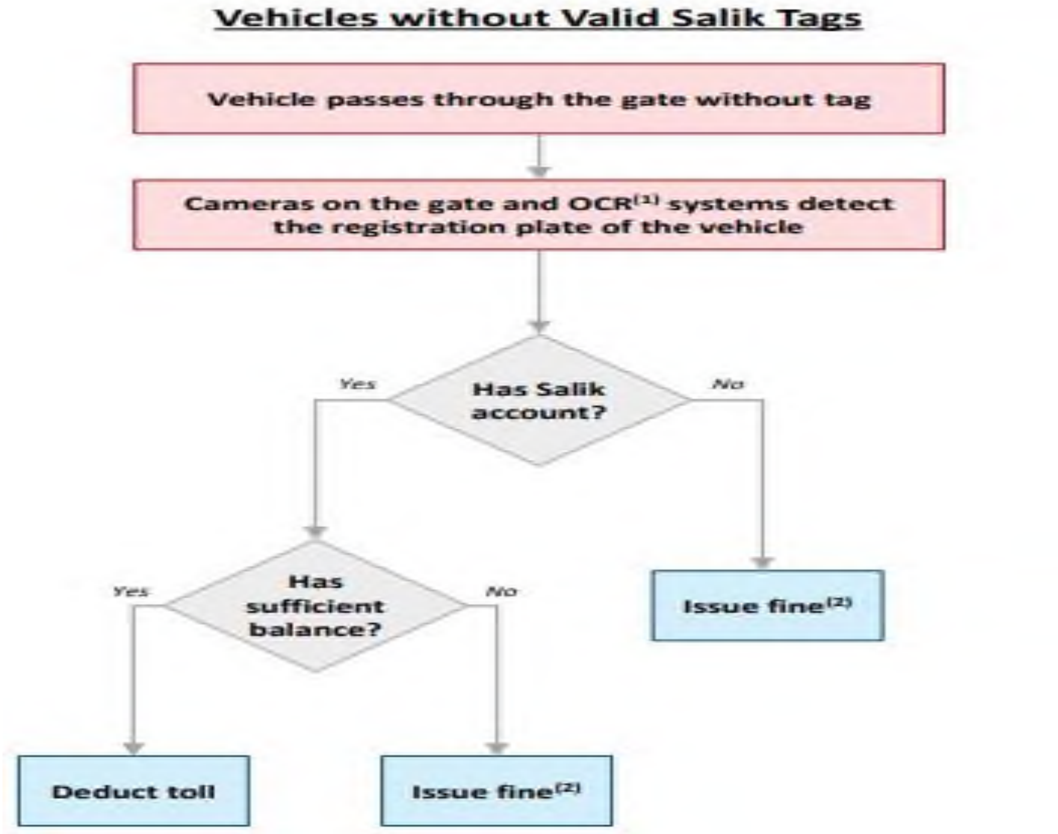
A Salik Tag is intended to be used only by the vehicle assigned to it in its Salik account. Every vehicle must have its own unique Salik Tag, but users can register multiple tags on the same Salik account, provided they have the same traffic file number.

All visitors from other Emirates and elsewhere are required to purchase a Salik Tag before driving in Dubai.

Violations, fine collection and enforcement

Customers that are registered with Salik and pass through the Company's toll gates with insufficient funds are given a grace period of (5) five business days before being issued a violation. Vehicles that are not registered with the Company and/or are not equipped with Salik Tags are captured by the Company's camera systems. Using the RTA's enforcement technology, the Company notifies the owners of unregistered vehicles that pass through its toll gates and gives them a grace period of ten business days to register and pay their outstanding toll fees before issuing a violation. A violation for insufficient funds incurs a fine of AED 50 (UAE Dirhams fifty) per day per vehicle. In 2021, insufficient fund fines for registered vehicles made up approximately 47% (forty-seven percent) of total fines issued and started from AED 50 (UAE Dirhams fifty).

For unregistered plate violations the fine incurred starts at AED 100 (UAE Dirhams one hundred) for the first day. On the second trip with an unregistered plate, the fine increases to AED 200 (UAE Dirhams two hundred), and then increases to the maximum amount of AED 400 (UAE Dirhams four hundred) on the third trip and thereafter, with a maximum of 1 (one) violation per day per vehicle. In 2021, unregistered plate number fines made up approximately 53% (fifty-three percent) of fines in 2021 and started from AED 50 (UAE Dirhams fifty).



Notes:
(1) OCR: Optical Character Recognition
(2) Fines are issued if the pending amount is not cleared after a 5 working day grace period for insufficient fund violations and a 10 working day grace period for unregistered plate violations.

Under the Concession Agreement, the RTA, at its own cost and expense, is required to use its best efforts to take all necessary civil or criminal legal measures to support the Company in the collection and enforcement of fines and penalties in relation to unpaid tariffs. The RTA then pays the Company (by way of a set off against the concession fee) the revenue from collection of such unpaid tariffs and fines. However, if the RTA fails to perform its enforcement obligations, the Company is entitled to take all necessary civil and criminal legal measures to enforce such payment. Further, both the Company and the RTA have limited capacity to enforce fines resulting from violations by vehicles that drive into Dubai from other Emirates that are not licensed through the RTA. By paying a commission for each collected fine, the RTA incentivises other Emirates to collect fines on behalf of the RTA. However, the RTA and the Company have little direct ability to enforce such violations. As a result, the Company and the RTA are unable to collect fines from certain vehicles. For the years ended 31 December 2019, 2020, and 2021, the loss allowance on fines and penalties was AED 145 million (UAE Dirhams one hundred and forty-five million), AED 170 million (UAE Dirhams one hundred and seventy million), and AED 197 million (UAE Dirhams one hundred and ninety-seven million), respectively. The Company estimates that such non-UAE cars that do not register with Salik and cannot be fined amount to approximately 0.1% (zero point one percent) of total traffic on average since 2019.

DTS management

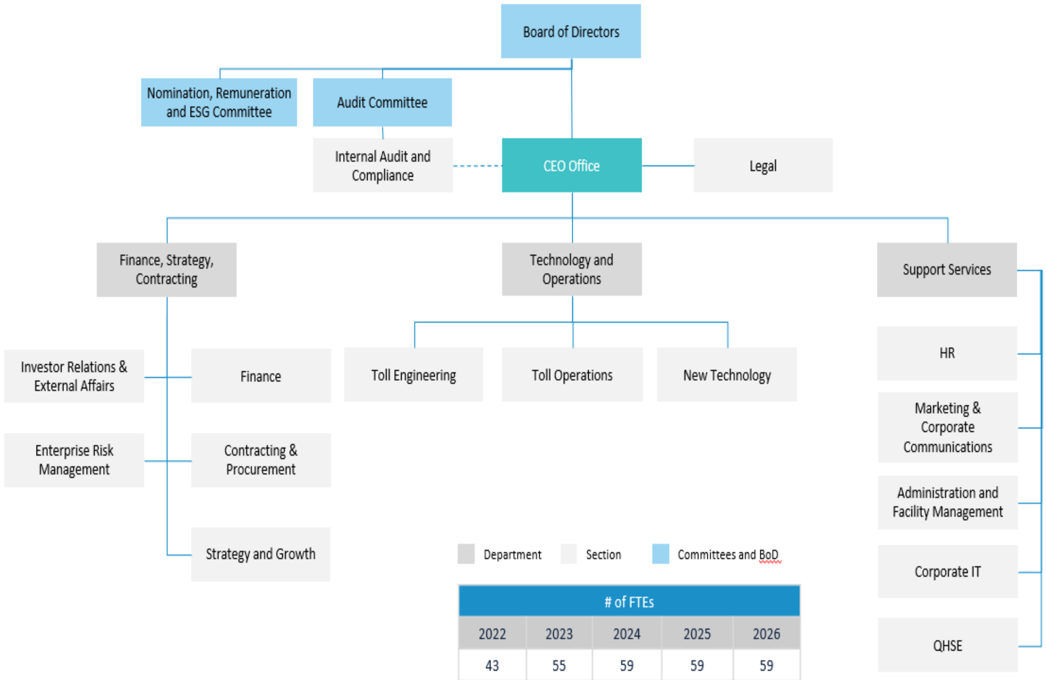
The Company manages the DTS platform via its toll engineering and operations team, as well as a dedicated team of TransCore employees (for more information, see "*Material Agreements — The TransCore Agreement*"). The TransCore team dedicated to DTS operations consists of a team of more than 200 employees, including: 9 (nine) employees for software support, 14 (fourteen) employees for IT management, 27 (twenty-seven) employees for road maintenance management and 21 (twenty-one) employees for software development. TransCore provides software development, quality testing, release management, solution architecture and business analytics to the Company's DTS management functionality, as well as project management and disaster recovery maintenance capabilities.

Prior to the Carve-out, the Company obtained the majority of its services through the RTA, including network, mail, active directory, SharePoint, data centre, internet, intranet and IT support. Following the Offer, the RTA will continue to provide the majority of the Company's corporate IT requirements for the duration of the TSA, with the balance of functionality being run in-house by the Company.

CORPORATE AND OPERATIONAL FUNCTIONS

Prior to the Carve-out, the Company received several shared services from the RTA for core support services for finance, human resources, marketing, legal, contracts and procurement, IT, building and facilities, administration, traffic, strategic planning, roads and maintenance and licensing. Following the Carve-out, the Company has the following independent corporate functions: legal and enterprise risk management, internal audit and compliance, strategy, investor relations, marketing and HR.

The chart below shows the contemplated internal organisation structure for the Company as at the date of this Prospectus.



Independent corporate and legal functions

Prior to the Carve-out, there were no RTA corporate or legal department employees fully dedicated to Salik, with support being provided on an ad hoc basis whenever the need arose. Following the Carve-out, the Company will have independent legal and enterprise risk management, internal audit and compliance, strategy, investor relations, marketing and HR functions.

Internal Audit and Compliance

Following the Carve-out, the Company's Internal Audit and Compliance function will be served by 2 (two) representatives, both hired externally. It will be responsible for ensuring the Company follows relevant laws, regulations and business rules, evaluating the internal control systems, formulating and implementing corporate audit strategies, and ensuring that standards and processes are set in established form. The Internal Audit and Compliance function will operate according to a comprehensive audit plan approved by the Audit Committee. Such plan is updated annually, or as needed, and will require an annual review of risk management and compliance activities. The Internal Audit and Compliance function also conducts special investigations as approved by the Audit Committee. The Internal Audit and Compliance function is responsible for preparing a report to be submitted to the Directors and to the Audit Committee regarding its audit activities during the financial year compared to the approved plan.

Internal Control

The Directors are ultimately responsible for organising and monitoring of adequate internal control within the Company. The compliance framework defines the key elements of internal control in the Company, and related roles and responsibilities.

Internal control at the Company is accomplished through a defined and communicated compliance framework, which provides structure and discipline for internal control. The key elements of the Company's compliance framework are as follows: governance; compliance culture; compliance obligations; compliance risk assessment; people and skills; compliance programme (policies, procedures and controls); training, awareness and communication; monitoring, testing and reporting; record-keeping; non-compliance detection, investigation and reporting; and third-party due diligence.

Control Environment and Compliance Programme

The Company's control environment consists of policies, standard operating procedures, processes, controls, systems and activities implemented within the Company to support identification, adherence to regulatory requirements and fulfilment of compliance obligations and support the implementation of the compliance framework. The Board has assigned authorisations for decision making throughout the Company. The Board monitors the effectiveness of the internal control in accordance with its annual cycle and has delegated its monitoring activities to the Audit Committee.

Risk Assessment

The Company's control environment consists of policies, standard operating procedures, processes, controls, systems and activities implemented within the Company to support identification, adherence to regulatory requirements and fulfilment of compliance obligations and support the implementation of the compliance framework. The Board has assigned authorisations for decision making throughout the Company. The Board monitors the effectiveness of the internal control in accordance with its annual cycle and has delegated its monitoring activities to the Audit Committee.

Control Activities

The Company's control activities are defined and documented in the process specific internal control procedures, which detail the behaviours, responsibilities and documentation of internal control. Control activities are risk-based and include all main Company business and financial reporting processes. Control activities include, e.g., authorisations, approvals, reconciliations, specifications, segregation of duties and business performance reviews.

Information and Communication

The Company communicates internal control related matters internally with the organisation in order to ensure that every employee and manager in the Company behaves and carries out internal control activities as expected. Communication also facilitates understanding of the internal control objectives within the organisation. The Company communicates internal control topics with its stakeholders through its web pages and annual reports.

Monitoring Activities

Monitoring activities include both ongoing day-to-day monitoring and separate evaluations. The objective of the monitoring activities is to obtain reasonable assurance for the Board and Management that the internal control procedures are present and functioning. Observations and corrective actions are evaluated, mitigated and addressed in a timely manner.

Overview of Policy Framework

The Company is implementing various policies aimed at ensuring (i) business-wide compliance with the relevant laws, regulations and business rules and (ii) that standards and processes for ensuring compliance are set in established form. These policies, which are expected to be approved by the Board prior to listing, include:

Board Charters: This charter describes the overall corporate governance framework for the Company, coordinates and aligns the supporting policy documents and establishes the rules that would enable the Board and officers of the Company to deliver on their responsibilities under applicable laws and regulations. The 4 (four) underlying principles of the corporate governance framework under the Board Charter are accountability, responsibility, transparency and disclosure and fair treatment. The Board Charter sets out in some detail the role and responsibilities of the Board, Board processes, the functioning of the of the Board, the induction, evaluation and remuneration for Board members and the Company's disclosure and transparency standards.

Audit Committee Terms of Reference: These terms of reference set out the basis for the creation and functioning of the committee and the limits of the committee's mandate and authority as a committee of the Board. The purpose of the committee is to review the Company's financial and accounting policies and procedures, monitoring the integrity of, and reviewing, the Company's financial statements, appointing and engaging the Company's statutory auditor, reviewing and evaluating the internal control and risk management systems of the Company and assisting the Board on the Company's financial reporting process and integrity of the financial statements. The Terms of Reference further set out the authority of the committee, the parameters for committee membership, the process for conducting committee meetings and the specific responsibilities of the committee, including the committee's reporting requirements to the Board.

Nomination, Remuneration and ESG Committee Terms of Reference: These terms of reference set out the basis for the creation and functioning of the committee and the limits of the committee's mandate and authority as a committee of the Board. The purpose of the committee is to recommend and oversee appointments to the Board and the executive management, the remuneration for the Company consistent with the Company's culture and control environment and to assist the Board with respect to ESG matters. The Terms of Reference further set out the parameters for committee membership, the process for conducting committee meetings and the specific responsibilities of the committee, including the committee's reporting requirements to the Board

Code of Conduct: This code sets out the Company's expected standards of ethical and personal conduct of Company employees. It outlines the core values of the Company aimed at enhancing the spirit of responsibility and promoting adherence to high ethical standards. The code encourages contractors, consultants, business partners, suppliers and any other persons who work with or represent the Company to follow similar standards.

Anti-Money Laundering Policy: The anti-money laundering policy aims to help detect and report suspicious activity including the predicate offenses to money laundering and terrorist financing, such as securities fraud and market manipulation. The policy contributes to the stability, integrity and strength of the global financial system and aims to protect the Company from reputational damage and any potential action from non-compliance with relevant laws.

Fraud Policy: The fraud policy provides guidance on the components in place to manage fraud risk across the Company. The Company is committed to preventing fraud, and the policy has a zero-tolerance approach to fraud.

Whistleblowing and Non-Retaliation Policy: The whistleblowing and non-retaliation policy sets the framework for detecting unethical, corrupt or illegal conduct within the Company. The policy is established to openly communicate the Company's promise and process for managing concerns submitted by all Stakeholders. The Company is committed to establishing a healthy speak-up culture that encourages all stakeholders to report perceived corruption or improper business practices or regarding third parties doing business with the Company.

Stakeholder Engagement Policy: This policy sets out details of the Company's engagement with stakeholders in order to provide them with an opportunity to raise concerns and opinions which can be considered in the Company's decision making. The purpose of the Stakeholder Engagement Policy it to set out a method for engagement with stakeholders, guide the building and maintaining of an open relationship with stakeholders, develop and promote a good understanding of stakeholders' needs, interest and expectations, offer guidelines on engaging with stakeholders and reinforce the Company's commitment to all stakeholders.

Insider Trading Policy: This policy sets the guidelines for those who have access to inside information of the Company, including members of the Board, employees, and other persons performing tasks for the Company such as independent contractors. The policy strictly prohibits the trading of the Company's securities based on non-public information. For the purposes of this policy, insider information refers to any information, event, decision or fact that may directly or indirectly affect the price or trading movement or volume of the security or may have an effect on an investor's decision. To ensure transparency and disclosure, the Policy requires the Company to develop and regularly update an insider's register to be disclosed to SCA and the DFM. The Company will also observe blackout and silent periods wherein the Company will refrain from answering questions or commenting on insider information and directors and employees will be prohibited from dealing in the Company's share during pre-identified price-sensitive periods.

Conflict of Interest Policy: This policy sets out the responsibilities of the Company, and of those working for and with it, in managing conflict of interest. The Conflict of Interest Policy also sets out the manner in which the Company will monitor conflicts. For the purposes of the policy, a conflict of interest arises when a director, employee or any person performing tasks for the Company has a personal, business or financial interest in a third party that is to do business with the Company or might benefit in any way from the selection of a third party to do business with the Company.

Corporate Governance Framework: The corporate governance framework manual encompasses the corporate governance standards of the Company and provides a structure within which the Directors and Senior Management can effectively pursue the Company's objectives. The corporate governance framework has been developed taking into consideration the Articles, the terms of reference of the committees of the Board and applicable laws and regulations.

Strategy and Growth Policy: The strategy and growth policy sets out the principles and requirements for the Company's overall strategy design, development, amendment and implementation; and also outlines the guidelines for geographical expansion as well identifying and implementing new commercial opportunities.

Human Resources Policies: The human resources policies provide essential guidelines to the human resource staff in performing the human resource activities namely, HR and organisation, talent acquisition, talent development, rewards and recognition and employee services at the Company.

Finance Policy: The finance and accounting policy provides essential guidelines to the Company's finance staff related to performing finance and accounting activities such as payroll, project accounting, fixed assets, accounts receivable, accounts payable, annual planning, budgeting and reporting, general ledger, treasury and VAT returns in line with SCA and IFRS requirements.

Procurement Policy: This policy sets out a standardised and efficient approach to all contracting and procurement activities such as development of procurement plan, supplier management, request for information and quotations, single source purchasing and credit card purchases.

ESG Policy: This policy outlines the Company's commitment to creating a sustainable society and actively managing its operations in a manner that balances its social, environmental and economic impacts and generates value for its business to its stakeholders in line SCA regulations and with its overall strategic objectives.

The Company will also have an Investor Relations policy.

Investor Relations Policy: This policy promotes transparency, communication, accountability, efficiency and controls in executing investor relations processes. Other objectives of this policy include facilitating consistent and standard conformance of the various investor relations processes with applicable laws, regulations, policies, standards and quality requirements as well as providing clarity on the interactions and nature of communication required between various stakeholders within and/or outside the Company.

The Company will also consider introducing additional policies and/or updating existing policies as required by law, regulation or business practice.

Independent operational functions

Following the Carve-out, the Company will employ a variety of toll systems experts, including toll engineers, toll operations managers and toll technology managers. The majority of these employees were previously employed by the RTA and have significant experience working with the Salik Tolling Business.

Shared corporate and operational functions

Following the Carve-out, the Company will continue to receive a variety of corporate and operational functions from the RTA. As at the date of this Prospectus, the Company receives the following services from the RTA under the Concession Agreement and the TSA, respectively.

Concession Agreement

Marketing and Communications

The RTA shares its marketing and communications function with the Company, including in relation to public relations announcements regarding toll price changes and toll expansion. The Company and the RTA jointly collaborate on the development of key public messaging, and the Company has representation on RTA committees that are set up to manage public relations messaging. However, the RTA has final approval and sign-off rights to key messaging. As at the date of this Prospectus, the Company is in the process of undergoing a rebranding exercise, under which it has adopted a new logo that is being implemented on Salik-branded gates, Salik Tags and other items. The Company expects the total costs in relation to the rebrand to be approximately AED 2.5 million (UAE Dirhams two million and five hundred thousand).

Fine enforcement

An integration between the Licensing Agency and the Company provides a two-way communication to exchange information relating to vehicles and drivers. The Licensing Agency also enforces payment of toll fines through licensing renewal enforcement. The Company is granted access to the following:

- E-traffic/Unified Traffic System (UTS) services to send toll violations to UAE vehicles, send violations release for dismissed unpaid violations and information regarding violations payment also related to UAE vehicles;
- Access to E-traffic/UTS systems to view vehicle and drivers' information;
- Vehicle update services to facilitate the update of vehicle ownership changes for vehicles registered under the Dubai Licensing Department (E-traffic System);
- General inquiry service to retrieve details of the vehicles registered in Dubai and the UTS licensing system;
- Customer profile update service to update the customer profile details; and
- Vehicle inquiry service that allows the inquiry by chassis number of the vehicle to assist for the customer various online services for example tag activation and tag purchase.

Network connectivity

The TRA establishes the connection and maintains the fibre optic network connectivity required to connect the toll gates to the Salik data centres to support the Company's toll operations and data centres.

Maintenance and signage

The TRA is responsible for the construction of the guard rails in the vicinity of the toll gates and for the maintenance and installation of the Salik signs displayed in Dubai.

Taxi regulation

The Public Transport Agency of the RTA regulates taxi companies in Dubai and ensures that taxi companies have the necessary systems and data to track journeys made through the Salik toll gates and provides the Company with monthly data reports to collect the Salik toll fees for Dubai taxi companies.

Access to traffic studies

The RTA is responsible for providing to the Company any requested traffic reports concerning the impact of traffic passing through the toll gates.

TSA

Under the TSA, the RTA will provide the following services to the Company:

- Transactional accounting services for a period up to 1 (one) year;
- Social media, digital, marketing and corporate communication services;
- Building, facilities and administrative services;
- Contracting and procurement;
- Insurance services;
- Salik walk-in centre access;
- Payroll PRO support, training and development recruitment;
- Corporate IT services (infrastructure and applications);
- Enforcement of fine collection (license renewal) and manages the collection of fines for Dubai registered vehicles and with other Emirates; and
- RTA to invoice and collect revenue relating to taxi companies.

For more information on the Concession Agreement and the TSA, see "*Concession and Regulatory Matters*" and "*Material Agreements*".

Intellectual Property

The core software and modules of the TransCore Toll System software as well as the back-up and ancillary software developed and upgraded for the RTA have mixed intellectual property rights that cannot be sold and/or licensed by either party without the consent of the other. As of the date of this Prospectus, all intellectual property rights to all software, and subsequent developments thereof from September 2013 onwards, which under arrangement with key third party contractor, TransCore, (including ownership of software in connection with the Smart Salik Application and the Salik Website) are owned by the RTA.

Under the Concession Agreement, the RTA has transferred the existing Salik trademarks and registered domain to the Company. The 'Salik' trademark is registered in the UAE under Class 39. Moreover, there is 1 (one) domain name that will be transferred to the Company under the Concession Agreement: Salik.ae, which is owned by the RTA.

Insurance

The Company maintains a general insurance policy with Union Insurance Company that covers a wide range of risks related to its business, including, but not limited to, property damage, business interruption, political violence and cyber risk. The Company also maintains director and officer cover and certain customary insurance policies as required by law. The Company maintains the types and amounts of insurance coverage that the Directors believe are consistent with customary industry practices in the UAE.

Properties

The Company will remain on the RTA premises for up to 24 (twenty-four) months following the execution of the TSA on 30 June 2022 and will continue to operate within the existing data centre floors owned by the RTA. At the expiration of the lease agreement, the Company intends to renew the lease or enter into a new lease with the RTA or enter into a new lease agreement with a third party.

3. Concession and Regulatory Matters

Concession Agreement

Background

The tolling fee framework was first introduced by Dubai Law No. 22 of 2006 Concerning the Traffic Tariff in the Emirate of Dubai. Since this law, the RTA has been responsible for collecting tariffs from vehicles crossing Salik gates.

The relationship between the Company and the RTA is governed by Dubai Law No. 12 of 2022 concerning the establishment of Salik Company P.J.S.C. This law established the Company and authorised the RTA to grant the Company a concession in respect of all or some of the RTA's competences relating to the operation and administration of the Dubai tolling system.

Scope of Concession

The RTA entered into the Concession Agreement with the Company on 30 June 2022, pursuant to which the Company was granted with certain exclusive concession rights including the right to assess, propose, charge, collect, enforce and retain road user charges and also the right to use tolling assets of the RTA such as equipment, buildings and facilities and IT hardware. The RTA remains the owner of all such tolling assets used by the Company.

The Company is absolutely responsible for operating, maintaining, developing and/or upgrading 'Salik', the electronic road toll collection system in Dubai. In order to manage the orderly transition of the current operations, the RTA and the Company have entered into the TSA (see "*Material Agreements – The Transitional Services Agreement*" for more information). The following permanent services are also contemplated in the Concession Agreement. For the duration of the Concession Agreement, the RTA will provide the Company with the following permanent services:

- Access to the multi-modal strategic transportation modelling system, developed and maintained by the Authority for Dubai and traffic studies data;
- Fibre-optic network connectivity;
- Arranging road closures and providing guard rails for the construction and maintenance of new toll gates;
- Maintaining the new and existing toll road signage within Dubai;
- Review the gantry design structure and providing recommendations relating to the design and construction of new toll gates;
- Conducting and providing new traffic studies;
- Providing marketing and communications services;
- Providing information from the e-Traffic systems relating to the toll fines;
- Enforcing payment of the toll fines through license renewal enforcement; and
- Regulating taxi companies to ensure the provision of monthly data reports.

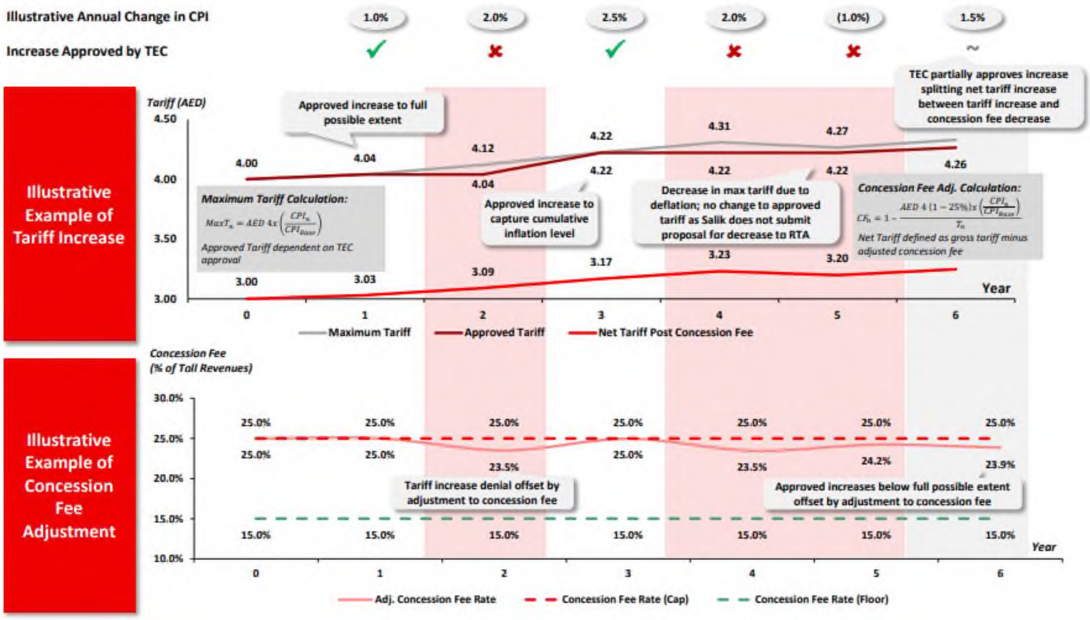
Duration of the Concession

As of the date of this Prospectus, the concession will expire on 30 June 2071. On expiry or termination of the concession, the RTA will acquire and take-over all assets, intellectual property rights and data owned which are held or owned by the Company at no cost. Upon expiration of the concession, it is expected that the Company will continue to carry out the objectives for which the Company was established in accordance with the Salik Incorporation Law and its Articles of Association. If it is in the interest of the shareholders at that time, the Company may seek to extend or renew the concession agreement (noting that an extension or renewal of the concession is subject to the approval of the Government of Dubai and the RTA, and no assurance can be granted as to the likelihood of an extension being granted or the terms on which such extension (if any)) would be granted. Also, the Company is permitted, according to its Articles of Association, to expand its activities and to carry out management, development and operations of traffic systems in accordance with the contracts the Company concludes with parties specialising in such systems, inside and outside the United Arab Emirates in addition to providing other services such as investing or providing consulting services in the field of traffic systems and road tolls and the Company has a plan to expand in the future and carry out its objectives in the field of traffic systems and road tolls inside and outside the UAE.

Concession Fees

In consideration for the grant of the concession rights, the Company has paid an Upfront Concession Payment of AED 4 billion (UAE Dirhams four billion) to the RTA, The Company also expects to pay AED 200 million (UAE Dirhams two hundred million) in VAT in relation to the Upfront Concession Payment in 2023, for which it will be fully reimbursed. In addition to the Upfront Concession Payment, the Company is also responsible for paying a maximum concession fee of 25% (twenty-five percent) of the revenues of the relevant quarter period generated by the Company from the toll fees imposed on each vehicle which utilises any of the eight existing toll gates and any future toll gates (subject to any declined requests raised by the Company to increase the tariff).

The graphic below is illustrative and high-level to show examples of the relations between the tariff and changes in CPI:



Concession fees will be due 7 (seven) days after the quarter and annual financial statements announcement. For more information on tariffs and the toll fee policy, see "*Business Description – Tariffs*" above.

Intellectual Property

The RTA has transferred the following intellectual property rights to the Company:

- back-office software modules, processes and operations;
- software modules to identify vehicle plates;
- domain names and trademarks relating to Salik; and
- any intellectual property relating to Salik data (including personal data).

Enforcement of Fines and Penalties

The Company is responsible for taking all measures necessary to collect and pursue the payment of fines and penalties in connection with any unpaid toll fees or other road user charges. The RTA is responsible for supporting the Company in respect of these collections.

Company Service Level Standards

The Company is under an obligation to operate and maintain the Salik tolling system by ensuring that the availability ratio for the following equipment will remain at least 99% (ninety-nine percent) for the duration of the Concession Agreement:

- in-station equipment: server systems, storage systems, telephony systems;
- out-station equipment: roadside switches, zone controller servers and roadside equipment; and

- network equipment: firewalls and switches.

Where service level standards are not met by the Company and this results in a reduction to the traffic revenues for any quarter period, the Company will pay a compensation of 25% (twenty-five percent) of the shortfall in revenues (or any other amount as agreed between the Company and the RTA or as determined by an independent expert).

RTA Service Level Standards

The RTA is under an obligation to maintain service levels of between 90-100% (ninety to one hundred percent) in respect of certain services. In particular, the RTA is responsible for ensuring:

- availability of the main roads and bridges (including the Toll Roads and Bridges) in Dubai in each quarter period;
- availability of the fibre optic network to the Company in each quarter period;
- maintaining the condition of the Toll Roads and Bridges in Dubai, including the smoothness and traction of the road surfaces;
- responsiveness to emergencies on the main roads and bridges in Dubai;
- responsiveness to HSE incidents on the main roads and bridges in Dubai; and
- collection of unpaid toll fees, fines and penalties from owners of UAE-registered vehicles, excluding exempt vehicles.

Where service level standards are not met by the RTA and this results in a reduction in traffic revenues for any quarter period, the RTA will pay a compensation of 75% (seventy-five percent) of the shortfall in revenues (or any other amount as agreed between the Company and the RTA or as determined by an independent expert).

Future toll gates

The Company has also been granted the exclusive right to design and construct new toll gates at the request of the RTA. The RTA will be responsible for financing the construction and all reasonable costs incurred by the Company in respect of these new toll gates.

In exchange for each proposed new toll gate, the Company is under an obligation pay the RTA an upfront fee. The process for determining the upfront fee involves the appointment of 2 (two) commercial advisers: 1 (one) to be appointed by the RTA and the other to be appointed by the Company. The commercial advisers will each seek to arrive at a valuation for the new toll gate based on projected traffic volumes, projected toll revenues, projected EBITDA and adjusted cash flow.

Unless the RTA and the Company agree otherwise, an independent expert will be ultimately responsible for determining the upfront fee based on (1) the weighted average cost of capital in respect of the new toll gate plus a premium of 2% (two percent) and (2) the two valuations, each based on the inputs and forecasts prepared by each commercial adviser. Where there is no discrepancy between the two valuations, the final valuation shall be equal to the valuations proposed by the independent expert. Where there is a discrepancy between the two valuations which is less than or equal to 5% (five percent), then the final valuation will be the average of the two. If the discrepancy between the two valuations is greater than 5% (five percent), then the RTA and the Company will negotiate an appropriate valuation, failure of which will result in the lower of the two valuations being adopted subject to an earn out being paid by the Company to the RTA.

Adverse Governmental Action

The Concession Agreement classifies the following events as adverse governmental actions:

- any relevant authority (including the RTA) taking action which results in any required approval ceasing to remain in effect or not being renewed (unless this is due to a default by the Company);
- change in law, which adversely affects the Company, including a discriminatory change in taxes payable by the Company and any other persons holding concessions from the public sector in the UAE, and for which the Company has not been compensated;

- failure by any relevant authority (including the RTA) to carry out its obligations under law where such failure materially and adversely affects the Company;
- any action by a relevant authority which would constitute a material breach of the Concession Agreement if such action was taken by the RTA and, in certain instances, which would materially and adversely affect the economic model of the tolling operations and any agreed costs of tolling works;
- any action by any relevant authority (including the RTA) which would constitute a failure to comply with the RTA's service levels and such failure materially and adversely affects the economic model of the tolling operations or the costs of tolling works;
- any relevant authority (including the RTA) unilaterally adjusts the toll fee or introduces a new regime or policy for toll fees otherwise than in accordance with the 'Toll Fee Policy'; and
- any relevant authority (including the RTA) decides to permanently remove a toll gate or otherwise designate a toll road as not being subject to a toll fee.

Where an adverse governmental action has occurred, then the Company is entitled to an extension of time and/or monetary relief as would place the Company in the same economic position had the adverse governmental action not taken place. In addition, and only in respect of a decision by a relevant authority to permanently remove a toll gate or otherwise designate a toll road as not being subject to a toll fee, the Company shall be entitled to compensation of 130% (one hundred and thirty percent) of the fair market value of the relevant toll gate determined using the mechanism as set out for the valuation of future toll gates. see "*Concession and Regulatory Matters – Concession Agreement – Future Toll Gates*" above.

Termination by the RTA due to the Company's Default

The RTA has the right to terminate the Concession Agreement in the event the Company becomes insolvent, commits bribery offences, commits an anti-corruption offence, defrauds the RTA, fails to pay the concession fee for 2 (two) consecutive periods, fails to rectify any non-compliance with the relevant standards within the relevant remedy period or repeatedly fails to comply with health, safety and environment requirements due to gross negligence.

If the RTA terminates the Concession Agreement (except where such termination is due to the Company committing bribery offence or anti-corruption offences or the Company defrauds the authority), the RTA will pay the Company 70% (seventy percent) of the fair market value of the tolling operations minus the RTA's termination costs in addition to the applicable charges.

Although the right of early termination by the RTA in the circumstances mentioned above in the event of the Company's default may or may not adversely affect the Company's value at that time, the RTA has agreed to pay compensation to the Company in order to mitigate any possible adverse impact on the Company and its shareholders of such early termination at the time. This is noting also the Company's plan to expand its activities inside and outside the UAE as set out under section "*Duration of the Concession*" above.

Voluntary Termination by the RTA

The RTA has the right to terminate the Concession Agreement voluntarily by providing the Company with six (6) months' notice. If the RTA terminates the Concession Agreement voluntarily, the RTA is under an obligation to pay the Company 130% (one hundred and thirty percent) of the fair market value of the tolling operations in addition to the Company's termination costs and the applicable charges. This compensation arrangement has been specifically requested by the Company and agreed to by the RTA in order to protect the Company and its shareholders, to the extent possible, from any materially adverse impact on the Company and its shareholders arising from the early voluntary termination by the RTA of the Concession Agreement. This is noting also the Company's plan to expand its activities inside and outside the UAE as set out under section "Duration of the Concession" above.

Termination by the Company for the RTA's Default

The Company has the right to terminate the Concession Agreement in the event the RTA fails to rectify any non-compliance with the service levels within the relevant remedy period, if the assets or rights of the Company are nationalised or expropriated, or if any adverse governmental action occurs which would either render the exercise by the Company of any of its material rights under the Concession Agreement illegal, void or unenforceable, or renders performance by the RTA of any of its material obligations under the Concession Agreement illegal, void or unenforceable.

If the Company terminates the Concession Agreement due to a default by the RTA, the RTA is under an obligation to pay the Company 130% (one hundred and thirty percent) of the fair market value of the tolling operations in addition to the Company's termination costs and the applicable charges.

Relationship with the RTA, the Government of Dubai and Regulators

Relationship with the RTA

RTA as Regulator

Relationship with the Government of Dubai, Legislative Government Body, and other regulators

The Company works alongside the TEC and the RTA, and each stakeholder has aligned interests. The TEC has a mandate to spearhead the execution of the Dubai economic development agenda. The TEC oversees the RTA, which itself oversees the full spectrum of Dubai's mobility infrastructure and is responsible for developing it in line with the city's growth. The RTA initially created and oversaw the Salik Tolling Business to promote a seamless mobility experience.

The Company was initially formed by Government Decree.

The Company was incorporated pursuant to the Salik Incorporation Law.

The Company is a public joint stock company and an independent legal entity. The Government of Dubai and the RTA assume no liability for any obligations or debts of the Company arising in the course of its business operations.

Its objectives are to:

- exclusively operate, manage, and develop the road toll system within Dubai and implement the laws regulating road tolls;
- manage, develop, and operate traffic systems in accordance with the contracts the Company concludes with parties specialising in such systems, inside or outside Dubai;
- provide consulting services in the field of traffic systems and road tolls;
- prepare studies relating to toll gate plans and locations;
- invest in the field of traffic systems and road tolls; and
- carry out any other objects set forth in its Articles of Association.

The TEC, acting as the legislative government body, is the final decision maker concerning changes in tariffs. The TEC takes into consideration the review and recommendations of the RTA and the Department of Finance, but ultimately makes the final decision independently.

Other Regulatory Matters

The Company is subject to the laws and regulations of the jurisdictions in which it operates covering a wide variety of areas affecting general consumer protection and product safety, including health and safety, environmental, product quality and safety, competition, data protection and privacy, anti-corruption legislation, trade sanctions and labour laws.

RTA Laws

The Company will be subject to the RTA Law, Road Toll Law and; and the Toll and Fine Regulation, Administrative Resolution No. (361) of 2019 Promulgating the Executive Regulation of Law No. (22) of 2006 Concerning the Traffic Toll in the Emirate of Dubai and Administrative Resolution No. (313) of 2020 Determining the conditions and procedures for excluding vehicles and classes from the traffic tariff. These laws govern the RTA, and its oversight and administration of the toll system. The Salik Incorporation Law gives RTA the specific right to delegate some or all of its mandates and powers regarding the operation and management of Salik to the Company. The RTA will, however, regulate the operations of the Company. The Salik Incorporation Law also forms the basis for the RTA and the Company entering into the Concession Agreement.

Environmental law compliance

Federal Environmental Law (No. 24 of 1999, as amended) applies to 'Establishments' defined as industrial, tourism establishments and establishments for production and generation of electricity and establishments for explorations, production, transportation and use of oil and infrastructure projects and any other establishments, in the Emirate of Dubai.

The Company would be regarded as an 'Establishment' under this law and also carries out an activity in the transport sector.

The Company would also be subject to Local Order No. 11 of 2003 as it applies to a 'Person' defined as 'a public or private natural or corporate person' and as such would be required to undertake activities in such a manner that does not cause environmental harm.

ESG compliance

The Company, once listed must prepare a sustainability report reflecting its long-term strategy and its impact on the environment in terms of the impact of the Company's operations and decisions on the environment and the communities in which the Company operates and must appoint a risk manager, one of the functions of which is to ensure that the Company is in full compliance with internal operational policies and procedures and any external legal or regulatory requirements, including ESG obligations.

Furthermore, the Company will be required to comply with the GRI standards and also any sustainability standards and requirements that are issued by the DFM.

The Company will be required to submit its annual sustainability report to the SCA within 90 (ninety) days from each Financial Year-end or before the date of the annual general assembly meeting, whichever is earlier.

Employment

The Company is subject to the Labour Law, which governs employment relations in the private sector in the UAE. The Company is also subject to the Immigration Law, which regulates the entry of non-nationals into the UAE; it is a requirement that all non-national employees in the UAE have a residency visa.

The Company is subject to the Dubai Health Insurance Law which makes it mandatory for employers to provide health insurance to their employees.

The Salik Incorporation Law mandates that Law No. 8 of 2018 applies to the Company and previous service of UAE national employees of the Company with the RTA prior to the Salik Incorporation Law will count as service for the purpose of calculating said employees' pension and gratuity in accordance with the Pensions Law which mandates that the employer remits pension contributions on behalf of its UAE national employees to the GPPSA. Per the Pensions Law those remittances are 15% (fifteen percent) of salary in respect of the employer contribution and 5% (five percent) in respect of the employee contribution. Similarly, in respect of employees from any of the other 5 (five) GCC countries, there is a requirement to make pension contributions of varying amounts depending on the country; this is pursuant to Federal Cabinet Resolution 18 of 2007.

Data Protection and Privacy

The RTA is subject, as a "*Local Government Entity*", to the Dubai Data Law (including Resolution No. (2) of 2017 Approving the Policies Document on Classification, Dissemination, Exchange, and Protection of Data in the Emirate of Dubai (2017 Resolution)). Article 15 of the Dubai Data Law sets out that "*Dubai Data*" (i.e. Data relating to the Emirate of Dubai) is an asset owned by the Government of Dubai which can only be disposed of in accordance with the provisions of the Dubai Data Law, the resolutions issued pursuant thereof (including the 2017 Resolution) and the legislation in force. The Dubai Data Law also applies to *"Persons"* determined by the *"Competent Entity"* who produce, own, disseminate or exchange any Dubai Data. The Government of Dubai owns the Salik Data. By way of the Concession Agreement the RTA (pursuant to the Salik Incorporation Law,) will be able to transfer the ownership rights in the Salik Data to the Company.

The UAE Data Protection Law came into force on 2 January 2022. Under the UAE Data Protection Law, "government data" (undefined) is excluded from the UAE Data Protection Law. To the extent that Salik Data constitutes Dubai Data, and to the extent that Dubai Data constitutes government data under the UAE Data Protection Law, the UAE Data Protection Law will not apply to Salik Data and the Dubai Data Law will apply. That said, other data held by the Company such as employee data may be subject to the UAE Data Protection Law.

If the Company, as a substantially owned Department of Finance company, is determined, by the competent authority, to constitute a Person under the Dubai Data Law, the Dubai Data Law will, as a result, continue to apply to the Company, further supporting the position set out above that the UAE Data Protection Law would not apply to the Salik Data processed by the Company.

Further, the ISR sets out the minimum requirements for information security controls and is applicable to all 'Dubai Government Entities'. The term 'Dubai Government Entities' may include companies whose majority shareholder is a government entity. To the extent that the Company is considered a Dubai Government Entity, it would also need to comply with the ISR.

Intellectual Property

Copyright Law

Copyrights are currently regulated in the UAE under the Copyrights Law. The Copyrights Law protects original expressions of creative works in the fields of literature, art, or the sciences, regardless of the kind or manner of its expression, and regardless of its importance or its purpose. Importantly, the Copyright Law does not protect ideas, but rather the original material produced by virtue of a creative process. The categories of protected works listed by the Copyrights Law include smart applications, computer programs and applications, databases, and any other similar works to be determined by a Ministerial decision. The RTA is the owner of copyrights in relation to the software developments and enhancements to the TTSCORE in accordance with Appendix A to the TransCore Agreement and under the Copyright Law.

Trademark Law

Trademarks are currently regulated in the UAE under the Trademark Law. The Salik trademarks are registered in the UAE and have been transferred to the Company under the Concession Agreement. The Trademarks are protected under the Trademark Law. The Trademark Law determines that any person who registers a mark shall be deemed its sole owner.

Under the Trademark Law, Salik's trademarks will be protected for a period of ten years upon registration with the UAE Ministry of Economy, commencing on the date of first filing. This protection can be renewed for a further period of ten years indefinitely.

Insurance

Insurance in the UAE is regulated by the UAE Central Bank, through the laws, regulations and regulatory guidance issued from time to time. The Dubai Health Insurance Law No. 11 of 2013 came into effect on 1 January 2014 and makes it mandatory to provide health insurance cover, to their employees, in case of employers in Dubai. All employees of the Company will be required to have health insurance cover under this law.

The Company on Listing will be regulated by the SCA and subject to the SCA's laws including the corporate governance codes issued by the SCA from time to time. These set out the standards of supervision expected from directors and other officers of a listed company. The Company has procured, a directors and officer liability policy to cover the directors and officers of the Company in certain circumstances.

4. Industry Overview

Unless the source is otherwise stated, the market, economic and industry data in this Prospectus constitute the Company's estimates, using underlying data from independent third parties. Statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets in this Prospectus are based on published and publicly available data obtained from multiple independent third-party sources.

In particular, unless otherwise specifically stated, the information in this "*Industry Overview*" is based on the Industry Report prepared by the Industry Consultant for the benefit of the Company in relation to the markets in which the Company operates. Reliance by any other party on the contents of the Industry Report shall be at the party's own risk. The Industry Consultant makes no representation or warranty, expressed or implied, to any party with respect to the accuracy or completeness of the information contained in the Industry Report. The Industry Consultant assumes no liabilities with respect to any other party's use or damages, resulting from such use of any information, conclusions or recommendations disclosed in the Industry Report. The Industry Report was prepared on 9 May 2022 and as such addresses statements and matters stated therein at that time or at the times otherwise specified therein and does not take account of any changes or developments which may have occurred since.

The Industry Consultant's conclusions, or any information or summary extracted from the Industry Report and contained or referred to herein are subject to the assumptions and qualifications set forth in the Industry Report and should be read in conjunction with the full text of the Industry Report. As at the date of this Prospectus, the Industry Consultant has given and not withdrawn its written consent for the use of its name, logo, statements, and market research and data supplied by it to the Company in the manner and format set out in this Prospectus. The Industry Consultant relied on information provided by the Company as well as publicly sourced information for this report. Estimates and projections set out in this section are prepared based on the analysis performed by the Industry Consultant. They include research estimates founded in published official sources such as Dubai RSB, the Government of Dubai, Dubai Statistics Centre, public reports from private utilities, Dubai Department of Economy and Tourism.

The report contains information obtained or derived from a variety of public sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Taking into consideration the "Forecasts and Forward-Looking Statements" section, whilst the members of the Board believe that the information and data on the market study in this Prospectus obtained from third party sources, including the information obtained from the market study adviser, are information and data that may be relied upon, this information has not been independently verified by the Company, nor the Board, advisers, or its shareholders. Therefore, none of the aforementioned parties shall bear any responsibility for the accuracy or completeness of any of this information.

Market Overview

Macroeconomic Overview

Introduction to Dubai and its Economy

The Emirate of Dubai is located on the eastern coast of the Arabian Peninsula. It is the second wealthiest Emirate (after Abu Dhabi) in terms of nominal GDP. Dubai is considered an important hub for trade and tourism and operates as a centre of trade flows in the Middle East. The Emirate has established a diversified economy including key sectors such as retail and wholesale activities, transport, financial services, insurance, manufacturing, and real estate. All of these contributed substantial income streams towards Dubai's GDP US$105.9 billion (United States Dollars one hundred and five billion, nine hundred thousand) at the end of 2020. Dubai has cemented itself as a leading city to live and work in, it was ranked the third most desirable city (14% (fourteen percent) of votes) to relocate to, coming in behind London (18% (eighteen percent)) and Amsterdam (15% (fifteen percent))[1].

[1] BCG, 2021

Table 1. Dubai Demographic Indicators

Indicators	*unit*	2015	2016	2017	2018	2019	2020	2021
Resident Population	*m persons*	2.4	2.7	3.0	3.2	3.4	3.4	3.5
Of which expatriates	*m persons*	*2.2*	*2.5*	*2.7*	*2.9*	*3.1*	*3.1*	*3.2*
YoY population growth	*%*	5.1	10.3	10.3	7.3	5.1	1.6	2.0
Daytime population	*m persons*	3.5	3.8	4.2	4.4	4.6	4.4	n.a
International visitors	*m persons*	14.2	14.9	15.8	15.9	16.7	5.5	7.3

Source: Dubai Statistics Centre

Note: Daytime population includes a total of population permanently residing in Dubai and workers residing outside the Emirate of Dubai, as well as temporary residents (tourists, sailors, and other visitors)

Table 2. Dubai Macro-Economic Indicators (Limited Selection)

Indicators	*unit*	2015	2016	2017	2018	2019	2020
Nominal GDP	*current USD bn*	107	106	113	116	119	106
Nominal GDP	*AED bn*	391	390	414	424	436	389
GDP per capita	*current USD/capita*	43,583	39,324	37,932	36,202	35,429	31,085
Real GDP growth	*%*	4.0%	3.1%	3.1%	2.1%	2.7%	-10.9%
Inflation rate	*%*	3.7%	2.9%	2.1%	1.5%	-3.0%	-3.0%
FDI per year (bn)	*USD bn*	6.4	4.9	2.7	5.2	2.5	6.7
Unemployment Rate	*%*	0.4%	0.4%	0.5%	0.5%	0.5%	n.a

Source: Dubai Statistics Centre, (Dubai FDI, 2021)

Table 3. Dubai's Top 5 Sectors for Economic Output at Constant Prices

Indicators	*unit*	2016	2017	2018	2019	2020
Wholesale & retail trade; repair of vehicles	*%*	26.9	26.4	26.3	26.5	26.1
Financial & insurance activities	*%*	10.6	10.2	10.0	9.7	11.3
Manufacturing	*%*	9.5	9.4	9.0	8.8	9.9
Transportation & warehousing	*%*	11.6	12.2	12.3	12.5	9.0
Real estate	*%*	6.7	6.8	7.1	7.4	7.8

Source: Dubai Statistics Centre

Table 4. Top ten cities to relocate to

City	Ranking	% of respondents
London	1	18
Amsterdam	2	15
Dubai	**3**	**14**
Berlin	4	13
Abu Dhabi	5	11
Tokyo	6	11
Singapore	7	11
New York	8	10
Barcelona	9	9
Sydney	10	8

Source: (BCG, 2021)

Dubai's Economic Initiatives

In the mid-1990s, with a decline in oil production, Dubai sought to diversify its economy and was tremendously successful in doing so. Dubai is now recognised as a hub for real estate, tourism, and trade. It is often seen as the financial capital of the UAE. Economic growth is a key contributor to traffic levels on tolling systems; however, the diversity of Dubai's economy translates into stable economic growth over time. Moreover, economic innovation has continued with key recent initiatives launched to support growth, innovation and sustainability which include:

1. **Expo 2020** (Announced – 2013): This global event was delayed due to COVID-19 restrictions and finally started in Dubai in October 2021. The exposition delivered significant economic benefits to the Emirate and the UAE, including a 2% (two percent) contribution the UAE GDP[2]. The economic stimulating effects of the event extended to 76.5% (`qes1dty-six percent point five percent) of Dubai-based businesses registering growth during the event[3].
2. **Dubai Plan 2021** (Announced – 2014): an initiative focused on holistic and complementary services with people and society at the epicentre[4].
3. **Dubai Green Mobility Strategy 2030** (Announced – 2016): an initiative launched by the Dubai Supreme Council on Energy to encourage use of electric vehicles and reduce carbon emissions by 16% (sixteen percent) by 2021[5].
4. **Area 2071** (Announced – 2017): an initiative to make the UAE "the world's leading nation" by establishing an ecosystem aimed to nurture global talent to start and grow their businesses through start-up accelerators and incubators in the UAE[6].
5. **Dubai 10X** (Announced – 2017): an initiative aimed at "positioning Dubai 10 (ten) years ahead of all other world cities" places strategic focus on innovative technology and disruptive solutions[7].
6. **Smart Dubai Office** (Announced – 2017): an initiative aimed at creating a model-smart city with over 1,000 (one thousand) smart services across government departments

[2] Arab News, 2021
[3] Gulf Business, 2022
[4] The Executive Council of Dubai, 2021
[5] Government of Dubai, 2020
[6] AREA 2071, 2021
[7] Dubai Future Foundation, 2021

deliver efficient services to residents while also reducing costs through paperless transactions[8].

7. **Dubai Clean Energy Strategy 2050** (Announced – 2017): an initiative pledged by Dubai to increase its use of clean energy sources to 100% (hundred percent) by 2050 and to reach net-zero emissions by 2050[9].
8. **Dubai Future District** (Announced – 2019): An initiative with a dedicated fund of USD 272m[10] (United States Dollars two hundred and seventy-two million) to support the development of the future economy to support innovative technology companies that will contribute to Dubai's growth[11].
9. **Dubai 2040 Urban Master plan** (Announced – 2021): With the significant focus on economic growth through all of these initiatives Dubai also has a clear focus on a comprehensive future plan to develop Dubai's sustainable urban development. The population of Dubai residents is expected to increase from 3.4 million (three million, four hundred thousand) in 2020 to 5.8 million (five million, eight hundred thousand) by 2040 while the day-time population is expected to increase from 4.4 million (four million, four hundred thousand) in 2020 to 7.8 million (seven million, eight hundred thousand) in 2040. Some of the key initiatives of this plan include (i) developing five main urban areas (three existing and two new centres) to support economic growth and increased job opportunities across the population; (ii) ensure that 60% (sixty percent) of Dubai's area is comprised of natural reserves and rural natural areas; (iii) increase the land area for tourism and hotel activities by 134% (one hundred and thirty-four percent); (iv) increase land area dedicated to education and health facilities by 25% (twenty-five percent); (v) promote non-automotive (walking, cycling and use of flexible means of transportation) transportation[12].

10. **Figure 1. Dubai 2040 Urban Master Plan Urban Centres**

Tourism, Real Estate and Trade

Tourism

Dubai has established itself as a tourist hotspot in recent years with its modern architecture (it is home to the largest building in the world, the Burj Khalifa), its diverse shopping experiences, golden beaches, vibrant night life, fine dining, and recurring events. Dubai plans to host 400 (four hundred) global events per annum by 2025. Dubai ranked first in the Tripadvisor's 2022 Travelers' Choice Awards as the most popular tourist destination in the world. The Emirate's ambitious target of becoming the most visited city in the world and attracting 25 million (twenty five million) tourists by 2025 is currently on track, as over the last decade Dubai has seen the number of visitors rise from 6.9 million (six million, nine hundred thousand) in 2007 to 16.7 (sixteen million, seven hundred thousand) million in

[8] Department of Economy and Tourism, 2021
[9] Emirates News Agency, 2021, UAE Government, 2022
[10] Department of Economy and Tourism, 2021
[11] Department of Economy and Tourism, 2021
[12] Department of Economy and Tourism, 2021

201913. Tourism plays a significant role towards Dubai's GDP, accounting for 5.1% (five point one percent) of GDP in 2018

Despite the challenges associated with COVID-19, with the closure of Dubai's airport main terminal for 15 (fifteen) months Dubai demonstrated the resilience of its tourism industry by sustaining a growing market share of global travel, from 1.12% (one point twelve percent) in 2018 to 1.44% (one point forty-four percent) in 2020. Despite a decrease in the number of passengers due to the pandemic, Dubai's airport remained the busiest airport in the world for international passengers in 2021 for the 8th (eighth) year in a row accounting for 29.1 (twenty-nine million, one hundred thousand) passengers. This resilience can be mainly attributed to initiatives launched by the Emirate to ease barriers to entry, such as the five-year multi-entry visa for employees of multinational companies and the Virtual Working and Retire in Dubai programmes. Dubai effectively managed the pandemic as one of the first destinations in the world to close, then open, and remain open. Its early initiative to lead the global tourism recovery restored travel confidence and positioned the city as one of the safest destinations.

Policy targets and development plans aim to increase tourism further in the future. In November 2021, Dubai's Crown Prince announced that the Emirate was targeting growth in the number of tourists to reach 25 million (twenty-five million) in 2025. Looking ahead, the city's tourism infrastructure is expected to be transformed over the next 2 (two) decades with the Dubai 2040 Urban Master Plan, targeting an increase of total space dedicated to tourism activities by 134% (One hundred and thirty-four percent) and increasing the length of public beaches by 400% (four hundred percent).

Historically, the number of hotel rooms has risen from 51,000 (fifty-one thousand) in 2010 to 91,000 (ninety-one thousand) by 2018. Despite the growth in rooms, hotel occupancy rates have also increased from 70% (seventy percent) in 2010 to 76% (seventy-six percent) by 2018, occupancy rates stood at an average of 67% (sixty-seven percent) during 2021[14] an occupancy rate higher than other popular destinations such as New York (60% (sixty percent)), London (46% (forty-six percent)), Paris (43% (forty-three percent)), Madrid (42% (forty-two percent)), Sydney (38% (thirty-eight percent)) and Rome (34% (thirty-four percent))[15]

Real Estate

The real estate sector has been one of the key contributors to Dubai's GDP with some years witnessing growth exceeding 14% (fourteen percent) year over year. Despite the outbreak of COVID-19 in early 2020, the sector's contribution reached 7.9% (seven point nine percent) in the first 9 (nine) months of 202016 and 9.2% (nine point two percent) in the first 9 (nine) months of 2021.

As an indication of a post COVID-19 rebound, the Dubai Land Department reported a total of 25,455 (twenty-five thousand, four hundred and fifty-five) real estate transactions worth US$25 billion (United States Dollars twenty-five billion) registered within the first four months of 2021. This is an increase of 51% (fifty-one percent) in terms of volume and 72% (seventy-two percent) in terms of value compared to the same period in 2020[17]. Further, in April 2021 there were record-breaking sales transactions worth US$3 billion (United States Dollars three billion), which was the highest since March 2017 [18]. Key major drivers for this upward trend appear to be reforms in residency laws and the simplicity of ownership[19].

Expo 2020 also contributed to the recovery of the real estate sector as expected, with apartment and villa rental rates increasing from 10% and 24% (ten percent and twenty-four percent) annually. Office rentals grew by 4% (four percent) from December of 2021 to February of 2022. Sales prices of apartments, villas and offices increased by 20% (twenty percent), 40% (forty percent) and 12% (twelve percent) in 2021, all further showcasing the continued recovery and effectiveness of the governmental reforms[20].

[13] Government of Dubai, 2019, Department of Economy and Tourism, 2021
[14] Department of Economy and Tourism, 2022
[15] Deloitte, 2022
[16] Dubai Land Department, 2021
[17] Arabian Business, 2021
[18] Dubai Land Department, 2021
[19] Motivate Media Group, 2021
[20] Construction Week Middle East, 2022

Trade

While Dubai has always been a trading city, the discovery of oil in the mid-1960s promoted a development boom in the building of ports, roads, and other major infrastructure. However, oil production peaked at 410,000 (four hundred and ten thousand) barrels per day in 1991 and has declined thereafter. Oil and gas currently accounts for less than 1% (one percent) of the GDP of Dubai.

This decline accelerated Dubai's move to diversify its economy away from oil, with trade identified as one of the key income streams to help achieve this diversification. From 2006 until 2018, Dubai's total trade in goods (direct trade and free zones) grew at an average rate of 8% (eight percent) per annum, almost twice the rate of nominal GDP growth. This growth slowed during the pandemic in 2020, which caused total foreign trade to drop to US$321 billion (United States Dollars three hundred and twenty-one billion). This represented a decrease of some 14% (fourteen percent) from 2019, which stood at US$370 billion (United States Dollar three hundred and seventy billion). However, Dubai has since recovered and reported that non-oil external trade increased to US$197 billion (United States Dollars one hundred and ninety-seven billion) in the first half of 2021 compared to US$150 billion (United States Dollars one hundred and fifty billion) in the first half of 2020 (+31%). Dubai is currently on track to reach its pre-pandemic non-oil external trade levels.

Airborne trade accounted for 47% (forty-seven percent) of trade in 2020 with a value of US$152 billion (United States Dollars one hundred and fifty-two billion). Dubai's flagship airline carrier, Emirates Airlines, ranked as the fourth largest cargo airline in 2020 handling 9,569m (nine thousand, five hundred and sixty-nine) Cargo Tonne-Kilometres. Seaborne trade accounted for 36% (thirty-six percent) of trade in 2020 with a value of US$115 billion (United States Dollars one hundred and fifteen billion). Dubai's Port of Jebel Ali is the world's largest man-made harbour and the biggest port in the Middle East. It was ranked the eleventh busiest port in the world in 2020 in terms of volume handled with 13.5 million (thirteen million, five hundred thousand) twenty-foot equivalent unit. Land borne trade made up the remaining 17% (seventeen percent) with a value of US$55.7 billion (United States Dollars fifty-five billion, seven hundred thousand).

Dubai's COVID-19 Response

The COVID-19 outbreak affected economies and livelihoods globally in unprecedented ways requiring governments to act swiftly and effectively. The UAE have sought to curtail the spread of COVID-19 with the establishment of numerous testing facilities and implementation of safety standards for tourism and retail establishments, including the rollout of ambitious vaccination programmes and affordable PCR testing. The UAE also swiftly digitised personal COVID-19 vaccination and testing related information through mobile applications to facilitate the safety of the community. The UAE currently ranks in the top quartile globally in vaccines administered[21] with over 97% (ninety-seven percent) of the population described as fully vaccinated[22] compared to 58% (fifty-eight percent) of the global population[23]. The UAE also currently ranks in the top 10 countries globally with the fastest booster rollout campaigns, where approximately 30.4% (thirty point four percent) of the total population has received the booster shot as of December 2021[24]. Further, as per Bloomberg's COVID-19 Resilience Ranking as of February 2022, the UAE ranked first out of 53 (fifty-three) economies where the virus is being handled most effectively with the least social and economic upheaval[25].

As part of its "Post Covid-19 recovery plans and initiatives", the UAE government has launched various initiatives and programmes to boost the economic growth at a federal level[26]. Additionally, at a local Emirate level the Government of Dubai launched an economic stimulus package worth US$85.7 million (United States Dollars eighty-five million, seven hundred thousand), raising the value of business incentives introduced by the Emirate's government to US$1.9 billion (United States Dollars one billion, nine hundred thousand). The package had a noticeable effect on trade. The business registration and licensing sector of Dubai issued 72,152 (seventy-two thousand, one hundred and fifty-two)

[21] Reuters C19 , n.d.
[22] Supreme Council for National Security, 2022
[23] Our World in Data, 2022
[24] Bloomberg, 2021
[25] Bloomberg, 2022
[26] UAE Government Portal, 2021

new business licenses in 2021, a growth of 69% (sixty-nine percent) compared to 2020[27].

The country also performed well on vaccinated travel routes and has maintained a low case count despite being one of the first countries to reopen to tourism, along with limited overall mortality. The UAE is ranked in the top 3 (three) of places that are handling the pandemic the best measured against the least social and economic disruption[28].

Table 5. Covid Resilience Ranking

Country	Ranking
UAE	**1**
Ireland	2
Saudi Arabia	3
Norway	4
Australia	5
Spain	6
Finland	7
Colombia	8
U.K	9
Portugal	10

Source: (Bloomberg, February 2022)

Transport sector

Legal and Regulatory Framework

From its inception, the RTA has seen an expansion of its duties and responsibilities, assigned primarily through the issue of laws and TEC Resolutions (generally seen as supporting or secondary legislation). Below are listed the key enabling legal instruments that have shaped the RTA over the past 17 (seventeen) years[29].

Establishing Law

The RTA of Dubai was established under Law No. 17 of 2005. The RTA is a public authority with a wide range of powers that support various objectives and responsibilities. Specifically, this founding law identifies a range of responsibilities including the planning and providing requirements for transport, roads, and traffic in the Emirate of Dubai and at the interface points between adjacent Emirates and countries (Article 5 of Law No. 17).

The RTA inherited rights, obligations, and responsibilities in relation to existing networks. These include:

- Department of Public Transport (metro, tram, buses, taxis and boats)
- Road maintenance section
- Traffic safety section
- Vehicles licensing section
- Drivers licensing section
- Plates factory section of the traffic directorate of the General Headquarters of the Dubai Police

Salik was introduced by law in 2006 and in practice by the RTA in 2007.

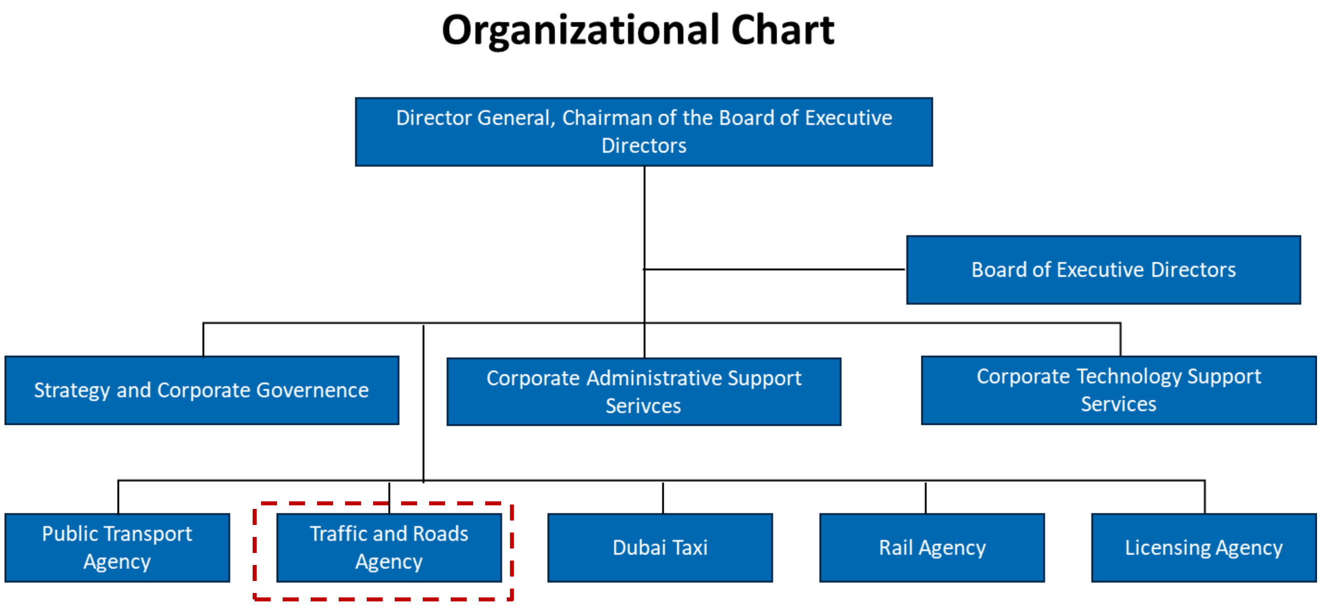
[27] Government of Dubai Media Office, 2022
[28] Bloomberg, n.d.
[29] The RTA website (www.rta.ae) lists all pertinent laws, regulations, local orders, and Dubai Executive Council Resolutions but it is written mostly in Arabic. Reference to the laws in this section are taken from English translations.

Agencies and Regulation

Multiple Agencies are established under the RTA (the "**RTA Agency**"), which include:

1. Traffic and Roads Agency (the "**TRA**") (which Salik operates under)
2. Public Transport Agency
3. Rail Agency
4. Dubai Taxi
5. Licensing Agency

Figure 2. RTA Organisational Chart



It is important to note that each agency is administratively and financially independent, operating under the purview of the RTA. Each Chief Executive Officer responsible for an agency is appointed by the Chairman of the RTA as set out in Article 3 of the TEC Resolution (ECR) No. 8 of 2006. Article 5 of ECR No. 8 further stipulates that: "The relationship between the RTA and the affiliated agencies shall be regulated and managed through a work agreement concluded for 3 (three) years, stipulating the strategic objectives of each agency in accordance with the RTA general objectives, as well as clarifying the joint framework and the limits of responsibilities and authorisations for the RTA and any of the agencies". In effect, an RTA Agency is under the responsibility and control of the RTA and all agencies are required to follow a general framework with specific duties assigned to each agency in subsequent articles as described in Resolution No. 8.

Under Article 6 of the TRA, these duties include:

- Conducting the required detailed studies and applied practices to design, establish, manage, operate, and maintain an integrated, economic, and effective traffic and road system.
- Implementing the studies' results related to defining and applying the traffic and road fees, including proposing the fees for using the road network.
- Developing and updating the technical systems regarding traffic and roads.
- Proposing the legislation of the agency's work, submitting it to the Board of Executive Directors of RTA and implementing the approved laws.

Law No. 17 of 2005 together with Resolution No. 8 provided the preliminary framework for the RTA and the TRA to develop the tolling infrastructure and fees scheme for the use of the infrastructure that set up the Salik system in place presently in Dubai. The specific enabling legislation is further discussed below.

Introduction of Tolls

Citing Law No. 17 of 2005 and Resolution No. 8 of 2006 the Government of Dubai issued Law No. 22 of 2006 Concerning the Traffic Tariff in the Emirate of Dubai [30]. This is the law (and any amendments and supporting regulations) to which the RTA and the Company will be subject after completion of the Carve-out and the IPO.

Article 4 of Law No. 22 of 2006 establishes which vehicles are required to pay fees as listed below:

- Motorcycles
- Private and public light vehicles
- Heavy vehicles
- Light buses
- Heavy buses
- Light goods vehicles
- Heavy goods vehicles

Law No. 22 of 2006 also details the vehicles exempted from the application of the provision of the law and gives authority to the Director-General of the RTA to grant further exemptions (the latest example being Administrative Resolution No. (313) of 2020).

Excluded vehicles are listed in Article (1) of the Resolution No (313) of 2020 as below:

1. Mass transportation buses:
    a. Government entities staff transportation buses
    b. Student buses
    c. Public transportation buses
2. Mechanical vehicles related to the following categories:
    a. Armed Forces and Ministry of Defence
    b. Dubai Police
    c. Federal Police and other Emirates police
    d. Civil Defence
    e. Ambulance
    f. Ministry of Interior
    g. National Security
3. Mechanical vehicles related to the disabled category, including
    a. Vehicles of specialised centres transporting people of disability
    b. Vehicles of individuals specified for transporting people of disability
4. Mechanical vehicles related to charitable and public benefit establishments

Law No. 22 of 2006 also sets the parameters of the penalties that can be levied against those who violate the provisions of the law or its executive regulations. Ultimately, the TEC, in conjunction with the Finance Department and the RTA, approves the fees (tolling rates) and fines that are implemented across the system (Article 15).

Fees and Fines Determination

Historically, the TEC Resolutions determine the fees (tolling rates) and fines to be paid, within the parameters set by Law No. 22 of 2006, and communicate those to the public.

The TEC issued Executive Council Resolution No. 19 of 2010, adopting fees (tolling rates) and fines to be issued in July 2010. From this time forward, it does not appear that any further fee (tolling rates) or penalty fine amendments have been issued by the TEC. There has been also no increase in tolling rates since the inception of the Salik system.

[30] RTA, n.d.

Director-General

The RTA Director-General is also Chairman of the Board of Executive Directors of the RTA. The powers of the Chairman of the Board are listed in Law No. (17) of 2005 which also has the authority to mandate the operation of Salik accounts by users and the opening times of the Toll Gates (see Administrative Resolution No. (361) of 2019).

Dubai's Transport Sector

Dubai boasts one of the world's most advanced transport infrastructures, which includes buses, taxis, metro, trams, automobiles, and water transport. The UAE and Dubai's infrastructure has consistently ranked amongst the world's best, placing in the top 10 continuously in the World Economic Forum Global Competitiveness Report and was ranked first from 2013-2018 in its quality of roads index.

Table 6. Comparative[31] Quality of Roads Score

Country	Score	Ranking
UAE	6.4	**1**
Portugal	6.1	4
Spain	5.7	12
Saudi Arabia	5.1	27
Australia	4.8	34
Thailand	4.4	53
Indonesia	3.9	68

Source: (The Global Economy, 2013-2018)

Note: Scores are based on the average score from 2013-2018

The RTA is responsible for planning and providing the requirements of transport, roads, and traffic management in the Emirate of Dubai, and between Dubai and other Emirates of the UAE in order to provide an effective and integrated transport system capable of achieving Dubai's vision and serving the vital interests of the Emirate[32].

The RTA's main responsibilities include managing:

- Road engineering
- Traffic safety
- Registration and licensing for vehicles and drivers
- Roads and parking
- Public transport (Including Dubai metro, Dubai tram, buses and taxis)

Public transport plays a key role in the Dubai transport infrastructure, with 461 million (four hundred and sixty-one million) riders in 2021. Taxis had the largest share of ridership as can be seen in the table below, with Dubai metro and buses providing the second and third largest shares, respectively.

[31] There are tables within the report providing comparisons of Dubai to a number of other countries considered as peers with respect to toll road operations including Australia, Indonesia, Portugal, Saudi Arabia, Spain, and Thailand. The report has not attempted to compare against every country operating toll roads but to give a representative sample as a benchmark for Dubai.
[32] RTA, 2022

Table 7. Public Transport, Shared Mobility, and Taxi Ridership 2021

Mode of Transport	Ridership (Million)	% of total
Taxi	156	34%
Dubai Metro	151	33%
Bus	115	25%
Shared mobility	23	5%
Marine transport	11	2%
Dubai tram	5	1%
Total	**461**	**100%**

Source: (Government of Dubai Media Office, 2022)

The metro network gained a 15 (fifteen) km extension as part of the route 2020 project in 2021, with the network length now reaching 89 (eighty-nine) km. The system consists of two fully automated lines, which are the red line and green line, the former of which is the world's longest driverless single metro line at 52.1 (fifty-two point one) km[33].

The Dubai tram network, which covers a small portion of the city near the marina, consists of an 11 (eleven)train fleet each with a capacity of 292 (two hundred and ninety-two) passengers, having a total network length of 10.6 (ten point six) km. The fully automated rail system stretches from Al Sufouh from Dubai Marina to the Palm Jumeirah. Passing through 11 (eleven) stations, it connects to the Jumeirah Lake Towers and DAMAC Properties stations on the Dubai metro red line. The Dubai tram conducted 86,100 (eighty-six thousand, one hundred) trips in 2020 serving 3.65 million (three million, sixty-five hundred thousand) riders[34].

Taxis in Dubai are metered with strictly regulated fares. They can be hailed on the streets or booked through smart apps. Taxis operate 24 (twenty-four) hours a day. The RTA also offers smart car rental service that can be used to rent a car for 6 (six) hours or less. Uber and Careem services can also be utilised in the Emirate. In 2020, taxis served 109.9 (one hundred and nine million, nine hundred thousand) riders across 63.2 (sixty-three million and two hundred thousand) trips, with shared mobility (e-hailing and car sharing) serving an additional 15.3 million (fifteen million, three hundred thousand) across 8.9 million (eight million, nine hundred thousand) trips [35]. Taxi fares in the Emirate are amongst the lowest globally, which along with the convenience factor and high availability has made taxis the most popular mode of public transport in 2021.

Table 8. Comparative Major Cities' Taxi Fares

City	Unit	Starting Fare	Fare/Km
Bangkok (Thailand)	AED	3.80	0.54
Jakarta (Indonesia)	AED	1.79	1.02
Dubai (UAE)	**AED**	**5.00**	**1.82**
Riyadh (Saudi Arabia)	AED	4.90	1.96
Lisbon (Portugal)	AED	12.88	1.86
Madrid (Spain)	AED	9.91	4.36
Sydney (Australia)	AED	9.75	5.93

[33] RTA, 2021
[34] RTA, 2021
[35] RTA, 2021

Source: (taxi-calculator.com, 2022)

The Dubai bus fleet consists of over 1,518 (one thousand, five hundred and eighteen) buses. Dubai buses provide service along 119 (one hundred and nineteen) internal lines, including 35 (thirty-five) lines that are connected to the Dubai metro stations. In addition, there are 12 (twelve) intercity lines that provide transportation to other Emirates. Dubai's bus system provides services to 82% (eighty-two percent) of the urban areas across Dubai[36].

Figure 3. Dubai Public Transportation Map

Even though the Dubai public transport infrastructure is very well developed in Dubai, commuting by car remains the most popular and convenient method of transport within the Emirate, with private cars accounting for 61% (sixty-one percent) of journey modes[37] due to the relatively low cost of purchasing and maintaining a car[38], the low cost of gasoline in the UAE, and the widespread corporate car allowance programs, where approximately 54% (fifty-four percent) of employers offer a car allowance or a company car [39]. These factors have contributed to Dubai having one of the highest vehicle penetrations per capita in the world.

Table 9. Dubai Journey Modal Split

Transport method	Unit	Share of total
Private Car	%	61
Public Transport	%	14
Walking	%	13
Other	%	12

Source: (Deloitte, 2020)

[36] RTA, 2022
[37] Deloitte, 2020
[38] UAE had the 18th lowest vehicle price out 167 countries as per the World Bank International Comparison Program (World Bank, 2017)
[39] The Nati onal, 2020

Table 10. Comparative Indexed Vehicle Prices

Country	Unit	Indexed price	Ranking
Saudi Arabia	#	78.95	9
UAE	**#**	**86.23**	**18**
Australia	#	95.54	45
Spain	#	95.71	46
Indonesia	#	116.04	103
Portugal	#	119.13	111
Thailand	#	124.16	124

Source: (Global Economy, 2017)

Note: The index summarises the cost of vehicle purchases by country to allow international price comparison. The world average is set at 100, the source includes a list of 167 countries

Table 11. Comparative Vehicles per 1,000 Inhabitants

Country	Unit	Number of Vehicles
Australia	#	717
Spain	#	593
Portugal	#	548
Dubai	**#**	**540**
Saudi Arabia	#	336
UAE	#	313
Thailand	#	206
Indonesia	#	60

Source: (Our World in Data, 2014) "Road Vehicles per 1000 inhabitants", Al Arabiya "This UAE city has one of the highest vehicle densities in the world"

Table 12. Comparative Gasoline Prices per Litre

Country	Unit	Price/Litre
Saudi Arabia	*USD*	0.62
UAE	*USD*	**0.97**
Indonesia	*USD*	1.13
Australia	*USD*	1.29
Thailand	*USD*	1.44
Spain	*USD*	1.99
Portugal	*USD*	2.04

Source: Gasoline prices, litre, 16-May-2022, global petrol prices

Vehicle registration in Dubai has been growing steadily and is forecasted to continue to grow over the upcoming years due to the expected continued GDP and population growth, with the total number of registered vehicles expected to reach 2.3 million (two million, three hundred thousand) in 2025. This constitutes an increase of 24% (twenty-four percent) from 2020.

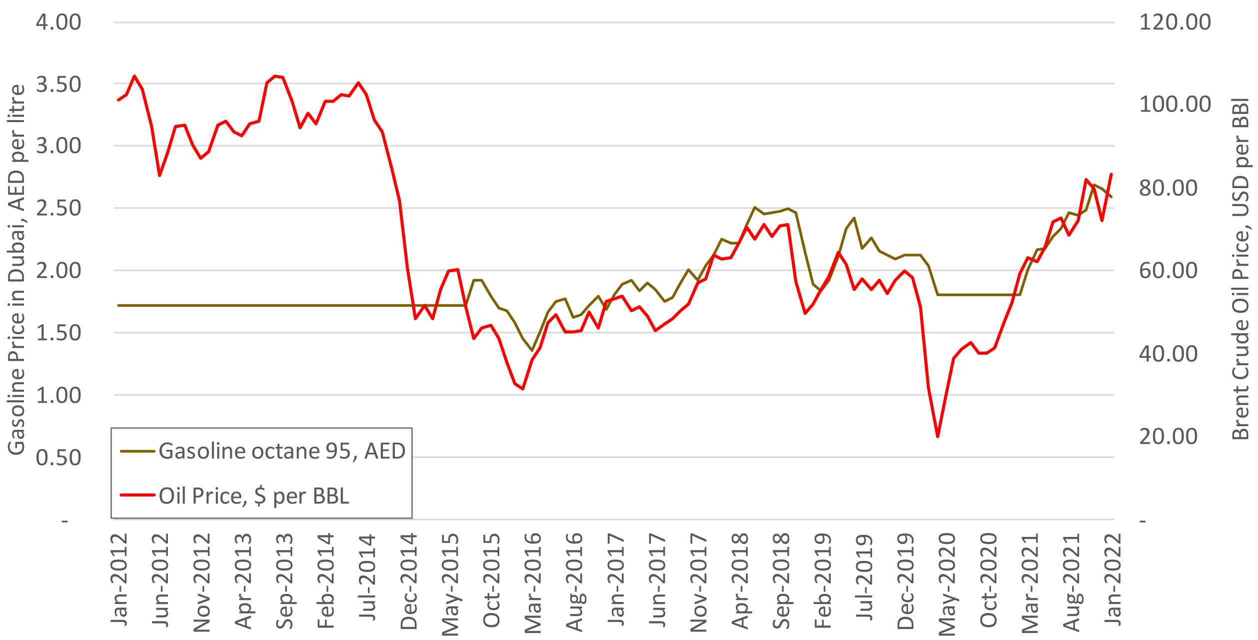
Table 13. Number of Registered Vehicles in Dubai including Forecast through 2030 (in Thousands)

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1,559	1,656	1,731	1,774	1,813	1,830	1,858	2,065	2,148	2,217	2,277	2,335	2,397	2,470	2,549	2,633

Source: RTA

Prior to 2015, gasoline products in Dubai were heavily subsidised and prices were held constant. Specifically, e95 gasoline was available at the retail price of AED 1.72 (UAE Dirhams one and seventy-two fils) per litre. Starting August 1st, 2015, the UAE moved to a zero-subsidy regime for fuel prices, at which point the prices increased by over 24% (twenty-four percent) and then followed the production costs.

Figure 4. Dubai's Historical E95 Gasoline Price and Crude Brent Oil Prices

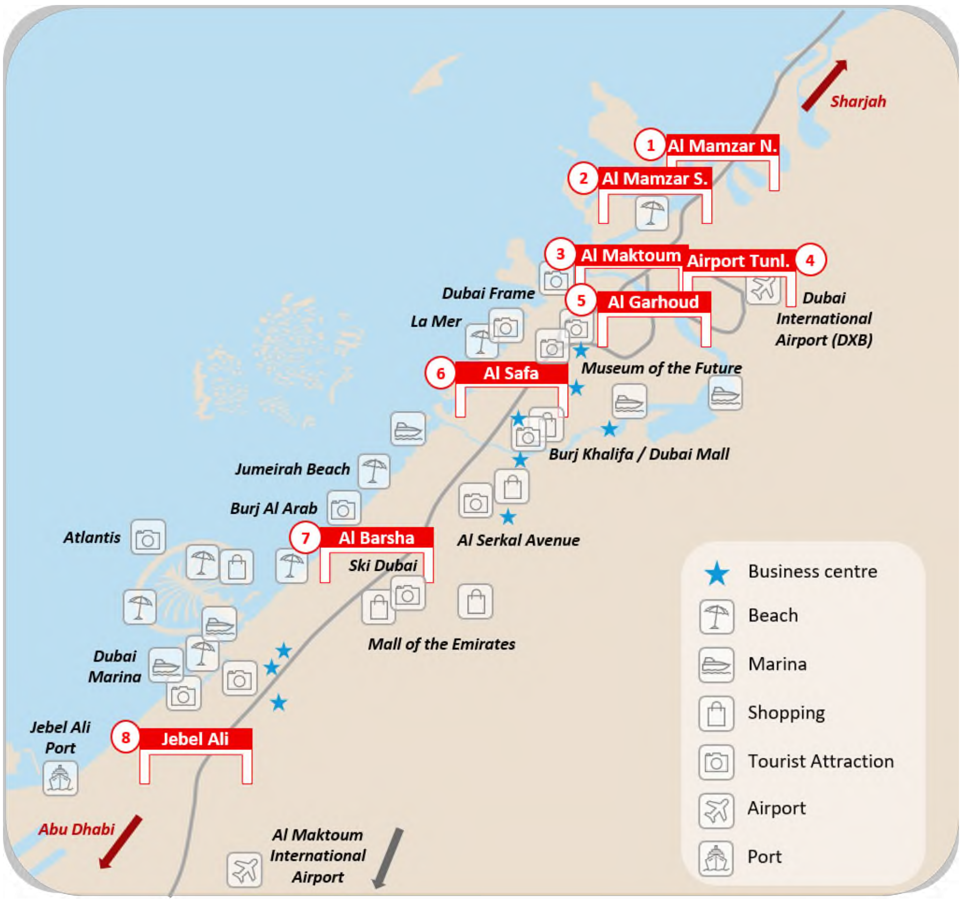


Gas prices in Dubai are amongst the lowest in the world, which further contributes to the affordability of car ownership.

The main roads that connect Dubai to the 5 (five) northern Emirates and the southern Emirate of Abu Dhabi are:

- **Sheikh Zayed Road (E11)** - the longest road in the UAE. It stretches from Al Sila in the Emirate of Abu Dhabi and ends in the Emirate of Ras Al Khaimah. It has various alternate names but is generally referred to as the "Sheikh Zayed Road" in Dubai and Abu Dhabi. This road is tolled by the RTA across virtually its entire length within Dubai. The section of the road that runs through Dubai is considered the main road within Dubai, and is lined with the main commercial and residential attractions along either side. Sheikh Zayed Road is the only tolled road in Dubai.
- **E311 -** or Sheikh Mohammed bin Zayed Road, previously known as Emirates Road. The Emirates Road links Dubai to the rest of the Emirates
- **Al Khail Road (E44)** - stretches parallel to Sheikh Zayed Road for approximately 20 (twenty) km from Dubai Sport City to Dubai Design district and continues further East towards the Gulf of Oman.
- **Sheikh Khalifa Highway** - links Dubai and Fujairah.
- **Dubai-Fujairah road** - passes through the Hatta Mountain range and goes through the Emirates of Dubai, Sharjah, and Ras Al Khaimah.
- **Dubai-Al Ain Road** - links Dubai with the city of Al Ain.
- **E611** - or Emirates Road, was developed to link the Emirate of Abu Dhabi with the Northern Emirates of Ras Al Khaimah and Umm Al Quwain parallel to E311 without passing through downtown Dubai.

Figure 5. Salik Toll Gate Locations



Brief History of RTA Development of Tolling Infrastructure

The Salik toll system was, from its inception, intended to provide a more efficient means for moving people through Dubai. Salik uses what is known as open road tolling, meaning that there are no gates that impede the flow of traffic for individuals paying tolls. Instead, Salik utilises RFID technology wherein the RFID tag inside the vehicle is activated whenever it passes through a toll plaza to identify the specific vehicle traveling on the system. The use of open road tolling more efficiently moves vehicles through the toll road system, and because it causes less congestion, the technology is better for the environment (less pollution) and more energy efficient.

If the RFID system does not register the vehicle or a vehicle has not purchased an RFID device, the Salik system uses a sophisticated camera system that takes photographs of the license plates on the vehicle. These high-resolution images are then scanned through optical character recognition (the "**OCR**") programs that allow for the automatic determination of the characters on the license plate. In certain cases, due to the high confidence settings in the system, the RTA confirms certain OCR readings with human review to ensure 100% (one hundred percent) accuracy. Ultimately, the combination of the RFID readers, the camera, and the OCR system is designed to ensure that individuals that utilise the system are appropriately and accurately charged for the use of Salik.

Initially, Salik was opened with 2 (two) toll gates operating at Al Garhoud Bridge and one near the Mall of the Emirates on Sheikh Zayed Road. 6 (six) additional toll gates were added such that presently there are eight gates across the Salik system. 6 (six) of these gates are placed along Sheikh Zayed Road stretching from Jebel Ali in the south (the most recent gate to be added to the system) to Al Mamzar North on the northern side of Dubai. Sheikh Zayed Road is the most prominent thoroughfare through Dubai, passing through the most densely populated areas of the Emirate as well as through many of its employment areas. 2 (two) other gates include the Airport Tunnel and Al Maktoum Bridge, connecting into Deira which provide connections to Sheikh Zayed Road into these important economic areas of Dubai.

A prominent feature of Dubai is Dubai Creek that separates northern and southern Dubai and essentially creates an "island", which is the financial district of Dubai. Salik currently tolls 2 (two) of the main arteries that cross the Dubai Creek, including the previously mentioned Al Maktoum Bridge, as well as the Al Garhoud Bridge.

Presently, the toll through each of the gates is AED 4 (UAE Dirhams four). The Al Maktoum Bridge toll gate is free from 10:00 p.m. until 6:00 a.m. on weekdays and from Saturday 10:00 p.m. until Monday 6:00 a.m. Further, when passing Al Mamzar South and North gates in the same direction within an hour, the vehicle is only charged once. When the toll is not paid, violation fees are applied.[40] These violations fall into 2 (two) categories: (1) individuals that did not have sufficient funds in the Salik account when using the system; and (2) individuals that used the Salik system without registering the license plate for the vehicle. For an insufficient funds violation, AED 50 (UAE Dirhams fifty) is charged if the shortfall is not resolved within 5 (five) working days. For the unregistered license plate, the charges are only applied if the vehicle is not registered within 10 (ten) working days of using the Salik system. For unregistered plate violations the fine incurred starts at AED 100 (UAE Dirhams one hundred) for the first day. On the second trip with an unregistered plate, the fine increases to AED 200 (UAE Dirhams two hundred), and then increases to the maximum amount of AED 400 (UAE Dirhams four hundred) on the third trip and thereafter, with a maximum of one violation per day per vehicle.

Approximately 1%-2% (one percent to two percent) of annual traffic passing through the gates consists of vehicles which RTA has exempted from paying a toll fee when passing through any Salik gate. Please refer to section "*Introduction of Toll*" roads for the full list of exempted vehicles as per Article (1) of the Resolution No (313).

[40] The total number of violations in 2019, 2020 and 2021 were 4.00 million, 2.56 million and 2.75 million, respectively which constituted 0.91%, 0.84% to 0.74% of total net toll traffic.

Existing Traffic Conditions

Historical Traffic Trends

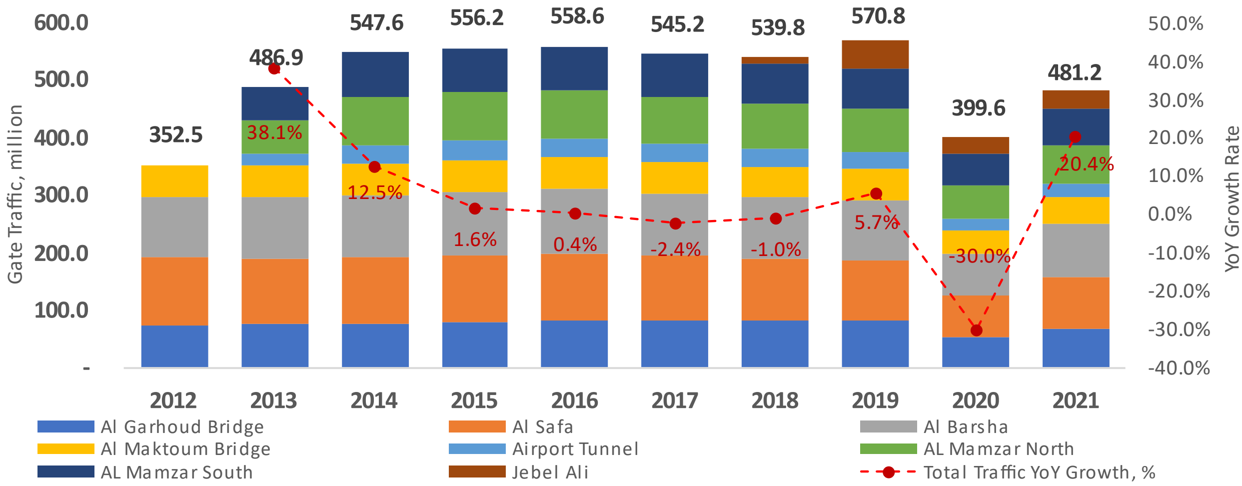
As of the end of 2021, the Salik system operated a total of eight toll gates. The Jebel Ali gate has been in operation since October 2018. The Airport Tunnel, Al Mamazar North, and Al Mamazar South Gates have operated since April 2013. The other 4 (four): Al Garhoud Bridge, Al Safa, Al Barsha, and Al Maktoum Bridge have been running for more than ten years. The long history of operations allowed the Industry Consultant the historical data and analyse the traffic on gate-by-gate basis.

The table and chart below set forth historical annual total traffic passing through the gates.

Table 14. Historical Annual Salik Total Traffic, million

Gate	Opened	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Al Garhoud Bridge	Jul-07	73.9	74.8	75.9	79.1	80.5	80.9	81.1	80.9	53.6	66.6
Al Safa	Sep-08	116.8	114.2	114.8	116.2	118.1	114.7	109.4	105.3	72.6	90.4
Al Barsha	Jul-07	106.2	106.2	108.7	110.6	112.0	107.0	105.0	105.7	72.9	93.2
Al Maktoum Bridge	Sep-08	55.6	55.5	54.9	55.6	55.1	55.3	54.7	54.2	38.7	46.8
Airport Tunnel	Apr-13	-	22.1	31.8	34.1	33.4	33.1	31.1	29.3	21.1	23.6
AL Mamzar North	Apr-13	-	58.2	83.7	83.3	82.7	80.2	76.9	74.5	58.3	66.5
AL Mamzar South	Apr-13	-	55.8	78.0	77.3	76.8	74.1	70.9	69.2	54.3	62.6
Jebel Ali	Oct-18	-	-	-	-	-	-	10.6	51.6	28.3	31.5
Total Traffic		**352.5**	**486.9**	**547.6**	**556.2**	**558.6**	**545.2**	**539.8**	**570.8**	**399.6**	**481.2**
Total Traffic YoY Growth, %			*38.1%*	*12.5%*	*1.6%*	*0.4%*	*-2.4%*	*-1.0%*	*5.7%*	*-30.0%*	*20.4%*

Figure 6. Historical Annual Salik Total Traffic Chart



The overall traffic through the Salik toll road system steadily increased through 2015, then the growth slowed down and reversed in 2017 and 2018, respectively. The increase in 2019 is attributed to the addition of the Jebel Ali gate. 2020 was severely affected by the COVID-19 pandemic effects, which started to clear in 2021.

Not all toll traffic is revenue generating. Discount traffic includes all vehicles passing through the toll gates free of charge, such as government and city operated vehicles, taxis without passengers, vehicles committing multiple violations[41], vehicles traveling on discount corridors, and free time traffic[42].

[41] "Multiple violations" refers to drivers that repeatedly drive through the toll gates without paying in 24 hours. In this case, the fine is paid only once.

[42] Al Maktoum bridge free passage periods include Monday to Friday 10 p.m. to 6 a.m. and Weekends from Saturday 10 p.m. to Monday 6 a.m.

Table 15. Share of Discount Traffic Across all Salik Gates, million

	2017	2018	2019	2020	2021
Taxi without Passengers	34.9	33.7	34.9	24.5	26.4
Exempt Vehicles	6.5	7.2	8.0	6.0	7.1
Al Maktoum Bridge Free Time	20.8	21.6	22.3	14.6	20.2
Al Safa, Al Barsha and Al Mamzar Discount	65.8	55.6	54.2	43.2	50.2
Multiple Violations and other	9.6	9.3	10.3	6.5	7.3
Discount Traffic Total	**137.7**	**127.3**	**129.8**	**94.7**	**111.2**
Discount Traffic %	*25.3%*	*23.6%*	*22.7%*	*23.7%*	*23.1%*

The total traffic historically includes more than 20% (twenty percent) discount traffic. The table above shows the share of discount traffic across all toll gates. The share of discount traffic was materially affected by the policy shifts over the years. For example, the elimination of the Al Safa and Al Barsha gate discounts in February 2017 significantly reduced the amount of discount traffic at those gates.

A more refined way of analysing the historical trend would be to review the Net Toll Traffic. The table below sets forth historical annual Net Toll Traffic and paid taxi trip traffic[43]:

Table 16. Historical Annual Salik Net Toll Traffic and Paid Taxi Trip Traffic, million

	2017	2018	2019	2020	2021	Q1 '19	Q1 '20	Q1 '21	Q1 '22
Al Garhoud Bridge	63.8	63.9	63.6	44.5	55.4	16.5	14.6	12.7	15.7
Al Safa	90.2	89.3	85.0	60.0	73.9	22.2	19.5	17.0	20.9
Al Barsha	86.9	88.5	88.2	62.2	78.2	23.1	20.5	18.0	22.7
Al Maktoum Bridge	26.9	25.8	24.6	18.3	20.5	6.6	5.7	5.0	7.7
Airport Tunnel	29.4	27.5	25.5	18.5	20.7	6.7	6.1	4.9	3.9
AL Mamzar North	44.8	42.7	41.0	32.3	36.5	10.5	9.3	8.6	10.0
AL Mamzar South	35.2	33.5	32.9	25.8	30.4	8.3	7.4	7.6	7.8
Jebel Ali	-	9.8	47.7	26.2	29.0	12.8	10.2	6.4	8.9
Taxi	30.3	31.5	32.5	17.2	25.4	8.8	7.5	5.3	9.1
Total Traffic	**407.5**	**412.4**	**441.0**	**304.9**	**370.0**	**115.5**	**100.8**	**85.5**	**106.8**
Total Traffic YoY Growth, %		*1.2%*	*6.9%*	*-30.9%*	*21.4%*	*10.3%*	*-12.7%*	*-15.2%*	*24.9%*

The Net Toll Traffic demonstrated a more stable year-over-year growth through 2019, followed by a temporary but significant decline caused by the COVID-19 pandemic in 2020 and followed by a significant recovery in 2021.

The table below sets forth the recorded annual Salik revenue by gate and the implied number of the Revenue Generating trips[44]:

[43] Taxis pay tolls only when traveling with passengers (paid taxi traffic). When traveling without a passenger, taxis pass toll gates without payments.

[44] The number of revenue generated trips is calculated by dividing the recorded revenue by the tariff of AED 4.00.

Table 17. Historical Salik Revenue (in AED) and implied number of Revenue Generating Trips, million

	2017	2018	2019	2020	2021
Al Garhoud Bridge Toll	250.2	251.7	250.9	175.6	218.9
Safa Toll	354.7	353.1	336.1	237.3	293.2
Barsha Toll	341.1	348.4	348.8	245.8	310.0
Al Maktoum Bridge Toll (Charged)	105.6	101.3	96.8	72.5	83.8
Airport Tunnel	115.8	108.1	100.6	72.8	81.9
Al Mamzar North	174.0	165.9	159.4	125.8	144.3
Al Mamzar South	137.1	130.8	128.7	101.3	118.8
Jebel Ali Toll Gate	-	38.4	187.7	103.3	113.9
Taxi	121.0	126.1	129.8	68.6	101.6
Total Traffic	**1,599.4**	**1,623.8**	**1,738.8**	**1,203.1**	**1,466.3**
Number of Revenue-generating Trips	399.8	405.9	434.7	300.8	366.6

Note: Difference between Net Toll Traffic and Revenue Generating Trips is due to violations (which account for most of the difference) and unreconciled transaction trips, which are not included in the Revenue Generating Trips figure.

Demand Drivers

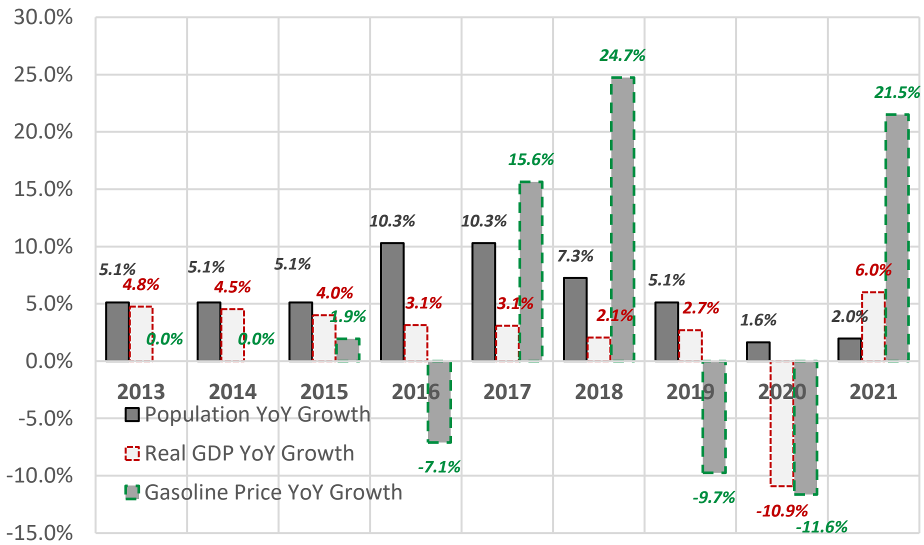
To understand what caused the change in traffic, the Industry Consultant analysed the drivers affecting the traffic volumes for toll and free roads. As is the case with many other markets, the balance of supply and demand drives the volume of the toll traffic. The flow of cars and, more generally, the overall traffic inside and through the city provides the demand side of the equation. The supply side consists of possible traffic paths, including toll and free roads, as well as other means of transportation, such as public transport.

On the aggregate level, the amount of traffic should align well with economic growth. The research papers indicate that the traffic usually has a strong correlation with population and GDP in the region[45]. This correlation is very intuitive – the larger the population and the greater the economic activity, the higher is the car traffic.

Another driver, found to be significant by many traffic studies, is the price of gasoline[46]. Gasoline prices affect the overall cost of car ownership and road transportation and therefore may cause modulations and shifts in commute and product logistics patterns. Typically, there is an inverse correlation between road traffic and gas prices.

[45] A. Matas and J. Raymond, Demand Elasticity on Tolled Motorways, 2011
[46] A. Mussoa, C. Piccionia , M. Tozzia G. Godardb , A. Lapeyreb , K. Papandreoub, Road transport elasticity: how fuel price changes can affect traffic demand on a toll motorway, 2012

Figure 7. Economic Indicator Year-on-year Growth Rates



In the 2013 – 2019 period, the economic indicators grew steadily (see chart above). Both population and real GDP showed healthy year-over-year increases ranging from 5.1% (five point one percent) to 10.3% (ten point three percent) and 2.1% (two point one percent) to 4.8% (four point eight percent) for population and GDP respectively. Gasoline prices, on the other hand, were not stable. Particularly in the years 2017 and 2018, gasoline prices increased by a cumulative 44% (forty-four percent) which likely negatively affected the road traffic in those years.

The supply side of the traffic equation includes all competing Dubai transportation channels. In addition to Salik toll roads, such channels include free roads and public transportation[47]. Unfortunately, free road traffic historical measurements are not currently available in Dubai. The public transportation data, on the other hand, was provided by RTA and can be considered to gauge the substitution between the channels. The table below shows the historical public transportation data provided by RTA for the period 2016-2021.

Table 18. Dubai's Public Transportation Historical Data, riders in millions

	2016	2017	2018	2019	2020	2021
Metro	191.3	200.8	204.4	203.0	113.6	151.3
YoY Growth		***4.9%***	***1.8%***	***-0.7%***	***-44.0%***	***33.2%***
Tram	5.4	6.2	6.4	6.5	3.7	5.3
YoY Growth		***15.9%***	***2.7%***	***1.7%***	***-43.9%***	***46.2%***
Buses	509.0	397.0	285.0	157.1	95.4	116.3
YoY Growth		***-22.0%***	***-28.2%***	***-44.9%***	***-39.3%***	***21.9%***
Marine	13.7	13.8	14.1	14.4	8.0	10.9
YoY Growth		***0.8%***	***2.4%***	***1.9%***	***-44.0%***	***35.9%***

Finally, the number of cars as a potential traffic driver is considered; however, it is concluded that in case of Dubai, the number of registered cars, either in total or per person, did not have a good correlation to road traffic and was therefore not a good predictor of toll road traffic. Among the reasons contributing to this conclusion are the high percentage of households with a number of cars that exceeds the number of household members and the high share of transit (non-local) traffic.

Benchmark on Toll Rates

As noted previously, RTA has not adjusted toll rates on Salik during its time in operation. One of the key considerations in the establishment of toll rates is to consider the rates per kilometre for the road system relative to the value of time in the market – a metric that can be market-

[47] Railroads and marine freight can also be considered alternatives to road traffic, however, shifts to and from these channels are usually less responsive to year-on-year factors and represent longer-term systematic shifts.

specific[48]. Salik has a rate per kilometre of approximately USD 0.108[49]. When compared to other parts of the world, this toll rate compares quite favourably. For these comparisons, it is important to select toll roads that are operating in metropolitan areas with driving patterns that are similar to those that would be experienced in Dubai. In other words, a rate per kilometre for very rural roads would not be equivalent to a system that is operating a metropolitan area such as Salik. Moreover, many toll roads (e.g., Autostrade in Italy or the toll road systems in France) are designed for intercity travel such as between Milan and Rome or Paris and Marseille. These systems are not comparable to that provided by Salik. The toll systems included in the table below, however, all operate in metropolitan areas:

Table 19. Toll Rate Benchmarks (2022)

Toll System	Locale	USD per Kilometre
Salik	Dubai	0.108
Central Florida Expressway	Orlando	0.117
EastLink	Melbourne	0.124
North Texas Tollway Authority	Dallas	0.125
North Texas Tollway Authority	Ft. Worth	0.125
Harris County Toll Road Authority	Houston	0.127
Don Muang Tollway	Thailand	0.170
Delaware Turnpike	Delaware	0.181
Highway 407 (Midday)	Toronto	0.187
Highway 407 (Peak)	Toronto	0.236
E-470	Denver	0.263
Autopista	Madrid	0.280
M7 Toll Road	Sydney	0.287
CityLink	Melbourne	0.293

In addition to comparing the absolute toll rates per kilometre, it is important to consider the time savings. The Industry Consultant selected a number of trips from various parts of Dubai and considered the time savings during the afternoon peak traffic period (departing at approximately 5:00 p.m.). Data from Google Maps was used for trip times. Google sources trip times from tracking GPS locations from subscribers providing permission to do so on trips, allowing Google to estimate trip times across various routes at different times of the day. The Industry Consultant then identified the toll that would be paid if the tolled route was selected. Considerable time savings were identified across most routes.

[48] Some toll systems report the average toll rate per kilometre for their systems in their annual reports. However, from FTI's experience with multiple systems with these tolling agencies, and as they applied the calculation for these reports, travel across the length of the system was calculated relative to the toll rate that would be paid and expressed on a rate per kilometre basis normalised to the USD currency.

[49] FTI identified the longest segment of the toll system (E11), identified the tolls that would be incurred and calculated an average rate per kilometre. FTI has worked with agencies in different parts of the world and various options are used for calculating average toll rates, but this methodology is one that is routinely utilised.

Table20. Time Savings with Tolls

Route	With tolls		Without tolls					
	Time (Min)	Distance (Km)	Time (Min)	Distance (Km)	Saved (Min)	Cost (AED)	Cost / Min	% Time Saved
Dubai Media City to Downtown Dubai (4:51 PM)	18	19.7	33	25.6	15	8.00	0.53	45%
Dubai Media City to Dubai Spice Souk (4:52 PM)	32	30.1	56	37.9	24	12.00	0.50	43%
Dubai Media City to Dubai International Airport (4:58 PM)	23	29.9	40	38.8	17	12.00	0.71	43%
Dubai Media City to Al Shaab Village (5:00 PM)	67	47.5	69	64.8	2	16.00	8.00	3%
Downtown Dubai to Al Shaab Village (5:01 PM)	52	31.1	57	40.2	5	4.00	0.80	9%

Source: FTI desk research using Google Maps on 2/5/2022

In some longer routes such as those connecting to Al Shaab Village, the time savings is not material (leading to a very high cost per minute for the tolls) or the drivers are avoiding the tolls to take un-tolled routes except for the crossing of the Dubai Creek. This last route potentially indicates that the toll is not set sufficiently high for Salik such that individuals might pay more if significant time was saved. Overall, the Company appears to have headroom for raising its tolls relative to the value offered.

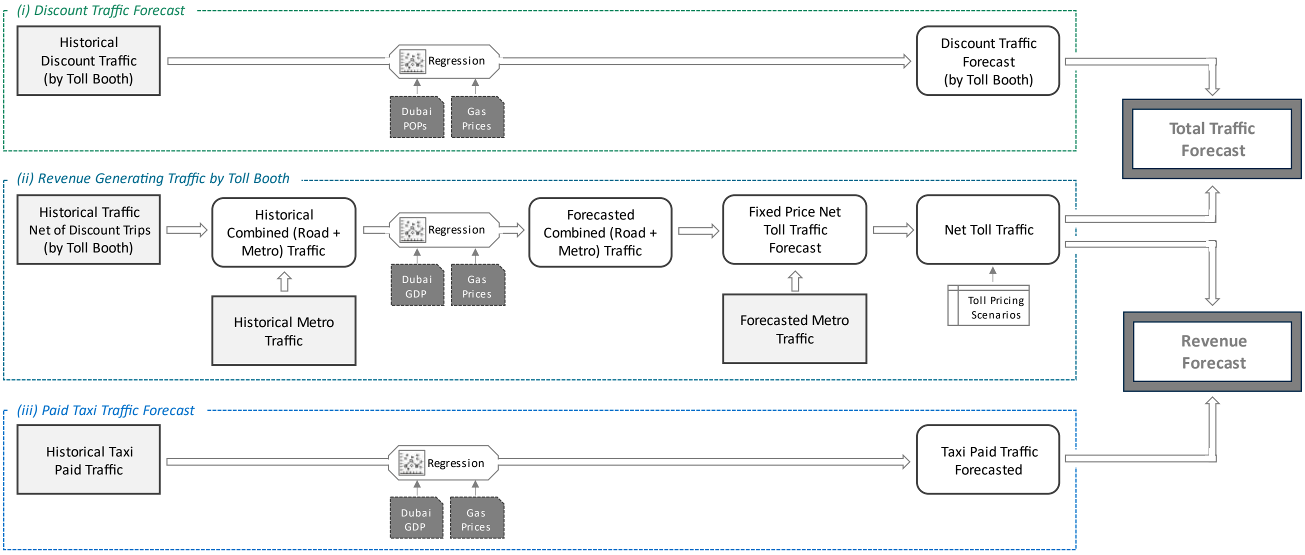
Traffic Conditions Outlook

Forecast Methodology

Traffic forecasts for toll road systems can use multiple methodologies, ranging from economic correlation analysis to detailed traffic forecasts reflecting trip level analysis. The Salik toll system has operated successfully for more than a decade with very stable traffic trends over time (although seasonality does influence the data as will be discussed below). As such, the Industry Consultant used a methodology to develop the revenue forecast model that leverages the relationship of the historical traffic performance against a range of economic variables to develop a model that could then be utilised to forecast traffic volumes.

As shown in the figure below, the Industry Consultant's traffic and revenue forecast model consists of 3 (three) functional modules that calculate total traffic and revenue through 2030. They are: (1) the discount traffic forecast, (2) the Net Toll Traffic forecast and (3) the taxi paid traffic forecast. The model uses the discount traffic forecast and the Net Toll Traffic forecast to calculate the total traffic passing though the Salik toll gates and Salik revenues from Revenue Generating Trips.

Figure 8. FTI Traffic and Revenue Forecast Model Diagram



i. **The discount traffic forecast:** Discount traffic includes all vehicles passing through the toll gates free of charge, such as government and city operated vehicles, taxis without passengers[50], vehicles committing multiple violations[51], vehicles traveling on discount corridors and free time traffic. RTA historical discount traffic data for the years 2017 through 2021 provides the starting point for the forecast. The model uses regression analysis and ratios based on historical figures to forecast traffic for the period 2022 through 2030. It then uses those results to extrapolate the overall growth rates for the years 2031 through 2071. The model forecasts discount traffic on a gate-by-gate basis.

ii. **The Net Toll Traffic forecast** module also utilises regression methodology to forecast traffic for the period 2022 through 2030 and extrapolates data for the period 2031 through 2071. However, the extrapolated period incorporates additional steps to better reflect the trends in Net Toll Traffic. The Net Toll Traffic module uses historical records of traffic as its starting point. Moreover, because of the high degree of overlap between the Salik toll road system and the metro system in Dubai, it was important to consider the potential for substitutionary effects in traffic between these 2 (two) modes. To do so, the model evaluates the potential for the substitution of toll road traffic with public transportation channels (particularly metro traffic). It combines the number of vehicles passing though the toll gates with spatially correlated traffic that would result from all metro riders driving on Dubai Salik toll roads instead of utilising the Dubai Metro system. The model uses the resulting hypothetical traffic forecast on a gate-by-gate basis for the 2022-2030 period and converts it back to the Net Toll Traffic after eliminating the metro traffic forecast provided by RTA. Subsequently, the model adjusts the forecast for toll price changes using the dynamic price elasticity model[52] and the parameters provided by RTA. The 2031-2071 extended forecast is based on the terminal growth rates derived from the 2022-2030 projections.

iii. **Taxi paid traffic** calculations are similar to those used for the discount traffic forecast. The regression uses the historical monthly taxi traffic data provided by RTA. The model forecasts the taxi paid traffic on an aggregate level, including all gates in one projection set. The model also projects the extended forecast using terminal growth rates[53] as a component of the Net Toll Traffic.

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[50] Taxi paid traffic is accounted for and forecast separately

[51] "Multiple violations" refers to drivers that repeatedly drive through the toll gates without paying in 24 hours. In this case, the fine is paid only once.

[52] "Price elasticity" refers to the relationship between price and demand for a product. If a change in price for a product causes a significant change in demand, it is said to be highly "elastic," or sensitive to price. "Dynamic" pricing models change prices continuously in response to changes in demand. Toll roads use dynamic pricing elasticity to change toll prices based on traffic volumes and time of day.

[53] "Terminal growth rates" assume that a company's growth (or decline) occurs at the same rate, into perpetuity.

All regression models use monthly data. Control variables[54] include the Dubai GDP, Dubai population, and Dubai gas prices. For population and GDP historical data, the Industry Consultant utilised publicly available data and supplemented the missing data in 2021 with the information provided by RTA. With respect to the forecasts, the inputs were sourced by RTA. The Industry Consultant obtained the gasoline historical prices from public sources and forecast the future prices using their established correlation with that of crude oil and the futures contract pricing on the New York Mercantile Exchange.

Both Net Toll Traffic and discount traffic demonstrate significant seasonality patterns. To model the seasonality pattern on a monthly basis, the Industry Consultant used monthly dummy variables[55] and a Ramadan overlap variable[56].

To forecast the toll price change impact on traffic, the Industry Consultant utilised the industry standard elasticity dynamic model. Since it is not possible to compute elasticity coefficients based on empirical data (Salik toll roads system kept all prices at a fixed level), the Industry Consultant deferred to using the elasticity coefficient range provided by RTA[57]. It is worth noting that the logarithmic price elasticities used are in line with the numbers published in available toll road elasticity studies[58].

The Industry Consultant ran 3 (three) pricing scenarios to project traffic volumes across a range of potential options: (1) toll prices remain fixed, (2) a one-time price increase of 5% (five percent) (from AED 4.00 (UAE Dirhams four) to AED 4.20 (UAE Dirhams four and twenty fils) in January 2023, and (3) annual inflation price adjustments of 2% (two percent) in January of each year, starting in 2023. Providing these 3 (three) views offers an opportunity to see the impact on traffic levels relative to demand elasticity from pricing changes within the system.

The Industry Consultant developed the long-term forecast from 2031 through 2071 based on terminal non-gate-specific growth rates. The growth rates were extrapolated from the aggregate 2025-2030 compound annual growth rates for discount traffic, total traffic, and price increases.

Regression Results

The Industry Consultant performed the described regression analysis of the discount traffic and found solid correlation between the approximation model and historical discount data. The chart below sets forth the comparison of the actual historical total discount traffic aggregated across all gates and the model output. One can observe that the historical monthly data is closely followed by the modelled numbers with the exception of the COVID-19 pandemic period which was excluded from consideration due to the exceptional circumstances presented by the pandemic.

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[54] "Control variables" are held constant.

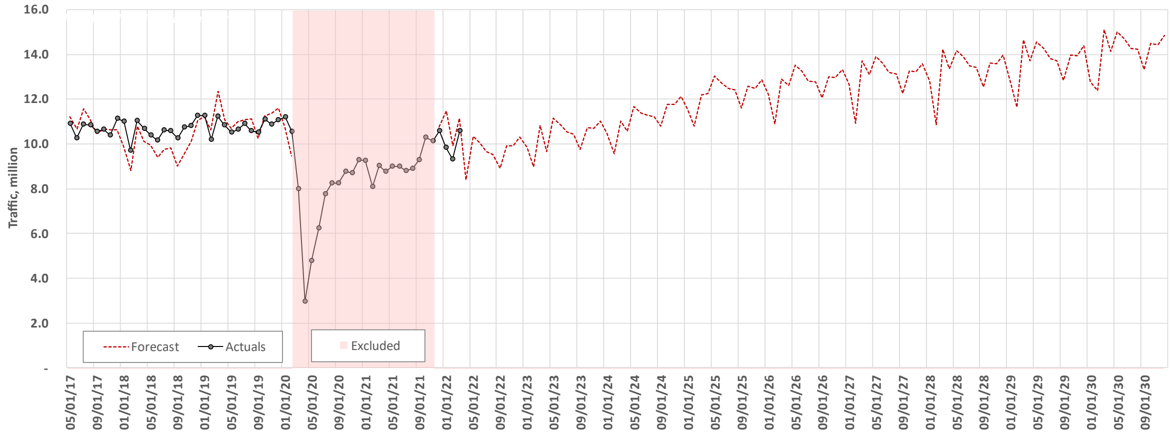
[55] "Dummy variables" account for seasonality and assign a numerical value to a question, using 1 if the answer to a question is yes and 0 if the answer is no. Because seasonality is a variable in toll road traffic, the model takes this into account by asking the question "Is this January?" If yes, the model would use 1 in its calculations. If no, it would use 0.

[56] Similarly, the "Ramadan overlap variable" accounts for changes in demand due to Ramadan. n

[57] Per RTA, "the price demand elasticity for current gates is -0.171 to -0.2. The demand elasticity is estimated based on 2018 SALIK data and using the Dubai Strategic Transportation Model."

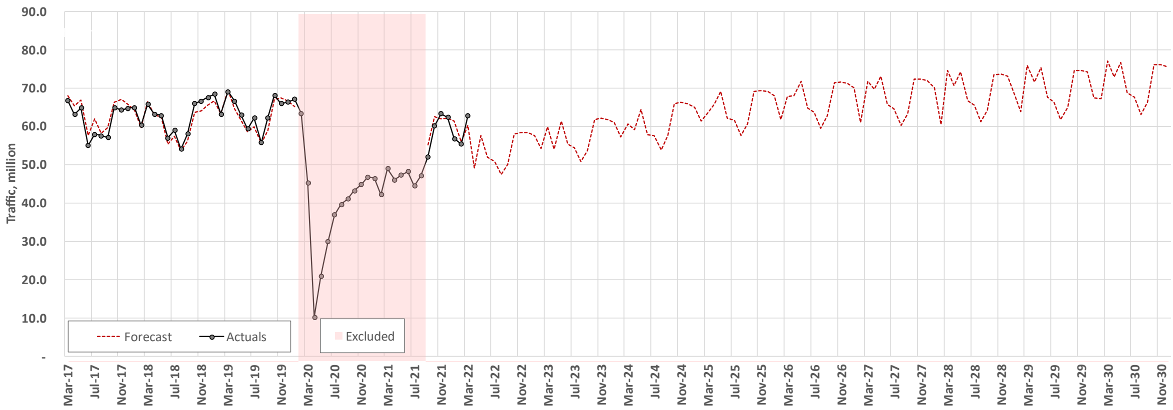
[58] A. Matas and J. Raymond, Demand Elasticity on Tolled Motorways, 2011; J. Kweun, S. Zhu, and J. Gifford Price Elasticity of American Toll Roads: Historical Evidence, Panel Data Analysis, and Policy Implications, 2017

Figure 9. Discount Traffic: Actuals vs. Model Output



Similarly, the Industry Consultant found even stronger correlation between the Net Toll Traffic combined with converted metro traffic and its regression approximation model. The figure below shows the actual traffic versus modelled numbers.

Figure 10. Total Net Toll Traffic: Actuals vs. Model Output



The regression results clearly indicate that the aggregate combined traffic significantly correlates with Dubai GDP and gasoline prices. The GDP increase is expected to cause a similar relative increase in traffic and the gasoline price and combined traffic are inversely correlated.

Economic Drivers

The Industry Consultant traffic forecast model relies on projected economic drivers, which include Dubai population, real (adjusted for inflation) GDP, and gasoline prices. The population and real GDP forecast for years 2022-2030 was provided by Dubai Statistics Centre and is shown in the tables below. The projections assume the recovery of Dubai economics to pre COVID-19 pandemic levels in 2023, followed by stable economic growth through 2030.

The gasoline price forecast is based on the crude oil futures contracts market prices as of 28 March, 2022. The gasoline prices are predicted to spike in 2022, to a record-setting AED 3.73 (UAE Dirhams three and seventy-three fils) per gallon and decline in the following years. The gasoline prices are projected to reduce to approximately AED 2 (UAE Dirhams two) per gallon by year 2030. The figure below shows forecasted year-on-year growth rates for all 3 (three) model drivers:

Figure 11. Model Drivers Year-on-year Growth Rate Forecast

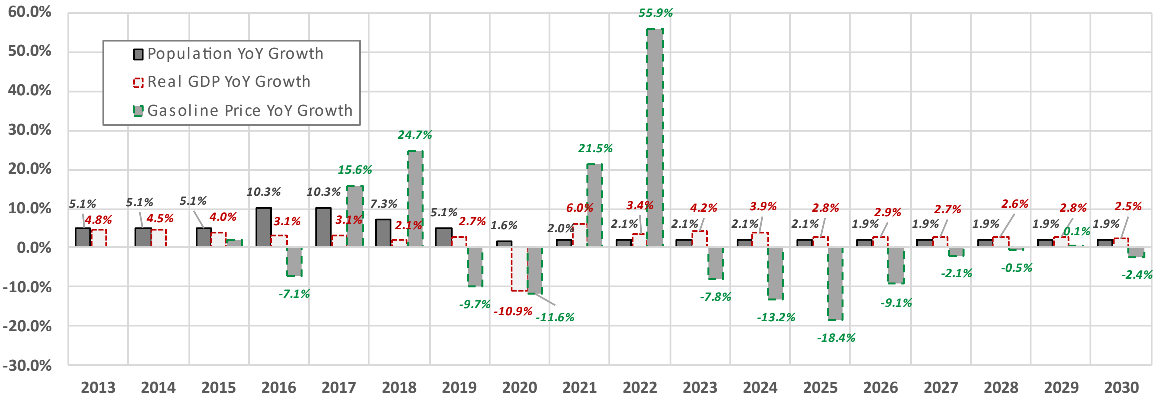


Table 21. Dubai Historical and Forecasted real GDP and population

Indicators	*unit*	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Real GDP	*m AED*	369,871	381,441	393,213	401,301	412,077	367,057	389,092	402,322	419,219	435,569	447,765	460,750
Population	*m Persons*	2.4	2.7	3	3.2	3.4	3.4	3.5	3.6	3.6	3.7	3.8	3.9
Real GDP per capita	*AED/ Capita*	151,173	141,348	132,108	125,710	122,792	107,603	111,863	113,282	115,603	117,626	118,412	119,550

Source: Dubai Statistics Centre

The model also takes into account metro traffic substitution and relies on the annual forecast provided by RTA. The metro traffic is projected to exceed the pre-pandemic level in 2025 and continue growing at declining growth rates through 2030.

Table 22. Historical and Forecast Metro Traffic, millions

	2016	2017	2018	2019	2020	2021	2022 Fcst	2023 Fcst	2024 Fcst	2025 Fcst	2026 Fcst	2027 Fcst	2028 Fcst	2029 Fcst	2030 Fcst
Metro	191.3	200.8	204.4	203.0	113.6	151.3	174.9	187.1	199.7	208.0	219.3	222.7	226.3	228.1	230.2
YoY Growth		*4.9%*	*1.8%*	*-0.7%*	*-44.0%*	*33.2%*	*15.6%*	*7.0%*	*6.7%*	*4.2%*	*5.4%*	*1.6%*	*1.6%*	*0.8%*	*0.9%*

Lastly, the forecast incorporates future toll pricing strategy assumptions. The Industry Consultant explicitly projected traffic based on 3 (three) distinct scenarios: (1) no price increases, (2) one-time 5% (five percent) price increase in 2023, and (3) annual 2% (two percent) inflation price adjustments starting 2023. The results of these forecasts are presented in the following sections.

Forecast Based on No Increase in Rates

The figure and tables set forth the resulting forecast figures for the fixed price scenario - the price at all gates is kept at AED 4 (UAE Dirhams four).

Figure 12. No Increase in Rates Scenario: Total Traffic Historical Figures and Forecast, Year-on-year Growth Rates

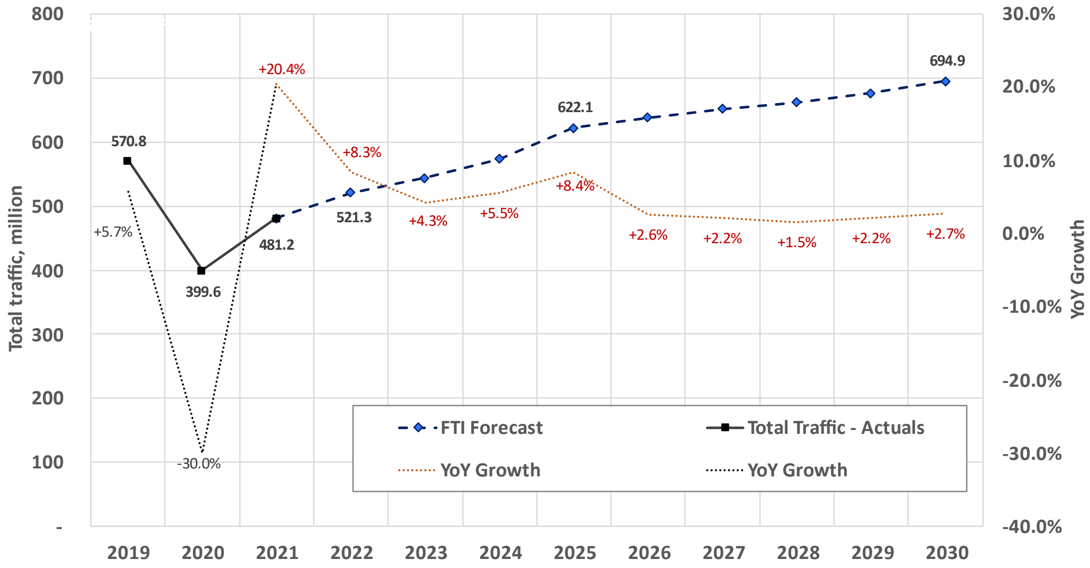


Table 23. No Increase in Rates Scenario: Aggregate Compound Annual Growth Rates

	CAGR, %			
	'17-'21	'21-'25	'25-'30	'30-'71
Net Toll Traffic	-2.4%	+6.5%	+2.0%	+2.0%
Discount Traffic	-5.2%	+7.2%	+2.9%	+2.9%
Total Traffic	-3.1%	+6.6%	+2.2%	+2.2%
Traffic Revenue	-2.1%	+6.4%	+2.0%	+2.0%

Forecast Based on One-Time 5% Increase in Rates

The figure and tables set forth the resulting forecast figures for the one-time price increase of 5% (five percent)- prices at all gates are increased to AED 4.20 (UAE Dirhams four and twenty fils) as of 1 January, 2023.

Figure 13. One Time 5% Price Increase Scenario: Total Traffic Historical Figures and Forecast, Year-on-year Growth Rates

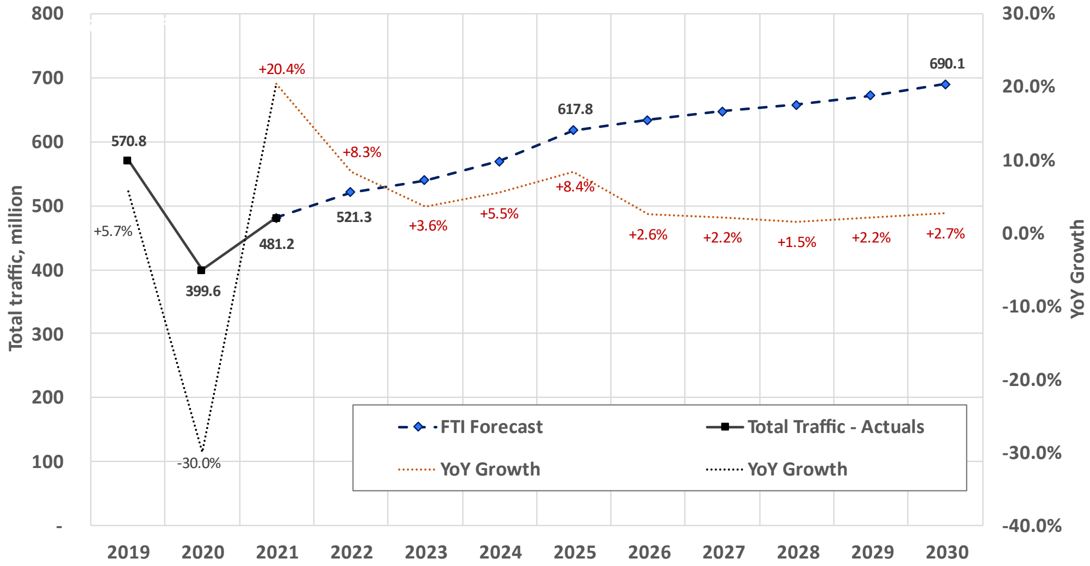


Table 24. One Time 5% Price Increase Scenario: Aggregate Compound Annual Growth Rates

	CAGR, %			
	'17-'21	'21-'25	'25-'30	'30-'71
Net Toll Traffic	-2.4%	+6.2%	+2.0%	+2.0%
Discount Traffic	-5.2%	+7.2%	+2.9%	+2.9%
Total Traffic	-3.1%	+6.4%	+2.2%	+2.2%
Traffic Revenue	-2.1%	+7.5%	+2.0%	+2.0%

Forecast Based on Recurring Inflation Adjusted Toll Rates

The figure and tables set forth the resulting forecast figures for the annual inflation adjustments scenario - prices at all gates are increased on January 1st of each year starting in 2023 by 2% (two percent), to adjust the price for annual inflation.

Figure 14. Recurring Inflation Adjustment Scenario: Total Traffic Historical Figures and Forecast, Year-on-year Growth Rates

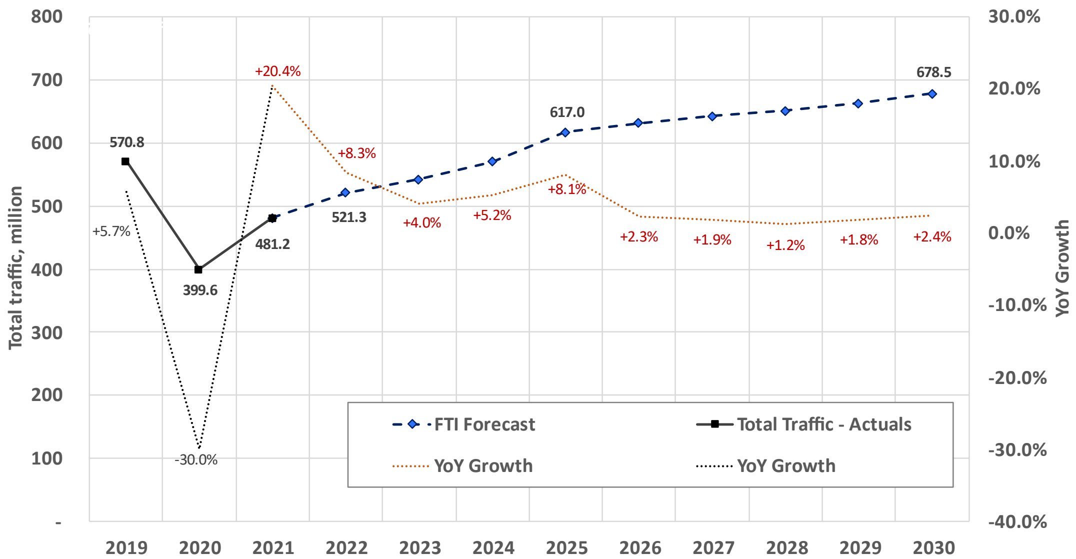


Table 25. One Time 5% Price Increase Scenario: Aggregate Compound Annual Growth Rates

	CAGR, %			
	'17-'21	'21-'25	'25-'30	'30-'71
Net Toll Traffic	-2.4%	+6.2%	+1.6%	+1.6%
Discount Traffic	-5.2%	+7.2%	+2.9%	+2.9%
Total Traffic	-3.1%	+6.4%	+1.9%	+1.9%
Traffic Revenue	-2.1%	+7.7%	+3.6%	+3.6%

5. Statement of capital development

Company's current share capital structure before the commencement of the Offering.

As at the date of this Prospectus, the Company's total issued share capital is AED 75,000,000 (UAE Dirhams seventy-five million) consisting of 7,500,000,000 (seven billion, five hundred million) Shares of AED 0.01 (one fils) each, all of which are owned by the Government of Dubai represented by the Department of Finance (representing 100% (hundred percent) of the Company's total issued share capital). The Selling Shareholder will offer 20 % (twenty percent) of the Company's share capital for sale as part of the Offering. Immediately following the Offering, assuming that the Selling Shareholder sell all of the Shares being offered, the Company's total issued share capital shall be AED 75,000,000 UAE Dirhams seventy-five million consisting of 7,500,000,000 (seven billion, five hundred million)Shares of AED 0.01 (one filds) each, of which 6,000,000,000 (six billion) Shares shall be owned by the Government of Dubai represented by the Department of Finance (representing 80% (eighty percent) of the Company's total issued share capital).

The following table sets forth the Company's shareholders (i) as at the date of this Prospectus, with a total share capital of 7,500,000,000 (seven billion, five hundred million) Shares of AED 0.01 each (one fils), and (ii) immediately following the Offering, assuming that the Selling Shareholder sells all of the Shares being offered:

As at the date of this Prospectus:

Shareholder	Number of Shares	Percentage
Government of Dubai	7,500,000,000	100%

Selling Shareholder's stake after the Offering:

Shareholder	Number of Shares	Percentage
Government of Dubai	6,000,000,000	80%

Company's capital structure upon completion of the Offering

Upon the completion of the Offering, the Company's paid-up share capital shall be AED 75,000,000 (UAE Dirhams seventy five million, divided into 7,500,000,000 (seven billion, five hundred million) Shares with a value of AED 0.01 (one fils) per Share.

The Selling Shareholder shall hold 80% (eighty percent) of the Shares as set out above. Assuming all of the Offer Shares are allocated, and the Selling Shareholder sells all of the Shares being offered and the Offering size is not increased, the Selling Shareholder will hold 80% (eighty percent) of the Shares. The Company has presented its plan to the SCA for the Selling Shareholder to offer 20% (twenty percent)) of the total share capital. The Selling Shareholder reserves the right to amend the size of the Offering at any time prior to the end of the subscription period at its sole discretion, subject to applicable laws and the SCA's approval.

No. of Selling Shareholder's Shares:	6,000,000,000 (six billion) Shares
No. of total Subscribers' Shares (assuming all Offer Shares are allocated including all tranches mentioned under the Prospectus note that this covers all tranches of Offer Shares set out in this Prospectus):	1,500,000,000 (one billion, five hundred million) Shares
Total:	7,500,000,000 (seven billion, five hundred million) Shares

6. Statement of the status of litigation actions and disputes with the Company over the past 3 (three) years

The Company has not been involved in any material governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had, a significant effect on its financial position or profitability.

7. Statement of the number and type of employees of the Company and of its subsidiary:

Prior to the Carve-out, all of the Company's dedicated employees sat within the RTA headquarters, located at Garhoud, Marrakesh Street, Dubai. Such dedicated employees also included a majority of the TransCore team (including the operations management team, software, IT, customer support, image review team and data entry functions). Following the Carve-out, the Company's employees will remain located at RTA headquarters, including many of the TransCore team, for the duration of the TSA. Following expiration of the TSA, the Company aims to move into its own, separate headquarters.

As at the date of this Prospectus, the Company has 19 full-time employees, all located in the UAE. By function, the Company employs 11 people within its corporate and 8 people within its core operations (Toll Operations and Toll Engineering) functions. The Company also has 6-7 full-time outsourced employees within its finance and procurement function that operate under 6 month contracts. At the date of this Prospectus, the Company has no collective bargaining agreements in place. To date, the Company has not experienced a labour-related work stoppage. The Company provides retirement benefits to certain of its current and former employees through a number of pension arrangements.

TransCore Team

As set out under "*Material Agreements — The TransCore Agreement*", TransCore is a technical solutions and engineering services company that provides the Company with several key operational functions, including, for example, planning, design, development, testing, training, implementation, operations and maintains of the toll system. TransCore has a team dedicated to the Company, consisting of approximately 250 (two hundred and fifty) to 300 (three hundred) employees that work exclusively for the Company and are based in Dubai.

Customer service centres

The Company has a dedicated customer service centre managed under its TransCore Agreement. There are also currently five walk-in customer service counters which are staffed by TransCore employees. Dubai has walk-in customer service centre locations throughout the city, and more than 100 (one hundred) customer service representatives offer services in the Arabic and English languages. Customers can open Salik accounts by walking into customer service centre, retail partners, through mail or via the internet.

8. Accounting policies adopted by the Company:

The Company prepares its financial statements in accordance with IFRS as issued by the International Accounting Standards Board and applicable requirements of the laws in the UAE. For additional information concerning the Company's financial statements, see note 2 to the Annual Carve-out Financial Statements and note 2 to the Interim Carve-out Financial Statements, attached hereto.

9. **Statement of the Company's loans/financing, credit facilities and indebtedness and the most significant conditions thereof:**

The Company has no loans/financing, credit facilities and indebtedness in place save for the financing facility availed through the Term Financing and Revolving Credit Facilities Agreement (See "*Material Agreements*" for more information*).*

10. **Statement of current pledges and encumbrances on the Company's assets**

There are no current pledges or encumbrances on the Company's assets.

11. **Investment Risks:**

Investing in and holding the Shares involves financial risk. Prospective investors in the Shares should carefully review all of the information contained in this Prospectus and should pay particular attention to the following risks associated with an investment in the Company and the Shares that should be considered together with all other information contained in this Prospectus. If one or more of the following risks were to arise, the Company's business, financial condition, results of operations, prospects or the price of the Shares could be materially and adversely affected and investors could lose all or part of their investment. The risks set out below may not be exhaustive and do not necessarily include all of the risks associated with an investment in the Company and the Shares. Additional risks and uncertainties not currently known to the Company or which it currently deems immaterial may arise or become material in the future and may have a material adverse effect on the Company's business, results of operations, financial condition, prospects or the price of the Shares.

Risks relating to the Company's business and economic environment

Reduced traffic volumes or an inability to grow traffic volumes through the Company's toll gates could materially adversely affect the Company's business, financial condition, results of operations and prospects

The volume of traffic using the Company's toll gates is critical to the generation of revenue and ultimately the Company's earnings. Any developments that reduce traffic volumes or inhibit the growth in traffic volumes below the Company's traffic forecasts or growth expectations could have a material impact on the Company's financial performance. For example, the spread of COVID-19 contributed to the Company's Net Toll Traffic (as defined below) falling from 441 million (four hundred and forty million) during the year ended 31 December 2019 to 305 million (three hundred and five million) and 370 million (three hundred and seventy million) during the years ended 31 December 2020 and 2021, respectively. Conversely, the Dubai Expo from October 2021 through March 2022 partially contributed to increased traffic volumes in Dubai and, correspondingly, through the Company's toll gates.

Factors that may affect traffic volumes through the Company's toll gates, and consequently the Company's earnings, include:

- the level of congestion, mix of traffic, level of carpooling, and tolls charged to users of the Company's toll gates;
- the level of discretionary household income in Dubai;
- the amount of commuters from the broader UAE;
- vehicle sale prices, and the cost of owning and operating vehicles;
- cost of fuel;
- the removal of a toll gate;
- community and customer willingness to utilise the Dubai toll roads and the Company's toll gates, including as a result of alternative forms of transportation (see "Investment Risks – Risks relating to the Company's business and economic environment – The Company faces competition from other roads and alternative forms of transportation that could result in a decrease in the overall traffic volumes through its toll gates" below);
- a reduction in the population of Dubai due to, for example, expatriates leaving Dubai;
- a reduction in tourism; and

- reduced traffic volumes or an inability to grow traffic volumes caused by the RTA carrying out brownfield upgrade/development work on the toll roads and bridges affiliated with the Company's toll gates (as more fully described in the Concession Agreement), as well as the works, structures, facilities, plant and equipment which are integral to, or necessary for, the operation of the toll roads, including without limitation, toll facilities, road furniture and other structures and infrastructure for toll road and bridge service areas (together, the "*Toll Roads and Bridges*").

Therefore, the number and types of vehicles using the Company's toll gates are outside of the Company's control. A decrease in the volume of traffic on the Toll Roads and Bridges or lower rates of volume growth than in previous periods could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company faces competition from other roads and alternative forms of transportation that could result in a decrease in the overall traffic volumes through its toll gates

Although, there are no current plans by the RTA to add any competing roads or bridges, the Company could be affected by competition from existing or newly constructed competing roads and bridges outside of its network of a comparable quality to the Toll Roads and Bridges, particularly if such competing roads or bridges do not charge tolls or if they offer faster travel times. The construction of any such toll-free roads may have an adverse impact on the tolls generated from the toll-gates, and on the Company's overall revenues as a result.

Additionally, there could be an expansion of alternative means of transportation in Dubai, such as buses, trains, the Dubai Metro, bicycles, trams, marine transport and increased carpooling. Although currently the majority of Dubai residents prefer to use their own vehicles, alternative forms of transportation may provide travellers with cheaper, more comfortable and convenient transportation services. For example, Etihad Rail completed its direct line connecting Abu Dhabi and Dubai in March 2022, which is expected to facilitate lower transportation costs and goods and passenger transport from Abu Dhabi to Dubai. As they develop, such initiatives could lead to a reduction of vehicle traffic volume in Dubai, including through the Company's toll gates.

In the event there are changes to passenger and transportation patterns, resulting in a decrease in the overall traffic volumes through the Company's toll gates, the Company's business, financial condition, results of operations and prospects could be adversely affected.

The Company's tariffs are determined by the Government of Dubai through the Dubai Executive Council, so toll gate tariffs may not reflect the Company's operating costs or demand within the market

All tariffs charged by the Company's toll gates are ultimately determined by the TEC of the Government of Dubai. Although, under the Concession Agreement the Company has the right annually to recommend a tariff review to account for inflation or increased operating costs to the TEC (via the RTA), ultimately the TEC has discretion as to whether or not to alter tariffs. It is possible that the RTA rejects tariff review proposals from the Company or that the TEC mandates the Company to keep the tariffs at the present or lower level despite the Company taking a view that raising the toll gate tariffs is in the Company's best interests. Although the Company has the right under the Concession Agreement to a reduction in the concession fee payable to the RTA when its tariff increase proposal is not accepted by the TEC, the concession fee may only be reduced up to a floor of 15% (fifteen percent) of the toll revenues, therefore the concession fee reduction may not fully compensate the Company similarly as if the tariff increase proposal was accepted. However, in the event that a tariff review proposed due to unforeseen events resulting in higher operating costs is rejected by the TEC, the RTA is not obligated to reduce the concession fee, instead, the mechanism for compensation will be a matter to be agreed between the RTA and the Company. For more information, see "*Concession and Regulatory Matters – Concession Agreement*"). Conversely, should the RTA and the TEC decide to raise tariffs, the higher tariffs may result in motorists avoiding the Company's toll gates, which could result in lower traffic volumes and reduced toll revenues.

If the tariffs of the toll gates operated by the Company were to be reduced, fail to reflect the Company's costs or fail to reflect market appetite and the Company was not adequately compensated under the Concession Agreement, it could adversely affect the Company's business, financial conditions, revenues and results of operations and prospects.

The Concession Agreement, on which the Company is reliant for the operation of its business, has a duration of 49 years and contains early termination provisions

The Company's operations are dependent on the Concession Agreement with the RTA, under which the Company obtains its right to operate, maintain, develop and/or upgrade the RTA's toll gates, as well as the rights to use the RTA's assets as required to operate the toll gates. The Concession Agreement has a duration of 49 (forty-nine) years and contains early termination provisions, including early termination by the RTA in the event of, for example, (a) an insolvency proceeding of the Company, (b) a material breach of the Concession Agreement by the Company, and (c) the Company committing a prohibited act, such as bribery or fraud. The Concession Agreement also provides for voluntary early termination, which allows the RTA to terminate the Concession Agreement by notice at any time (following a notice period of six months). Although under the Concession Agreement the Company would be entitled to a termination compensation sum (the details of which are set out under "*Material Agreements—Concession Agreement*"), the termination compensation sum may be lower than the value attributed by the market to the concession. For more information, see "*Material Agreements — The Concession Agreement*".

If the RTA terminates the Concession Agreement, the Company would lose access to critical toll gate infrastructure and associated revenue collection rights, amongst other things, which would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company is dependent on third-party TransCore for the operations and maintenance of its toll systems

The Company has outsourced the operations and maintenance of its toll systems to a third party, TransCore. The arrangement, initially between the RTA and TransCore, has been in place since 2006. The Company's relationship with TransCore is governed under the TransCore Agreement which currently runs to September 2026 (see "*Material Agreements — The TransCore Agreement*"). The TransCore Agreement, which was first entered into between the RTA and TransCore, in 2006 for the design-build, operation and maintenance of the toll gate system was renewed in 2013, 2016 and most recently in September 2021 for a period of 3 (three) years. The TransCore Agreement was novated to the Company, effective 1 July 2022. As part of this novation, the TransCore Agreement was extended for a further 2 (two) years up to September 2026, with the opportunity to renew every 3 (three) years. If either the Company or TransCore opted to let the TransCore Agreement expire, TransCore may, at the Company's request, continue operating for a period of 3 (three) to 6 (six) months while the Company appoints a new operator. However, there can be no guarantee that the Company would be able to appoint an adequate alternative in the required timeframe.

The Company's ability to continue operating its toll gates depends in part on its ability to effectively manage and operate its network of equipment provided by and maintained by TransCore. The Company's reliance on TransCore subjects it to risks resulting from delays in the delivery of services should TransCore default on its obligations under the TransCore Agreement, including:

- failure by TransCore in performing its contractual obligations;
- insolvency of TransCore;
- the inability of TransCore to retain key members of staff;
- cost deviations in relation to the services provided by TransCore;
- delays in projects for the Company executed by TransCore being available for use;
- poor quality execution;
- fraud or misconduct by an officer, employee or agent of TransCore;
- diversion of resources and attention of the Company's management from normal operations to monitor TransCore's performance;
- disputes between the Company and TransCore, which may increase the Company's costs and require the time and attention of Company management; and

- liability of the Company for the actions of TransCore.

Although as at the date of this Prospectus the Directors believe that the Company's contractual terms with TransCore are attractive for the services provided and it has historically been able to renew the contract at favourable terms, if TransCore fails to successfully perform the services for which it has been engaged or, following expiry or termination of the TransCore Agreement, no longer continues to provide equipment and services to the Company, the Company may choose to terminate its relationship with TransCore and transition to an alternative third-party service provider. The Company's ability to operate its toll gates or complete works on its toll gates on schedule and within forecasted costs to the requisite levels of quality could be impacted during, according to Company estimates, the approximately 6 (six) months required to fully transition to an alternative third-party service provider, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company is reliant on third party intellectual property

The Company currently licenses business critical intellectual property from a variety of third parties and other registered software owners, but the majority of its operational technology and information technology is licensed from TransCore. All intellectual property owned by the RTA will be transferred to the Company via the Novation and Concession Agreement. However, the ownership structure of the intellectual property relating to the toll gate system is complex and not entirely owned by one party. For example, TransCore owns the core back-office software and modules utilised by the Company and developed before September 2013. Any such software or modules development after September 2013 is owned by the RTA. The back-office software that has been enhanced and developed over the years with the RTA's input, instructions and funding to TransCore in order to cater for the Salik Tolling Business's specific requirements and conditions is owned by the RTA; however, such software would not function without the core back-office software owned by TransCore. As a result, the Company is reliant on intellectual property owned by TransCore. For more information on intellectual property relating to TransCore and the RTA, see "*Material Agreements — The Concession Agreement*" and "*Material Agreements — The TransCore Agreement*".

Furthermore, the Company's services and software could infringe on the intellectual property rights of third parties, particularly TransCore, when the Company integrates services, software and solutions of third parties to the services that the Company utilises. Although the Company is not aware of any potential infringement issues, third parties may, in the future, assert claims against the Company alleging infringement, misappropriation or violation of patent, copyright, trademark, or other intellectual property rights. Infringement claims could harm the Company's reputation, result in liability for the Company or impact the proper functioning of the Company's toll gates. Any claims that the Company's software infringes the intellectual property rights of third parties, regardless of the merit or resolution of such claims, may result in significant costs in defending and resolving such claims, and may divert the efforts and attention of the Company's management and technical personnel from the Company's business. In addition, as a result of such intellectual property infringement claims, the Company could be required or otherwise decide that it is appropriate to: (i) discontinue using, licensing, or offering particular services, software, solutions, technology or processes subject to infringement claims; (ii) develop other technology not subject to infringement claims, which could be costly or may not be possible; (iii) obtain rights to use such intellectual property; or (iv) enter into settlement discussions with the third party that is pursuing an infringement claim, any of which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company relies on its and the RTA's OT and IT infrastructure, which may fail or be affected by cyber crimes

The Company is heavily reliant on an uninterrupted operation of its and the RTA's OT as well as its IT infrastructure that includes, amongst others, complex and sophisticated computer, telecommunication, satellite, supervisory control centres, data processing, data acquisition, data centres and monitoring systems. If the Company's or the RTA's OT or IT infrastructure, including its data centres, back-up facilities and emergency recovery procedures, or any other IT used throughout its business including its toll gates, were to fail or become subject to disruptions for any reason (including, without limitation, computer viruses, malicious and destructive code, phishing attacks, and denial of service attacks), such failure could lead to significant increased costs (including to repair the toll gate or other assets), reductions in the availability of critical data, which could result in loss of personal data, financial losses and reputational damage to the Company. IT security breaches could lead to shutdowns or disruptions of the Company's systems and potential unauthorised disclosure of confidential information or data, including personal data. The Company may be required to expend significant capital or other resources to protect against the threat of security breaches or to alleviate problems caused by such breaches.

Furthermore, although the Company has redundancies in place aimed at ensuring traffic flow is consistently monitored through its gates, malfunctioning toll gate OT could fail to register traffic flow and therefore fail to collect tolls from passing vehicles. Such failure could result in a material loss of revenue for the Company.

Although the Company's IT infrastructure encompasses multiple layers of security controls, there can be no assurance that the Company's redundancies and security procedures will be sufficient to prevent malfunctioning OT and IT, security breaches or other issues. If any of these risks materialise and, in particular, are not adequately covered by the Company's insurance policies, this could negatively impact the Company's revenues and could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Company relies on the development of new OT and IT systems and enhancement of existing systems to improve operation efficiencies and maximize revenue from its toll roads

The OT and IT developed by the RTA and utilised by the Company allow the Company to improve operating efficiency and maximise the revenue derived from operations. The ability to continue to improve revenue generation from toll gates and provide key services to customers depends on the operational capacity to develop and manage new technology systems and platforms, including the development of in-house data analytics infrastructure and expertise. From time to time, the RTA has undertaken IT projects alongside TransCore to develop and implement new features to the OT of the tolling system or undertaken development projects to upgrade existing OT or IT, and the Company expects to continue such projects with TransCore going forward. Although, the Company and the RTA have not experienced any major interruptions in developing new tolling systems or upgrading existing tolling systems, there is a risk that any new tolling system or upgraded tolling system may not function effectively or deliver the anticipated benefits to the toll road networks and customers. For more information on the Company's relationship with TransCore, see "*Investment Risks – Risks relating to the Company's business and economic environment – The Company is dependent on third-party TransCore for the operations and maintenance of its toll systems*" and "*Investment Risks – Risks relating to the Company's business and economic environment – The Company is reliant on third party intellectual property*" above, and "*Material Agreements – The TransCore Agreement*".

If the Company and/or TransCore is unable to successfully implement or deliver these projects or systems in a timely manner, this could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company's revenue, profits and cash flows are concentrated in Dubai

The Company relies entirely on the revenue, profits and cash flows generated by its operations in Dubai to make payments on its financing, pay operating expenses, fund its capital expenditure and meet its other obligations that may arise from time to time. In 2021, revenue generated in Dubai accounted for almost 100% (hundred percent) of the total revenue of the Company's business. Reflecting this concentration, the Company's results of operations will be negatively affected by adverse economic or political developments in or affecting Dubai or the UAE. These factors could negatively impact the Company's revenue including by materially adversely impacting the customers of the Company, or the local Dubai or broader UAE economy.

In addition, with respect to the Company's strategy going forward, the Company's continued growth depends in part on its ability to meet the demand driven by additional Toll Roads and Bridges or population growth, and a significant economic slowdown in Dubai or the wider the UAE could reduce the number of new projects available to the Company.

Events outside of the Company's control may decrease toll revenues or generate significant additional costs

Exceptional events including natural disasters (such as earthquakes or tsunamis, among others) and climate conditions (such as sand storms and rising sea levels), multiple-vehicle accidents, criminal acts or other external factors (such as requisitions by the government, power loss, road haulage or employees strikes, demonstrations at toll collection points, pandemics or computer viruses) could result in a temporary disruption to traffic, prolonged loss of power to the Company's data centres (despite the presence of generators), loss of a critical item of equipment, a loss of a license, part of the Company's OT or IT network ceasing to be operational or liability claims being made against the Company's network. Such a disruption may lead to a temporary decrease in toll revenues or significant additional costs required to maintain or restore the Company's network to working condition. Exceptional events which have affected the Company, and which have given rise to one or more of such aforementioned consequences include the spread of the COVID-19, which contributed to the Company's Net Toll Traffic (as defined below) falling from 441 million (four hundred and forty-one million) during the year ended 31 December 2019 to 305 (three hundred and five) million and 370 (three hundred and seventy million) during the years ended 31 December 2020 and 2021, respectively.

Any of the above factors may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company may suffer losses in excess of insurance proceeds, if any, or from uninsurable events

The toll gates and related assets may be affected by catastrophic events, for which full insurance cover is either not available or is not available on commercially reasonable terms. In addition, severe or frequently occurring events, such as accidents and other mishaps, business interruptions or potential damage to facilities, property and equipment caused by inclement weather, human error, pollution, labour disputes and natural catastrophes, may result in losses or expose the Company to liabilities in excess of its insurance coverage or significantly impair its reputation. There can be no assurance that the Company's insurance coverage will be sufficient to cover losses arising from any, or all such events, or that it will be able to renew existing insurance policies on commercially reasonable terms, if at all.

Should an incident occur in relation to which the Company has no insurance coverage or inadequate insurance coverage, the Company could lose the capital invested in, and anticipated future revenue relating to, any property that is damaged or destroyed and, in certain cases, the Company may remain liable for financial obligations related to the impacted property. Similarly, in the event that any assessments are made against the Company in excess of any related insurance coverage that it may maintain, its assets could be subject to attachment, confiscation or restraint under various judicial procedures. Any of these occurrences could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Difficulties in accessing additional financing or complying with the financial covenants included in the Company's financing arrangements as well as increases in costs of financing could have an adverse effect on the Company's financial position

The Company's ability to finance its operations will depend on a number of factors, such as its cash flows from operations and access to additional debt and equity financing, and there can be no assurance that financing will be available at a commercially reasonable cost, or at all. Many factors such as financial market conditions, the general availability of credit and the Company's credit rating may affect the availability of financing. Financial market conditions may be affected by various factors, including adverse macroeconomic development, sovereign debt crises and unstable political environments. Any increased volatility and uncertainty as well as disruptions and adverse developments in the financial markets could constrain the Company's access to capital and result, for example, in a reduction of liquidity that could make it more difficult to obtain funding at reasonable price levels. Should the Company not be able to obtain such financing, this could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company's financing arrangements include financial covenants such as leverage ratio and interest/profit coverage ratio. If the Company is unable to comply with the covenants and other undertakings, conditions and warranties included in its financing arrangements in the future or if it would be unable to make the required payments on time, the counterparty to the financing arrangements may require premature payment or terminate the agreement. Furthermore, compliance with the abovementioned requirements can result in decisions that limit the realisation of business opportunities and thus negatively impact the Company's performance. The Company could also be required to renegotiate its financial arrangements, request waivers or replace financings/borrowings under the agreements with other financing in order to prevent a default. There can be no assurance that the Company would be able to take any such action on terms that are acceptable to it, or at all. If the Company is not able to comply with the financial covenants included in its financing arrangements, this, or any of the foregoing, could have a material adverse effect on the Company's business, financial condition, results of operations and prospects, as well as make it difficult for the Company to obtain additional financing on reasonable terms, or at all.

The Company's toll revenues from its toll gates are dependent on tariffs and/or fines being received from customers following the use of the toll roads

The Company's toll gates are free-flow (or open-road) toll systems utilising RFID 'tags' that allow for automatic collection of tolls through electronic pre-payment by customers. Customers with registered vehicles are notified when their balance reaches zero. Once the balance drops below zero, customers are notified every day that they have an insufficient balance until sufficient funds are obtained. Registered customers that pass through the Company's toll gates with insufficient funds are given a grace period of 5 (five) business days before being issued a violation. The standard violation incurs a fine of AED 50 (UAE Dirhams fifty) per day for insufficient funds.

Vehicles that are not registered with the Company or equipped with Salik Tags are captured by the Company's camera systems. Using the RTA's enforcement technology, the Company notifies the owners of unregistered vehicles that pass through its toll gates and gives such unregistered users a grace period of 10 (ten) business days to register and settle up before issuing a violation. If an unregistered owner is resident in Dubai, he or she will receive an SMS text notification of the violation. For unregistered plate violations the fine incurred starts at AED 100 (UAE Dirhams one hundred) for the first day. On the second trip with an unregistered plate, the fine increases to AED 200 (UAE Dirhams two hundred), and then increases to the maximum amount of AED 400 (UAE Dirhams four hundred) on the third trip and thereafter, with a maximum of one violation per day per vehicle.

The Company is exposed to the risk that it or the RTA is unable to enforce fines issued as a result of violations. For example, the Company and the RTA have limited capacity to enforce fines resulting from violations by vehicles that drive into Dubai from the GCC countries and the other Emirates that are not licensed through the RTA. Although the RTA incentivises other Emirates to collect fines on behalf of the RTA, the RTA and the Company have little direct ability to enforce such violations. As a result, the Company and the RTA are unable to collect fines from certain vehicles. If, for whatever reason, the Company experiences a higher rate of unpaid fines or its ability to collect fines is hampered, it could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company has limited management resources and its business may be harmed if it fails to attract and retain qualified and experienced employees

Prior to the Carve-out, the Salik Tolling Business was an integrated part of the RTA and was run by RTA employees at every level of the organisation. Although several RTA employees that had historically run the Salik Tolling Business transferred to the Company as part of the Carve-out, such employees will have to adjust to running Salik as an entity independent of the RTA, and some employees joining the Company as part of the Carve-out are new. Furthermore, the Company was required to devote significant management attention and resources to migrating various services away from the RTA in preparation for the Offering and will also be required to do so while the Company continues to transition to an independent company as part of the Carve-out. For the duration of the transition period, this activity may divert the limited management resources from the operational objectives of the Company.

Additionally, the RTA is a materially larger entity with greater resources than the Company, and the Company may require skills and expertise that the existing management team does not currently have leading to unforeseen delays and an inability to achieve the required objectives. Consequently, the Company's business may not perform in line with management or shareholder expectations, particularly if the Company is unable to attract and retain experienced, capable and reliable personnel, including, senior and middle management, engineers and IT professionals with appropriate professional qualifications and technical staff. Experienced and capable personnel in the technical fields remain in high demand in Dubai, and there is significant competition for talent. Consequently, when seeking new talent or when talent leaves, the Company may have difficulty recruiting appropriately experienced personnel and may incur additional costs and expenses in securing such new personnel.

Further, the loss of any member of the Company's existing senior management team or other key employees may result in a loss of organisational focus, poor execution of operations, difficulties in implementing the final stages of the Carve-out or an inability to identify and execute potential strategic initiatives. The occurrence of any of these events may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company's investments into new businesses and innovation may not be successful or commercially viable

As part of its strategy following the Carve-out, the Company will consider using its technology and operational expertise to expand its business. In addition to expanding the Salik toll gate system to other areas inside and outside of Dubai, potential avenues of growth include (i) advertisements (in-app and on its toll gates), (ii) monetization of data and (iii) consulting services in the region. However, there can be no assurances that these additional businesses will be successful or commercially viable and the failure of any such investments may have an adverse effect on the Company's business, financial condition, results of operations and prospects.

Risks relating to the Company's relationship with the RTA

The Company is a newly incorporated entity, and it faces potential risks associated with its separation from the RTA

Prior to the Carve-out, the business of the Company formed an integral part of the RTA. Following the Carve-out and the Offering, the Company will still be in the process of separating from the RTA, including becoming an independently operating business with separate finance processes and a standalone finance and treasury function that are separate from the RTA. Its relationship with the RTA is governed by the Concession Agreement (including its annexes) and the TSA and will be subject to constraints imposed under the laws of the United Arab Emirates, as applied in the Emirate of Dubai.

As part of its Carve-out from the RTA, the Company has developed and restructured or is in the process of developing and restructuring its own functions and processes in a range of areas, including:

- establishing the independent corporate governance structure of the Company;
- creating standalone risk, control and compliance policies;
- separating finance processes and establishing a standalone finance and internal audit function;
- separating human resource processes;
- developing corporate policies and procedures independent from the RTA;
- creating dedicated resources to provide contracting and procurement services and to manage the Concession Agreement, the TransCore Agreement and other third-party vendor contracts;
- developing marketing and communications operations;
- creating standalone IFRS statements and associated accounting policies; and
- introducing shareholder services and investor relations platforms.

The RTA will continue, in some respects, to support some of these functions and processes will, in some respects, as agreed under the Concession Agreement and the TSA while the Company has developed as standalone functions. The TSA governs the provision of services by the RTA to the Company, the details of which are set out in "*Material Agreements—Transitional Services Agreement*". The services to be provided under the TSA include asset management back office services, the use of IT infrastructure (including the use of network, security, connectivity, domain) and internet IT applications, other integrated applications and the standalone applications (including the licenses, the use of various tools, such as a risk reporting system, and a mail forwarding service to the Company).

In the course of implementing, or even following the full implementation of its governance structure into the ordinary operational, reporting and compliance processes of the Company, there remains a risk that such procedures could fail. There is a possibility that the new functions and processes may not operate as intended or the execution of the Carve-out process and the creation of new processes may not have been properly completed. Additionally, interruptions to or problems with the services provided under the TSA (including delays in obtaining required third party consents) or as a result of migration from the RTA would require the Company to implement business continuity and disaster recovery processes to restore any short term disruption, which could materially adversely affect the Company's business and reputation and could cause the Company to incur higher administrative and other costs. If the RTA fails to provide agreed services in a timely manner under the TSA or fails to provide assistance as part of the migration of such services under the TSA, such failure could disrupt the Company's operations. For more information, see "—The Company's internal controls over financial reporting are exposed to risk" below.

Consequently, the actual costs incurred to establish the infrastructure required for a new independently operating public company and the expected ongoing cost could be higher and extend for longer than the expected period. There is a risk that the Company could suffer operational difficulties which, either directly or as a result of the need for further financial investment or through the depletion of management resources in developing, monitoring and/or rectifying these new services and functions, could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

The Company's internal controls over financial reporting are exposed to risk

Effective internal controls are necessary for the Company to provide reliable financial information.

If the Company fails:

a) to maintain effective internal controls for its financial reporting; or

b) in adopting or integrating its internal controls and compliance function, this may have a material adverse effect on the Company's ability to produce and provide is management with timely, reliable, accurate and up-to-date financial information on the development of business operations.

These factors could thus lead to erroneous and faulty financial information being presented to the market, as well as uninformed decisions or actions by its management. Further, if any of the risks mentioned above would be realised, this could cause investors to lose confidence in the financial information included in the Company's reports.

Although the Company aims to organise independent corporate functions necessary for a listed company ahead of Listing, it may not be able to complete the organisation of all independent functions separate from the RTA or to obtain services from third parties.

For more information and the Company's internal control framework, see "Business Description—Independent Corporate and Legal Functions—Internal Audit and Compliance". For more information regarding services the RTA will provide to the Company during the transition period, see "Material Contracts—Transitional Services Agreement".

Under such circumstances, the Company may incur additional costs due to the ongoing work to finalise an integrated governance, control and risk management framework, and until such integrated framework is in place, the Company may be affected by risks arising in relation to its internal controls, audit and compliance function, which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

The Company's senior management have limited experience in managing a publicly listed company

Prior to the Carve-out, the Company has been operated as part of the RTA and, accordingly, many of the Company's senior management have limited experience in managing a publicly listed company complying with the specific laws and regulations pertaining to public companies listed in the UAE. The regulatory oversight, compliance and reporting obligations imposed on public companies will require substantial attention from the senior management, including in order to rapidly invest time and financial resources in the appropriate governance and compliance infrastructure, as well as to attract, empower, and retain professionals able to ensure governance and compliance in a manner meeting or exceeding legal and regulatory requirements for a public company. There can be no assurance that such senior management will be successful in this transition, which could have a material adverse effect on the Company's business. Non-compliance in a timely manner with the regulations and disclosure requirements imposed on listed companies may expose the Company to regulatory sanctions and fines. The imposition of fines on the Company could adversely impact the Company's business, results of operations, financial condition and prospects.

Furthermore, although the Company was able to attract key managers from the RTA that have extensive experience in the toll road industry, the Company's management team, has worked together as an integrated team for only a relatively short period of time. Integration issues may impose significant strain on management and divert management time and resources away from the daily operation of the Company's business, which may have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

The Company's reliance on the RTA exposes it to potential operational risks

The Company has significant commercial and legal relationships with the RTA on which it materially relies on to operate. Most significantly, the RTA is the government agency that is responsible for establishing, managing and operating an integrated system of transport, roads and traffic in Dubai, including the Toll Roads and Bridges required for the operation and maintenance of the Salik toll gates. Following the Carve-out, the RTA will retain all operational and maintenance responsibilities of the Toll Roads and Bridges. Therefore, the Company is dependent on the Concession Agreement with the RTA, which guarantees the Company's ongoing usage of the RTA's owned/operated infrastructure including the Toll Roads and Bridges as well as the maintenance of the Toll Roads and Bridges. The RTA could undertake a number of actions that would negatively impact traffic flow through the Company's toll gates, such as prolonged road works or inadequate maintenance of the Toll Roads and Bridges, which could have a material adverse effect on the Company's business, results of operations, financial condition and prospects. Although the RTA is required to maintain the Toll Roads and Bridges assets in line with a series of KPIs under the terms of the Concession Agreement and to notify the Company in case of any expected modifications to the Toll Roads and Bridges or the fibre-optic network, the compensation that the Company is entitled to under the Concession Agreement may not fully cover losses due to actions taken by the RTA, including prolonged inaccessibility or poor maintenance of the Toll Roads and Bridges. The RTA has a paramount public interest and duty to develop and operate whatever transportation facilities it deems to be in the best interests of the Emirate of Dubai, and the Company has irrevocably waived its right to seek injunctive relief or pursue any action that would interfere with the RTA's rights to develop, operate, maintain or replace the Toll Roads and Bridges in favour of compensation mechanisms set out in the Concession Agreement. For more information, see "*Material Agreements — The Concession Agreement*".

The Company is also reliant on the RTA to submit tariff reviews to the TEC. Under the Concession Agreement, the Company has the right to submit on an annual basis a proposed tariff revision to the RTA. The RTA can then either (a) submit the proposed tariff revision to the TEC as proposed by the Company or with its own amendments or (b) reject the proposed tariff revision unilaterally. If the RTA submits a proposal to the TEC, the TEC then makes the final decision as to whether tariffs should be changed. For more information, see "*Investment Risks — Risks relating to the Company's business and* *economic environment — The Company's tariffs are determined by the Government of Dubai through the Dubai Executive Council, so toll gate tariffs may not reflect the Company's operating costs or demand within the market*" above.

Therefore, following the Carve-out the Company will continue to rely on the RTA for many aspects of its business. Although the Directors believe that the Company's relationship with the RTA has been and will continue to be beneficial to the Company, the extent of the Company's reliance on the RTA may limit the Company's ability, in certain situations, to react quickly or to take action that would otherwise be more beneficial to the Company's business, results of operations, financial condition and prospects.

The Carve-out and the arrangements between the Company and the RTA were negotiated in the context of an affiliated relationship

The Concession Agreement, the TSA and other ancillary agreements with the RTA, as well as the Company's internal policies and procedures for dealing with related parties were negotiated by persons who were, at the time of negotiation, members of the RTA. While the Company believes that the terms of these arrangements are in line with the market terms for transactions of their type and broadly similar to what would have been obtainable from unaffiliated third parties, such terms, including terms relating to fees, performance criteria, contractual or fiduciary duties, conflicts of interest, limitations on liability, indemnification and termination, may be not as favourable to the Company as otherwise might have resulted if the negotiations had involved unrelated parties from the outset.

The Annual Carve-out Financial Statements may not be entirely indicative of the Company's future performance as an independent publicly listed company

The Annual Carve-out Financial Statements have been prepared based on the accounts of the Salik Tolling Business while it was a part of the RTA and the Company does not have an operating history as an independent, publicly listed company. The Annual Carve-out Financial Statements have therefore been prepared on a "carve-out" basis from the RTA's financial statements using the historical results of operations, assets, liabilities and cash flows attributable to the Company and certain assumptions and estimates were made which affected the recognition and the amount of the assets, liabilities, income and expenses.

Most significantly, the Annual Carve-out Financial Statements include allocations for certain expenses historically maintained by RTA or the TRA in the amounts of AED102.4 million (UAE Dirhams one hundred and two million and four hundred thousand), AED 92.9 million (UAE Dirhams ninety-two million and nine hundred thousand), and AED 113.1 million (UAE Dirhams one hundred and thirteen million and one hundred thousand) for the years ended 31 December 2019, 2020 and 2021 respectively. These expenses have been allocated to the Salik Tolling Business and have been included in the Annual Carve-out Financial Statements based on the most relevant allocation method, primarily relative percentage of headcount or revenue. Management believes that this basis for allocation of expenses is reasonable. However, they may not be indicative of the actual expense that would have been incurred had the Salik Tolling Business been operating as a separate entity apart from RTA. These allocations are not representative of future performance of Salik Tolling Business or the Company if operated independently.

The allocated corporate costs that have been allocated to the Salik Tolling Business in the Annual Carve-out Financial Statements include, but are not limited to, executive oversight, legal, finance, human resources, audit, strategic planning and IT governance to represent the cost of providing these services. Further, the RTA's directors compensation is included in these amounts. The amounts allocated to the Salik Tolling Business are intended to represent the costs of providing these services.

Additionally, prior to the Carve-out, the Company utilised the RTA's centralised processes and systems for cash management. As a result, substantially all cash received related to the Salik Tolling Business was deposited and co-mingled with the RTA's general corporate funds. Previously, the Company did not have legal right to deposit or withdraw funds autonomously. The total net effect of the settlement of these transactions is reflected in the Annual Carve-out Financial Statements in the carve-out statements of cash flows as a "financing activity" and in the carve-out statement of financial position as a "net parent investment".

As a result, the Annual Carve-out Financial Statements do not necessarily reflect its results of operations, cash flows and financial condition that it would have achieved as an independent publicly listed company during the periods presented or those that it will achieve in the future.

Certain agreements entered into by the RTA that relate to the Company's business may cease to be available by the RTA's counterparties as a result of the Carve-out

A number of the RTA's agreements entered into with third parties, including public entities, include customary clauses that prevent or impose limitations on transferring the rights and obligations arising from such agreements without the consent of the other party, and may give the other party a right to terminate the agreement in the event of a change of control or if an agreement is transferred. The applicability of these clauses in the context of the Carve-out are subject to interpretation and uncertainty. Notwithstanding the RTA's notifications and consent requests sent to a number of its counterparties in relation to the Carve-out process, there can be no assurance that one or more of the RTA's agreements that relate to the Company and are to be novated to the Company in the Carve-out, will not be prematurely terminated due to the Carve-out or due to intra-group reorganisations potentially carried out prior to or following the Carve-out. Further, there can be no assurance that the risks related to the premature termination, if realised, would not have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

The Concession Agreement contains a non-competition provision with the RTA that limits the Company's ability to pursue certain business ventures

There may be circumstances where the Company pursues new business ventures. Under the Concession Agreement, the Company may not invest in new businesses that directly relate to or are in competition with any established business activity of the RTA within Dubai as of 1 July 2022 for the duration of the Concession Agreement. Therefore, there can be no assurance that the Company will be able to successfully pursue all business ventures that may otherwise be in the best interest of the Company, which could limit the Company's longer-term growth and have a material adverse effect on the Company's business and prospects.

General legal and regulatory risks relating to the Company

The Company is subject to litigation risks

The Company is, and may in the future be, a party to judicial, arbitration and regulatory proceedings which arise in the ordinary course of business, including claims for third party liability in connection with the use of the Company's assets or the actions of Company employees, employment-related claims, environmental claims and tax claims. An unfavourable outcome (including an out-of-court settlement) in one or more of such proceedings or in future proceedings could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company operates in a regulated industry and, in particular, environmental laws could increase the Company's costs

The Company must comply with both specific toll road sector regulations, as well as applicable environmental regulations established by the UAE Federal Government and the Government of Dubai. These laws may impose strict liability in the event of damage to natural resources or threats to public safety and health. Strict liability may mean that the Company is held liable for environmental damage subject to proof of an intentional act causing damage. The relevant authorities may impose fines or sanctions, require payment of environmental damage clean-up costs or may revoke and refuse to grant authorisations and permits because of a breach by the Company of applicable regulations.

The entry into force of new laws, the imposition of new or more stringent requirements or a stricter application of existing regulations may increase the Company's costs or impose new responsibilities, leading to lower earnings and liquidity available for its activities. Breaching any of these regulations could result in reputational damage, which, in addition to the impact of any regulatory changes, could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Risks Relating to the UAE and to the MENA Region

The Company's business could be adversely affected by the deterioration of economic conditions in Dubai, the UAE and globally

Deterioration of economic conditions in Dubai, the UAE and globally could adversely affect the Company's business by decreasing the amount of traffic in Dubai and leading to reduced revenues from tariffs. Normally, robust economic growth results in additional traffic passing through the Company's toll gates, while slow economic growth or economic contraction adversely affects demand. For more information, see "*Investment Risks – Risks relating to the Company's business and economic environment – Reduced traffic volumes or an inability to grow traffic volumes through the Company's toll gates could materially adversely affect the Company's business, financial condition, results of operations and prospects*" above. Even in the absence of a market downturn, the Company is exposed to substantial risk stemming from volatility in areas such as consumer spending, business investment, government spending, capital markets conditions and price inflation, which affect the business and economic environment and, consequently, the size and profitability of the Company's business. Unfavourable economic conditions could lead to lower revenues as a result of reduced road travel and reduced demand for the services provided by the Company. In certain conditions, the TEC could also decide to lower toll gate tariffs. For more information, see "*Investment Risks – Risks relating to the Company's business and economic environment – The Company's tariffs are determined by the Government of Dubai through the Dubai Executive Council, so toll gate tariffs may not reflect the Company's operating costs or demand within the market*" above.

An adverse change in the credit rating of the UAE, declines in consumer confidence and/or consumer spending, increases in unemployment, declines in tourism, significant inflationary or deflationary changes or disruptive regulatory or geopolitical events could contribute to increased volatility and diminished expectations for the economy and markets. The UAE's economy may be adversely affected by tightening global economic conditions and external shocks, including financial market volatility, trade disruptions and protectionist trade policies or threats thereof. In particular, expatriates represent approximately 90% of the population of Dubai, so any decline in the global or UAE economy that leads to an exodus of expatriates would materially negatively impact Dubai's economic outlook. A global shift in policies, including towards protectionism, with lower global growth due to reduced trade, migration and cross-border investment flows, could slow non-oil growth in the UAE and Dubai, particularly as it relates to the expatriate population in Dubai. Examples of such conditions could include:

- a general or prolonged decline in, or shocks to, regional or broader macro-economies;
- regulatory changes that could impact Dubai; and
- deflationary economic pressures, which could hinder the Company's ability to operate profitably in view of the challenges inherent in making corresponding deflationary adjustments to its cost structure.

The nature of these types of risks make them unpredictable and difficult to plan for or otherwise mitigate, compounding their potential impact on the Company's business, financial condition, results of operations and prospects.

Dubai's economy is affected by volatility in international crude oil prices and its economy has in the past been, and may in the future to continue to be, materially adversely affected by lengthy periods of low crude oil prices

The UAE's economy is significantly impacted by international crude oil prices and is highly dependent upon its hydrocarbon-related revenue. Crude oil prices have historically fluctuated in response to a variety of factors beyond the Company's control, including (without limitation):

- economic and political developments both in oil-producing regions, particularly in the MENA region, and globally (see "*Investment Risks – Risks relating to the UAE and to the MENA Region – The Company's business could be adversely affected by the deterioration of economic conditions in Dubai, the UAE and globally*" above);

- global and regional supply and demand, and expectations regarding future supply and demand, for oil and gas products;
- the ability of the members of OPEC and OPEC+ to agree upon and maintain specified global production levels and prices;
- the impact of international environmental regulations designed to reduce carbon emissions, and global weather and environmental conditions; and
- prices, availability and trends relating to the use of alternative fuels and technologies.

Many economic sectors within Dubai and the wider UAE, remain in part dependent, directly or indirectly, on crude oil prices, so extended periods of low crude oil prices may have a negative impact across the economic landscape of Dubai and other Emirates. For example, Dubai or other Emirati governments may decide to reduce government expenditures in light of the budgetary pressures caused by lower crude oil prices, which may, in turn reduce fiscal spending on infrastructure and other projects that create revenue streams for both public and private entities. Local financial institutions may experience lower liquidity (if significant government and government-owned company deposits are withdrawn to fund deficits) or higher financing/loan losses or impairments.

As COVID-19 lockdown measures and restrictions on international and domestic travel and transport are eased globally, oil-producing countries may further increase output to meet recovering demand, which may result in further volatility of crude oil prices, both in the UAE and globally. In addition, the ongoing Russia-Ukraine war and the consequential sanctions imposed on Russia by numerous countries may further contribute to such volatility.

Any of the factors described above, including further developments with respect to the COVID-19 pandemic (including the possibility of additional waves or resurgences thereof), OPEC or OPEC+ agreements and the Russia-Ukraine war, could have a material adverse effect on the economic, political and fiscal position of Dubai (and the UAE generally), and may consequently have a material adverse effect on the Company's business, results of operations, financial condition and prospects and the trading prices of the Shares.

Continued instability and unrest in the MENA region or the escalation of armed conflict

Although Dubai and the wider UAE enjoy domestic political stability and generally healthy international relations, since 2011 there has been political unrest in a number of countries in the MENA region, including Bahrain, Egypt, Iran, Iraq, Libya, Syria, Tunisia, Lebanon and Yemen. The unrest has ranged from public demonstrations and civil unrest to, in extreme cases, armed conflict and civil war and has given rise to a number of regime changes and increased political uncertainty across the region. It is not possible to predict the occurrence of events or circumstances such as civil unrest, war or other hostilities, or the impact that such events or occurrences might have on Dubai and the UAE. The MENA region currently is subject to a number of armed conflicts including those in Yemen, (which involves multiple state and non-state actors led by the Arab coalition (comprising the Kingdom of Saudi Arabia ("Saudi Arabia") and nine other MENA countries) and involves the Unites States, United Kingdom and France, Syria (which also involves multiple state and non-state actors, such as the United States, Russia, Turkey and Iran), Iraq and Palestine, as well as conflicts with militants associated with the Islamic State.

The economies of Dubai and the UAE, like those of many emerging markets, have been characterised by significant government involvement through direct ownership of enterprises and extensive regulation of market conditions, including foreign investment, foreign trade and financial services. Whilst Dubai and the UAE have enjoyed significant economic growth and relative political stability in recent years, there can be no assurance that such growth or stability will continue. Moreover, while the Government of Dubai's policies have generally resulted in improved economic performance, there can be no assurance that such level of performance can be sustained. A general downturn or instability in certain sectors of the UAE or the regional economy could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

Furthermore, Dubai and the other Emirates are, and will continue to be, affected by political developments in or affecting the UAE and the wider MENA region, and investors' reactions to developments in any country in the MENA region may affect securities of issuers in other markets, including the UAE. On 14 September 2019, the Abqaiq processing facility and the Khurais oil field in Saudi Arabia were significantly damaged in attacks by unmanned aerial vehicles and missiles, which caused an immediate significant reduction in the oil output of Saudi Aramco. On 23 June 2020, Riyadh was subjected to a cruise missile and drone attack carried out by the Houthi rebels targeting King Khalid Airport and the Defence Ministry headquarters, but no material damage was done as the missiles were intercepted. In January 2020, direct confrontation occurred between the United States and Iran when a targeted drone strike killed a senior Iranian military commander in Iraq which was followed by an Iranian attack using ballistic missiles on a United States military base in Iraq. In the course of this confrontation, the government of Iran confirmed that it would no longer adhere to the terms of the Joint Comprehensive Action Plan in respect of Iran's nuclear power programme. On 11 April 2021, a major power failure occurred at the Natanz complex south of Tehran, Iran, as a result of an explosion which has been reported to be caused by an attack on the Natanz complex. On 25 March 2022, Saudi Aramco's key oil facility in Jeddah was attacked by Houthi rebels which caused a fire in two storage tanks and resulted in a surge in oil prices. On 18 January 2022, Abu Dhabi experienced a drone attack launched by Houthi rebels near the Abu Dhabi airport that killed at least 3 (three) people. Although the UAE has otherwise generally not experienced terrorist attacks or armed conflict such as those experienced by a number of other countries in the MENA region, there can be no assurance that extremists or terrorist groups will not initiate terrorist or other violent activity in the UAE, or that the UAE will not be impacted by any escalation of regional armed conflict. Any terrorist incidents in or affecting Dubai or the UAE and increased regional geopolitical instability (whether or not directly involving Dubai or the UAE), or any heightened levels of military conflict in the region or globally, including the current Russia-Ukraine war, may have a material adverse effect on Dubai and the UAE's attractiveness for foreign investment and capital, their ability to engage in international trade, their tourist industry, and, consequently, their economic, external and fiscal positions, and therefore could adversely impact the Company's business, results of operations, financial condition and prospects.

Furthermore, the UAE is dependent on expatriate labour, including unskilled labourers as well as highly skilled professionals in a range of industry sectors, and has made significant efforts in recent years to attract high volumes of foreign businesses and tourists to the country. These steps make the UAE potentially more vulnerable should regional instability increase, foreign militants commence operations in the Emirate, or extremist or terrorist groups engage in activities in the country. In addition, as the Government of Dubai endeavours to further diversify the UAE's economy into other sectors, including tourism, the exposure to broader regional and global economic trends and geopolitical developments likely will increase.

Dubai and the UAE may introduce new laws and regulations that adversely affect the way in which the Company is able to conduct its businesses

Emerging market economies generally and the UAE in particular are characterised by less comprehensive legal and regulatory environments. However, as these economies mature, and in part due to the desire of certain countries in the MENA region, including in particular the UAE, to accede to the World Trade Organisation, the governments of these countries have begun, and the Company expects will continue, to implement new laws and regulations which could impact the way the Company conducts its business.

Changes in investment policies or in the prevailing political climate in the UAE could result in the introduction of changes to government regulations with respect to:

- price controls;
- export and import controls;
- income and other taxes;
- foreign Ownership Restrictions;
- foreign exchange and currency controls; and
- labour and welfare benefit policies.

For example, recently the UAE has introduced updated legislation in certain key areas, including:

- a new companies law (Federal Law by Decree No. 32 of 2021) on Commercial Companies which came into effect on 2 January, 2022 which, among other things, eased foreign ownership restrictions;
- a new data protection law (Federal Decree Law No. 45 of 2021 Regarding the Protection of Personal Data) which came into effect on 2 January, 2022 (the "UAE Data Protection Law"); and
- the new Labour Law which came into effect on 2 February, 2022.

There can be no assurance that any future changes to current laws would not increase the Company's costs or otherwise materially adversely affect the way in which the Company conducts its business, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The UAE's Emiratisation initiative may increase the Company's cost structure

Emiratisation is an initiative by the UAE government to employ its citizens in a meaningful and efficient manner in the public and private sectors and to reduce its reliance on foreign workers. Under the initiative, companies are encouraged to employ Emiratis in management, administrative and technical positions. However, the cost of employing UAE nationals typically is significantly higher than the cost of employing foreign workers. In addition, meeting and maintaining the Company's Emiratisation targets reduces its flexibility to rationalise its workforce, which limits its ability to reduce costs in many areas of its operations and may be made difficult as a result of the COVID-19 pandemic (particularly if additional waves or resurgences thereof occur). As a result, there can be no assurance that meeting and maintaining the Company's Emiratisation targets will not have a material adverse effect on its business, financial condition, results of operations and prospects.

Introduction of corporate income tax or the application of value-added taxes on the Company may affect its financial results

The Company is not currently subject to corporate income tax in the UAE, and the UAE has historically not had any corporate tax regime. However, on 31 January 2022 the Ministry of Finance announced that it will introduce a 9% (nine percent) federal corporate tax regime for the first time in the UAE to be applied on the adjusted accounting net profits of a business above AED 375,000 (US$102,000), which is expected to come into effect on or after 1 June 2023. The UAE Federal Tax Authority will be responsible for administering, collecting, and enforcing corporate tax in line with rules and regulations to be issued by the Ministry of Finance. For more information, see "*UAE Taxation*". Therefore, the Company expects corporate income tax to apply from 2024 onwards at a rate of 9% (nine percent) under such new legislation. The introduction of additional corporate income tax or any other changes to current taxation may increase the Company's costs or otherwise adversely affect its business, financial condition, results of operations and prospects.

The Company's view is that tolling activities are out of scope of the relevant provisions of the VAT Law, which was issued on 28 November 2017 under Cabinet Decision No. 52 of Federal Decree Law No. (8) on the basis that the toll fee is classified as a sovereign activity by the Government of Dubai. The Company's business plan and projections are prepared on the basis that such exclusion will be available. However, there is no assurance that this interpretation will (and will continue to) be adopted by the Federal Tax Authority. In the event that such interpretation is not, or ceases to be, adopted by the Federal Tax Authority and therefore value-added taxes become chargeable in relation to toll-fees, the Company's revenue, business, financial condition, results of operations and prospects may be adversely affected.

Risks Relating to the Offering and to the Shares

The Government of Dubai, as a major shareholder, will maintain a controlling interest in the Company following completion of the Offering and may have conflicts of interest with other Shareholders

The Government of Dubai will continue to be the major shareholder of the Company following completion of the Offering, holding approximately 80% eighty percent of the issued ordinary share capital of the Company, and will therefore continue to have a controlling stake in the Company. As a result, the Government of Dubai will control decisions submitted for the approval of shareholders at general meetings. For example, the appointment of directors, the approval of annual financial statements, the distribution of dividends, extraordinary decisions such as those relating to mergers, changes to capital and articles of association and certain other major transactions will ultimately be decided by the Government of Dubai through such majority shareholding.

Since the establishment of the Company as a public joint stock company, the Company is mandated to conduct its business in accordance with the Salik Incorporation Law. The interests of the majority of the Directors, and those of the Company's major shareholder, may from time to time not be aligned with certain of the Company's strategic or commercial objectives, and in addition there can be no assurance that the Government of Dubai's interests will coincide with the interests of the Company or all the purchasers of the Shares. Additionally, the size of the controlling interest of the Government of Dubai in the Company may affect the liquidity of the Shares trading on the DFM.

Although the Directors believe that the Company's relationship with the Government of Dubai will be beneficial to the Company, compliance with obligations to the Government of Dubai may limit the Company's ability, in certain situations, to react quickly or to take action that would otherwise be more beneficial to the Company's business, results of operations, financial condition and prospects.

Holders of the Shares in certain jurisdictions outside of the UAE may not be able to exercise their pre-emptive rights (if offered by the Company) if the Company increases its share capital

The Company is exempted from the preemptive rights set out in article (199) of the Companies Law but has the discretion to offer new shares on a preemptive basis. Holders of the Shares outside of the UAE may not be able to exercise their pre-emptive rights (if so granted by the Company) unless certain registrations are effective with respect to such rights and the related ordinary shares or an exemption from their respective registration requirements. The Company currently does not intend to register the Shares under the laws of any other jurisdiction, and no assurance can be given that an exemption from such registration requirements will be available to enable holders of the Shares outside of the UAE to exercise their pre-emptive rights or, if available, that the Company will utilise such exemption. Furthermore, provided that the Company obtains all the required approvals from the SCA and its General Assembly, the Company may increase its capital without applying the pre-emption rights of the existing Shareholders, such as (i) for the purpose of the entry of a strategic partner, (ii) for the purpose of capitalising the Company's debts, (iii) for the purpose of converting bonds or sukuk issued by the Company into shares, (iv) acquiring an existing company and issuing new shares in the Company to the partners or Shareholders of that acquired company (v) or the exemption obtained from article (199) of the Companies Law in relation to pre-emption rights is applied. To the extent that holders of the Shares outside of the UAE are not able to exercise their pre-emptive rights, the pre-emptive rights would lapse and the proportional interests of such holders outside of the UAE would be reduced.

There is no existing market for the Shares and an active trading market for the Shares may not develop or be sustained

Prior to the Offering, there has been no public trading market for the Shares. The Company cannot guarantee that an active trading market will develop or be sustained following the completion of the Offering, or that the market price of the Shares will not decline thereafter below the Offer Price Range. The failure of an active trading market to develop may affect the liquidity of the Shares. The Shares may therefore be difficult to sell compared to the shares of companies with more liquid trading markets and the price of the Shares may be subject to greater fluctuation than might otherwise be the case. Moreover, under the Articles of Association, 51% of the Shares of the Company must be owned at all times by residents of the GCC, which could adversely affect the liquidity of the Shares in the secondary market. The trading price of the Shares may be subject to wide fluctuations in response to many factors, including stock market fluctuations and general economic conditions or changes in political sentiment, regardless of the Company's actual performance or conditions in Dubai.

The DFM is smaller in size than other established securities markets and there can be no assurance that a liquid market in the Shares will develop

The Company has applied for the Shares to be admitted to the Official List of Securities of the DFM. The DFM has been open for trading securities since September 2005, but its future success and liquidity in the market for the Shares cannot be guaranteed. The DFM is smaller in size and trading volume than other established securities markets, such as those in the United States and the United Kingdom. Brokerage commissions and other transaction costs on the DFM are generally higher than those in Western European countries.

These factors could generally decrease the liquidity and increase the volatility of the share prices listed on the DFM, which in turn could increase the price volatility of the Shares and impair the ability of a holder of Shares to sell any Shares on the DFM in the desired amount and at the price and time achievable in more liquid markets.

Shares in the Company may be subject to market price volatility and the market price of the Shares in the Company may decline disproportionately in response to developments that are unrelated to the Company's operating performance

The price at which the Shares are to be sold in the Offering (the "Offer Price") is not indicative of the market price of the Shares following Listing. The market price of the Shares may be volatile and subject to wide fluctuations. The market price of the Shares may fluctuate as a result of a variety of factors, including, but not limited to, those referred to in these Investment Risks, as well as period to period variations in operating results or changes in revenue or profit estimates by the Company, industry participants or financial analysts. The market price could also be adversely affected by developments unrelated to the Company's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Company, speculation about the Company in the press or the investment community, unfavourable press, strategic actions by competitors (including acquisitions and restructurings), changes in market conditions, regulatory changes and broader market volatility and movements. Any or all of these factors could result in material fluctuations in the price of Shares, which could lead to investors getting back less than they invested or a total loss of their investment.

The Company's ability to pay dividends in the future depends, among other things, on the Company's financial performance and capital requirements

There can be no guarantee that the Company's historical performance will be repeated in the future, and its profit and cash flow may significantly underperform market expectations. If the Company's cash flow underperforms market expectations, then its capacity to pay a dividend will suffer. Any decision to declare and pay dividends will be made at the discretion of the Directors and will depend on, among other things, applicable law, regulation, restrictions on the payment of dividends in the Company's financing arrangements, the Company's financial position, the Company's distributable reserves, regulatory capital requirements, working capital requirements, finance costs, general economic conditions and other factors the Directors deem significant from time to time.

The issuance of additional Shares in the Company in connection with future acquisitions, any share incentive or share option plan or otherwise may dilute all other shareholdings and impair the Company's ability to raise future capital

The Company may seek to raise financing to fund future acquisitions and other growth opportunities. The Company may, for these and other purposes, issue additional equity or convertible equity securities. As a result, existing holders of Shares may suffer dilution in their percentage ownership or the market price of the Shares may be adversely affected. Additional issuances may also adversely affect the prevailing market price of the Shares and impair the Company's ability to raise capital through future sales of equity securities

Substantial sales of Shares by the Government of Dubai could depress the price of the Shares

Sales of a substantial number of Shares by the Government of Dubai following the completion of the Offering may significantly reduce the Company's share price. The Government of Dubai has agreed to certain restrictions on its ability to sell, transfer and otherwise deal in its Shares for a period of 180 days from the Listing, except in certain limited circumstances. Nevertheless, the Company is unable to predict whether substantial amounts of Shares (in addition to those which will be available in the Offering) will be sold in the open market following the completion of the Offering. Any sales of substantial amounts of Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Shares.

Overseas shareholders may be subject to exchange rate risk

The Shares are, and any dividends to be paid in respect of them will be, denominated in UAE Dirhams. An investment in Shares by an investor whose principal currency is not UAE Dirhams exposes the investor to foreign currency exchange rate risk. Any depreciation of UAE Dirham in relation to such foreign currency will reduce the value of the investment in the Shares or any dividends in foreign currency terms.

UAE Taxation

The following comments are general in character and are based on the current applicable tax regime in the UAE and the current practice of the UAE authorities as at the date of this Prospectus. The comments do not purport to be a comprehensive analysis of all the tax consequences applicable to all types of shareholders and do not cover the tax implications under any taxation regime outside the UAE. Each shareholder is responsible for its own tax position and, if you are in any doubt as to your own tax position, you should seek independent professional advice without delay.

Taxation of the Company and Individuals

Currently there is no corporate tax in the UAE at the Federal level. However, corporate tax legislation has been enacted in some of the Emirates (including Abu Dhabi) through decrees in individual Emirates. These tax decrees are currently only enforced on foreign oil companies and branches of foreign banks. In accordance with the above practice, the Company is not currently subject to corporate income tax in the UAE or in Abu Dhabi.

However, the UAE Ministry of Finance has announced that a Federal Corporate Tax will be introduced from 1 June 2023. Currently, no draft legislation has been published. Based on the limited information made available in the initial announcement and in a consultation document, we have summarized below the tax position. As the legislation has not been published yet, the below details are subject to change. It is important to review these comments once the final tax legislation is published to confirm the position.

Federal corporate tax will apply to all businesses operating within the seven emirates, with certain exceptions. Businesses operating in the extraction of natural resources will be exempt from corporate tax. These will continue to be subject to the tax decrees issued by the respective Emirate. Individuals earning income in their personal capacity (i.e. salary, investment income) will not be subject to tax as long as such income is not generated from a business activity. There will be special rules in place for businesses who are established in a free zone who comply with all regulatory requirements and do not conduct business with the UAE mainland and their income from the mainland is limited to passive income. Such businesses will be taxable at the rate of 0%.

There will be 3 (three) tax rates which will apply as follows:

- annual taxable income below AED 375,000 shall be subject to tax at 0%;
- annual taxable income above AED 375,000 shall be subject to tax at 9% rate; and
- multinational enterprises that fall within the scope of Pillar 2 of the BEPS 2.0 framework (i.e. where their annual consolidated global revenues are in excess of AED 3.15 billion) shall be subject to tax at a different rate as per the OECD Base Erosion and Profit-Sharing rules.

Taxable income will be the accounting profit adjusted for tax purposes.

Based on the details made available, we understand the future Federal corporate tax regime will have the following features:

- a participation exemption will apply to capital gains and dividend income earned by UAE company from its qualifying shareholdings in foreign companies subject to a minimum 5% ownership requirement and that the subsidiary is subject to tax at a minimum rate of 9%. Dividends derived from other UAE companies will be exempt from tax;

- there will be no tax on capital gains arising from group reorganizations and intragroup between companies with 75% common ownership subject to certain restrictions; and
- there will be a withholding tax at 0% on certain payments of UAE sourced income made to foreign investors such as dividends, interest and royalties.

Proposed Corporate Tax in the UAE

Taxation of purchase of Shares

Completion of the Offering is likely to be characterised for UAE tax purposes as a purchase of Shares by the subscribers. There are no transfer taxes in the UAE on the purchase of shares and currently there are no other taxes on the issuance of shares in the UAE. Accordingly, the purchase of Shares should not result in any UAE tax liabilities for subscribers who are individuals or corporations tax resident in the UAE provided they are not subject to tax in the UAE by virtue of them being a foreign oil company or branch of a foreign bank. It is the Company's expectation that the sale of Offer Shares should not be subject to tax under the future Federal corporate tax. However, if a shareholder is tax resident outside the UAE and/or is subject to tax in another jurisdiction, the tax implications in that other jurisdiction should be reviewed in respect of the ownership of the Shares and income derived in Connection with the Shares.

Taxation of dividends and capital gains on sale

Based on the current practice as outlined above, UAE resident shareholders who are not subject to tax in the UAE or jurisdictions outside the UAE (both corporate and individual), should not currently be taxed on dividend income and gains on the future sale of the Shares.

Shareholders who are subject to tax in the UAE by virtue of being a foreign oil company or branch of a foreign bank, or tax resident in jurisdictions outside the UAE, as well as shareholders tax resident in the UAE but also subject to tax in jurisdictions outside the UAE (both corporate and individual), should consult their tax advisers to understand the taxation of dividend income and gains on the future sale of the Shares under the relevant applicable local laws in those jurisdictions.

There is currently no withholding tax in the UAE and as such, any dividend payments made by the Company should be made free of any UAE or Abu Dhabi withholding tax.

As noted above, under the future Federal corporate tax regime, domestic dividends will be exempt from tax and dividends received and capital gains arising from the sale of foreign shareholdings will be exempt subject to a participation exemption.

UAE VAT

The UAE has adopted an excise tax, which was effective on 1 October 2017, and implemented a VAT, which was effective on 1 January 2018. The excise tax imposes a 50% tax on carbonated beverages and sweetened drinks and at 100% tax on tobacco products, e-smoking devices and liquids and energy drinks.

VAT applies on the sale of goods and services in the UAE and on imports into the UAE. Unless the supply of goods and services falls within a category that is specifically exempt or is subject to the zero rate of VAT, VAT will apply at the standard rate. The standard VAT rate in the UAE is 5%. A supply of financial services is exempt if they are not supplied in return for a fee, discount or commission that is explicit.

The mandatory registration threshold is AED 375,000 and the voluntary registration threshold is AED 187,500. Businesses must register for VAT if the annual value of taxable supplies and imports of goods or services is above the mandatory registration threshold in the last 12 months, or it is expected to be above that threshold in the next 30 days. In addition, businesses would have an option to register for VAT on a voluntary basis if (i) the annual value of taxable supplies and imports of goods or services, or (ii) the annual value of taxable expenses (i.e. expenses with VAT) is above the voluntary registration threshold in the last 12 months, or it is expected to be above that threshold in the next 30 days.

Businesses are entitled to claim a credit for VAT paid on their purchases if they relate to a supply that is standard rated or zero-rated. However, any VAT incurred in connection with a supply that is exempt from VAT cannot be reclaimed.

Third Section: Financial Disclosures

Summary of the Financial Statements, Pro-Forma Financial Information and a Summary of Key Notes and Key Financial Indicators as of and for the Three Years Ended 31 December 2021, 2020 and 2019 and for the period between 1 January to 1 July 2022 and 1 January to 1 July 2021.

The financial information set forth in this section should be read in conjunction with the Annual Carve-out Financial Statements, the Interim Carve-out Financial Statements and the Pro-Forma Financial Information, included in this Prospectus. Investors should also read certain risks associated with the purchase of Shares in the section entitled "*Investment Risks*".

The selected financial information set forth below shows the Company's selected "Carve-out Statement of profit and comprehensive income", "Carve-out Statement of financial position data", "Carve-out Statement of cash flows data" and "Carve-out Statement of changes in equity" has been derived from, and should be read in conjunction with, the Annual Carve-out Financial Statements and the Interim Carve-out Financial Statements included elsewhere in this Prospectus.

This section also includes certain Non-IFRS measures including EBITDA, EBITDA Margin, Cash Flow Conversion, Working Capital, Capital Expenditures and Free Cash Flow which were calculated by the Company based on data derived from the Annual Carve-out Financial Statements, the Interim Carve-out Financial Statements and management information. These measures are not indicative of the Company's historical operating results, nor are they meant to be predictive of future results, and are not measurements of performance or liquidity under IFRS or any other generally accepted accounting principles. These measures are used by the Company's management to monitor the underlying performance of the business and the operations. Since all companies do not calculate these measures in an identical manner, the Company's presentation may not be consistent with similar measures used by other companies.

The selected financial information and Non-IFRS measures presented below should be read in conjunction with "*Presentation of Financial and Other Information*" and "*Annex 4 Financial Statements*".

Carve-out statement of profit and comprehensive income

	For the Year ended 31 December			For the period 1 January to 1 July	
		(AED'000)		*(AED'000)*	
	2019	2020	2021	2021	2022
Revenue	1,975,260	1,388,684	1,693,207	792,968	944,905
Cost of tags and recharge cards	(16,399)	(14,916)	(21,766)	(9,067)	(10,931)
Toll operation and maintenance expense	(85,253)	(81,661)	(85,859)	(42,193)	(47,593)
Employee benefits expense	(11,666)	(12,173)	(9,551)	(5,225)	(4,888)
Depreciation	(6,629)	(6,304)	(6,000)	(3,000)	(3,317)
Other expenses	(42,339)	(33,567)	(40,129)	(17,724)	(20,045)
Corporate costs allocation	(102,439)	(92,873)	(113,076)	(45,273)	(40,521)
Loss on property and equipment disposal	-	(4,747)	-	-	-
Software enhancement expense	(14,014)	(12,461)	(9,972)	(7,025)	(8,334)
Impairment loss on receivables, net of reversals	(49,913)	(25,170)	(26,279)	(29,051)	(12,528)
Profit for the year	1,646,608	1,104,812	1,380,575	634,410	796,748
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	1,646,608	1,104,812	1,380,575	634,410	796,748

Annual Carve-out statement of financial position data

	As at 31 December (AED'000)		
	2019	2020	2021
ASSETS			
Non-current assets			
Property and equipment	120,536	112,128	107,337
	120,536	**112,128**	**107,337**
Current assets			
Inventories	8,632	19,528	16,044
Trade and other receivables	153,626	94,113	158,520
Advance to supplier	25,144	14,857	33,416
	187,402	**128,498**	**207,980**
Total assets	**307,938**	**240,626**	**315,317**
LIABILITIES			
Non-current liabilities			
Long-term borrowings	-	-	-
Employees' end of service benefits	1,832	2,114	2,377
Contract liabilities	36,764	32,461	36,723
	38,596	**34,575**	**39,100**
Current liabilities			
Short-term borrowings	-	-	-
Due to RTA	-	-	-
Trade and other payables	66,810	106,989	9,452
Employee benefits	151	240	222
Contract liabilities	285,913	256,738	276,623
	352,874	**363,967**	**286,297**
TOTAL LIABILITIES	391,470	398,542	325,397
Accumulated net contributions from parent	**(83,532)**	**(157,916)**	**(10,080)**
	(83,532)	(157,916)	(10,080)
TOTAL LIABILITIES AND NET PARENT INVESTMENT	307,938	240,626	315,317

Interim Carve-out statement of financial position data

	As at 31 December	As at 1 July
	(AED'000)	
	2021	2022
ASSETS		
Non-current assets		
Intangibles	-	4,000,000
Property and equipment	107,337	3
Other asset	-	640
	107,337	**4,000,643**
Current assets		
Inventories	16,044	5,233
Trade and other receivables	158,520	167,381
Advance to supplier	33,416	27,638
VAT receivable	-	202,723

	As at 31 December	As at 1 July
	(AED'000)	
	2021	2022
Other asset	-	160
Cash and cash equivalent	-	4,205,000
	207,980	**4,608,135**
Total assets	**315,317**	**8,608,778**
LIABILITIES		
Non-current liabilities		
Long-term borrowings	-	3,983,970
Employees' end of service benefits	2,377	1,779
Contract liabilities	36,723	40,079
	39,100	**4,025,828**
Current liabilities		
Short-term borrowings	-	17,766
Due to RTA	-	4,200,000
Trade and other payables	9,674[1]	30,011[2]
Contract liabilities	276,623	276,653
	286,297	**4,524,430**
TOTAL LIABILITIES	325,397	8,550,258
Share capital	-	75,000
Reorganisation reserve	-	(16,480)
Accumulated net contributions from parent	(10,080)	-
	(10,080)	**58,520**
TOTAL LIABILITIES AND EQUITY	315,317	8,608,778

Carve-out statement of cash flows data

	For the Year ended 31 December (AED'000)			For the period 1 January to 1 July (AED'000)	
	2019	2020	2021	2021	2022
Profit for the year	**1,646,608**	**1,104,812**	**1,380,575**	**634,410**	**796,748**
Adjustments for:					
Depreciation of property and equipment	6,629	6,304	6,000	3,000	3,317
Loss on fixed asset disposal	-	4,782	-	-	-
Provision for employees' end-of-service benefits, net	259	372	245	126	143
Provision for impairment losses on trade receivables	49,913	25,170	26,279	29,051	12,528
Operating cash flows before movements in working capital:					
(Increase)/decrease in trade and other receivables	(46,299)	34,343	(90,686)	(55,016)[1]	(21,389)[1]
Decrease/(increase) in inventories	8,432	(10,896)	3,484	7,277	10,811
(Increase)/decrease in advance to supplier	9,272	10,287	(18,559)	8,903	5,778
(Increase)/decrease in VAT receivable	-	-	-	-	(2,723)
(Increase)/decrease in other assets	-	-	-	-	(800)
(Decrease)/increase in trade and other payables	46,255	40,179	(97,537)	(26,583)	20,337
Increase/(decrease) in contract liabilities	1,291	(33,478)	24,147	13,571	3,386
Net cash flows from operating activities	**1,722,360**	**1,181,875**	**1,233,948**	**614,739**	**828,136**
Purchases of property and equipment	(1,343)	(2,853)	(1,209)	(400)	(3,161)
Proceeds from the sale of property and equipment	-	174	-	-	-
Net cash flows used in investing activities	**(1,343)**	**(2,679)**	**(1,209)**	**(400)**	**(3,161)**
Net distributions to parent	(1,721,017)	(1,179,196)	(1,232,739)	(614,339)	(826,711)
Proceeds from borrowings obtained during the period	-	-	-	-	4,001,736
Proceeds from issuance of share capital	-	-	-	-	75,000
Capital contribution received	-	-	-	-	130,000
Net cash generated from / (used in) financing activities	**(1,721,017)**	**(1,179,196)**	**(1,232,739)**	**(614,339)**	**3,380,025**
Cash, end of period	-	-	-	-	4,205,000

Notes:

(1) "Trade and other payables" and "Employee Benefits" as at 31 December 2021, 2020 and 2019 were presented as separate line items in the Carve-out Statement of Financial Position in the Annual Carve out Financial Statements. However, in the Interim Carve-out Statement of Financial Position in the Interim Carve-out Financial Statements "Trade and other payables" and "Employee benefits" have been presented as one line item "Trade and other payables" as at 31 December 2021 and as at 1 July 2022

(2) Excludes impact of impairment losses.

Carve-out statement of changes in equity

	Share capital	Reorganisation reserve	Net Parent Investment	Total equity
		(AED'000)		
Balance as at 1 January 2019	-	-	(9,123)	-
Net profit	-	-	1,646,608	-
Net distributions to Parent	-	-	(1,721,017)	-
Balance at 31 December 2019	-	-	(83,532)	-
Net profit	-	-	1,104,812	-
Net distributions to Parent	-	-	(1,179,196)	-
Balance at 31 December 2020	-	-	(157,916)	-
Net Profit	-	-	1,380,575	-
Net distribution to Parent	-	-	(1,232,739)	-
Balance at 31 December 2021	-	-	(10,080)	-
Balance at 1 January 2021	-	-	(157,916)	(157,916)
Total comprehensive income during the period	-	-	634,410	634,410
Net distribution to parent	-	-	(614,339)	(614,339)
Balance at 1 July 2021	-	-	(137,845)	(137,845)
Balance at 1 January 2022	-	-	(10,080)	(10,080)
Issuance of share capital	75,000	-	-	75,000
Capital contribution	-	130,000	-	130,000
Total comprehensive income during the period	-	-	796,748	796,748
Net distribution to parent	-	-	(826,711)	(826,711)
Property and equipment not transferred to the Company	-	-	(107,178)	(107,178)
End of service benefit liability of employees not transferred to the Company	-	-	741	741
Transfer during the period	-	(146,480)	146,480	-
Balance at 1 July 2022	75,000	(16,480)	-	58,520

Certain Non-IFRS Measures

Set out below are certain measures that are not defined or recognised under IFRS, or any other generally acceptable accounting principles, including EBITDA, EBITDA Margin, Cash Flow Conversion, Working Capital, Capital Expenditure and Free Cash Flow (i.e. the Non-IFRS measures). The Company believes that these Non-IFRS measures provide valuable information as these measures are used by the Company's management to evaluate the efficiency of a company's operations and its ability to employ its earnings toward repayment of debt, capital expenditures and working capital requirements. There are no generally accepted principles governing the calculation of these measures and the criteria upon which these measures are based can vary from company to company. As these measures are not standardized, these measures, by themselves, do not provide a sufficient basis to compare the Company's performance with that of other companies and should not be considered in isolation or as a substitute for operating profit or any other measure as an indicator of operating performance, or as an alternative to cash generated from operating activities as a measure of liquidity. The Company has presented these Non-IFRS measures because it believes these are helpful to investors and financial analysts in highlighting trends in the overall business of the Company. Definitions of these Non-IFRS measures, along with an explanation of their relevance and a discussion of their limitations appear in "*Presentation of Financial and Other Information*".

	For Year ended 31 December			For the period 1 January to 1 July	
		(*AED'000*)		(*AED'000*)	
	2019	2020	2021	2021	2022
EBITDA[(1)]	1,653,237	1,111,116	1,386,575	637,410	800,065
EBITDA Margin[(2)]	83.7%	80.0%	81.9%	80.4%	84.7%
Cash Flow Conversion[(3)]	99.9%	100.2%	99.9%	99.9%	99.6%
Working Capital[(4)]	(165,321)	(235,229)	(78,095)	n/a[(7)]	(106,412)
Capital Expenditure[(5)]	1,343	2,853	1,209	400	3,161
Free Cash Flow [(6)]	1,721,017	1,179,196	1,232,739	614,339	824,975

Notes:
(1) EBITDA is Profit for the Year period, excluding the impact of interest, tax and depreciation expense.
(2) EBITDA Margin is EBITDA as a percentage of revenue.
(3) Cash Flow Conversion is profit for the year plus loss on property and equipment disposal and depreciation expense, minus purchase of property, equipment divided by EBITDA.
(4) Working Capital is inventories plus trade and other receivables and advance to suppliers, minus trade and other payables and current portion of contract liabilities.
(5) Capital Expenditure is the purchases of property and equipment.
(6) Free Cash Flow is net cash flows from operating activities less purchases of property and equipment and plus proceeds from the sale of property and equipment.
(7) Financial position as at 1 July 2021 is not presented in this Prospectus.

EBITDA and EBITDA Margin

The following table provides a reconciliation from profit for the year to EBITDA for the periods indicated.

	For the Year ended 31 December			For the period 1 January to 1 July	
EBITDA			*(AED'000)*		
	2019	**2020**	**2021**	**2021**	**2022**
Revenue	1,975,260	1,388,684	1,693,207	792,968	944,905
Profit for the year	1,646,608	1,104,812	1,380,575	634,410	796,748
(+) Depreciation Expense	6,629.0	6,304.0	6,000	3,000	3,317
Amortisation Expense	-	-	-	-	-
EBITDA	**1,653,237**	**1,111,116**	**1,386,575**	**637,410**	**800,065**
EBITDA Margin	83.7%	80.0%	81.9%	80.4%	84.7%

Cash Flow Conversion

The following table provides a reconciliation from profit for the year to Cash Flow Conversion for the periods indicated.

	For the Year ended 31 December			For the period 1 January to 1 July	
Cash Flow Conversion			*(AED'000)*		
	2019	**2020**	**2021**	**2021**	**2022**
Profit for the year	1,646,608	1,104,812	1,380,575	634,410	796,748
(+) Loss on property and equipment disposal	-	4,747	-	-	-
(+) Depreciation expense	6,629	6,304	6,000	3,000	3,317
(-) Purchase of property and equipment	(1,343)	(2,853)	(1,209)	(400)	(3,161)
	1,651,894	1,113,010	1,385,366	637,010	796,904
(divided by) EBITDA	1,653,237	1,111,116	1,386,575	637,410	800,065
Cash Flow Conversion	**99.9%**	**100.2%**	**99.9%**	**99.9%**	**99.6%**

Working Capital

The Company defines "Working Capital" as the sum of inventories, trade and other receivables and advances to suppliers, minus trade and other payables and current portion of contract liabilities. Customers recharge their Salik accounts in advance and revenue is only recognised once the vehicle passes through a toll gate, resulting in negative working capital profile.

Free Cash Flow

The Company defines "Free Cash Flow" as net cash flows from operating activities minus purchases of property and equipment and plus proceeds from the sale of property and equipment. The following table provides a reconciliation from net cash flows from operating activities to Free Cash Flow for the periods indicated.

Free Cash Flow	For the Year ended 31 December			For the period 1 January to 1 July	
			(AED'000)		
	2019	2020	2021	2021	2022
Cash Flow From Operating Activities	1,722,360	1,181,875	1,233,948	614,739	828,136
(-) Purchases of purchases and equipment	(1,343)	(2,853)	(1,209)	(400)	(3,161)
(-) Proceeds from the sale of purchases and equipment	-	174	-	-	-
Free Cash Flow	**1,721,017**	**1,179,196**	**1,232,739**	**614,339**	**824,975**

The Company estimates that Free Cash Flow adjusted for the Concession fee for the year ended 31 December 2021 would have been AED 866 million (eight hundred and sixty-six million).

Selected Unaudited Pro-Forma Financial Information

The selected unaudited pro-forma financial information set forth below as at and for the year ended 31 December 2021, and as at and for the period 1 January 2022 to 1 July 2022, has been derived from the Annual Pro-forma Financial Information and the Interim Pro-Forma Financial Information included elsewhere in the Prospectus and gives effect to the Pre-Offering Transactions and Contractual Arrangements, as described under "*Material Agreements*", as if they had occurred as at 1 January 2021 (in the case of the Unaudited Pro-Forma Statement of Profit and Comprehensive Income information for the year ended 31 December 2021 and for the period 1 January to1 July 2022) and as at 31 December 2021 (in the case of the Unaudited Pro-Forma Statement of Financial Position as at 31 December 2021). The selected unaudited pro-forma financial information is not intended to show what the actual results of operations would have been had such transactions actually occurred on such dates, nor is it intended to forecast the Company's results of operations for any future period. The selected unaudited pro-forma financial information should be read in conjunction with the rest of *"Section Three-Financial Disclosures" and "Annex 4 Financial Statements"*, included elsewhere in this Prospectus.

The selected unaudited pro-forma financial information is presented for illustrative purposes only and is not intended to represent or to be indicative of the results of operations or financial position that would have been reported by the Company had the Pre-Offering Transactions and Contractual Arrangements occurred as of the dates indicated or what the financial position or results of operations would be for any future period. The pro-forma adjustments and related assumptions are described in the accompanying Notes to the Pro-Forma Financial Information.

Unaudited Annual Pro-forma statement of profit and comprehensive income for the year ended 31 December 2021

	Annual Carve-out Financial Statements AED'000	Pro-forma adjustments AED'000	Unaudited Pro-forma AED'000
Revenue	1,693,207	-	1,693,207
Total revenues	**1,693,207**	-	**1,693,207**
Cost of tags and recharge cards	(21,766)	-	(21,766)
Toll operation and maintenance expense	(85,859)	-	(85,859)
Concession fee expense	-	(366,655)	(366,655)
Employee benefit expense	(9,551)	(2,773)	(12,324)
Depreciation expense	(6,000)	5,998	(2)
Amortisation expense	-	(81,633)	(81,633)
Corporate allocation expense	(113,076)	113,076	-
Software enhancement expense	(9,972)	-	(9,972)
Impairment loss on receivables	(26,279)	-	(26,279)
Finance costs	-	(51,509)	(51,509)
Transitional service agreement costs	-	(4,785)	(4,785)
Rent expense	-	(1,535)	(1,535)
Other expenses	(40,129)	7,136	(32,993)
Profit for the year	**1,380,575**	**(382,680)**	**997,895**
Other comprehensive income	-	-	-
Total comprehensive income for the year	**1,380,575**	**(382,680)**	**997,895**

Unaudited Interim Pro-forma statement of profit and comprehensive income for the period 1 January to 1 July 2022

	Condensed interim Carve-out financial statements AED'000	Pro-forma adjustments AED'000	Unaudited Pro - forma AED'000
Revenue	944,905	-	944,905
Total revenues	**944,905**	**-**	**944,905**
Cost of tags and recharge cards	(10,931)	-	(10,931)
Toll operation and maintenance expense	(47,593)	-	(47,593)
Concession fee expense	-	(205,335)	(205,335)
Employee benefit expense	(4,888)	(2,000)	(6,888)
Depreciation expense	(3,317)	3,316	(1)
Amortisation expense	-	(40,816)	(40,816)
Corporate allocation expense	(40,521)	40,521	-
Software enhancement expense	(8,334)	-	(8,334)
Impairment loss on receivables	(12,528)	-	(12,528)
Finance costs	-	(31,241)	(31,241)
Transitional service agreement costs	-	(2,392)	(2,392)
Rent expense	-	(767)	(767)
Other expenses	(20,045)	4,171	(15,874)
Profit for the period	**796,748**	**(234,543)**	**562,205**
Other comprehensive income	-	-	-
Total comprehensive income for the period	**796,748**	**(234,543)**	**562,205**

Unaudited Annual Pro-forma statement of financial position as at 31 December 2021

	Annual Carve-out Financial Statements AED'000	Pro -orma adjustments AED'000	Unaudited Pro-forma AED'000
Non-current assets			
Property and equipment	107,337	(107,333)	4
Intangibles	-	4,000,000	4,000,000
Other assets	-	640	640
Total non-current assets	**107,337**	**3,893,307**	**4,000,644**
Current assets			
Inventories	16,044	-	16,044
Trade and other receivables	158,520	-	158,520
Advance to supplier	33,416	-	33,416
VAT receivable	-	200,845	200,845
Other assets	-	160	160
Cash and cash equivalent	-	4,205,000	4,205,000
Total current assets	**207,980**	**4,406,005**	**4,613,985**
Total assets	**315,317**	**8,299,312**	**8,614,629**
Non-current liabilities			
Employee's end of service benefits	2,377	(615)	1,762
Contract liabilities	36,723	-	36,723
Long-term financing	-	3,983,970	3,983,970
Total non-current liabilities	**39,100**	**3,983,355**	**4,022,455**

Current liabilities			
Trade and other payables	9,452	-	9,452
RTA payable	-	4,200,000	4,200,000
Employee benefits	222	415	637
Short-term financing	-	17,766	17,766
Contract liabilities	276,623	-	276,623
Total current liabilities	**286,297**	**4,218,181**	**4,504,478**
Total liabilities	**325,397**	**8,201,536**	**8,526,933**
Equity			
Accumulated net contributions from Parent	(10,080)	22,776	12,696
Paid-in capital	-	75,000	75,000
Total equity	**(10,080)**	**97,776**	**87,696**
Total liabilities and equity	**315,317**	**8,299,312**	**8,614,629**

Pro-Forma EBITDA and EBITDA margin

	For the Year ended 31 December 2021	For the period 1 January to 1 July 2022
	(AED'000 000)	
Pro-forma EBITDA[(1)]	1,131.1	634.3
Pro-forma *EBITDA Margin*[(2)]	67%	67%

Notes:
(1) Pro-forma EBITDA is Pro-forma profit for the year /period, excluding the impact of interest, tax and depreciation expense.
(2) Pro-forma EBITDA Margin is Pro-forma EBITDA as a percentage of revenue.

The following table provides a reconciliation from pro-forma profit for the year/period to pro-forma EBITDA for the periods indicated.

Pro-forma EBITDA	For the Year ended 31 December 2021	For the period 1 January to 1 July 2022
	(AED'000)	
Pro-forma Revenue	1,693,207	944,905
Pro-forma Profit for the year/period	997,895	562,205
Add:		
Pro-forma Depreciation Expense	2	1
Pro-forma Amortisation Expense	81,633	40,816
Pro-forma Finance Costs	51,509	31,241
Pro-forma EBITDA	**1,131,037**	**634,263**
Pro-forma *EBITDA Margin*	66.8%	67.1%

Other Financial Information

1. Dividend Policy

The Company's ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves and its capital expenditure plans and other cash requirements in future periods, and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. See "*Investment Risks — Risks Relating to the Offering and to the Shares — The Company's ability to pay dividends in the future depends, among other things, on the Company's financial performance and capital requirements*". Any level or payment of dividends will depend on, among other things, future profits and the business plan of the Company, at the discretion of the Board and General Assembly.

Subject to the foregoing, the Company intends to pay dividends twice each fiscal year after the Offering in April and October of each year. The Company expects to pay a first dividend for the second half of 2022 by April 2023, and it expects to pay 100% (one hundred percent) of the net profit, after keeping aside the statutory reserve required by law (expected to be AED 37.5 million (UAE Dirhams thirty-seven million, five hundred thousand) for the first dividend). From 2023 onwards, the Company expects to pay 100% (one hundred percent) of the net profit available for distribution as dividend.

This dividend policy is subject to consideration of the Board of the cash management requirements of the Company's business for operating expenses, interest / profit expense and anticipated capital expenditures and investments. In addition, the Company expects that the Board will also consider market conditions, the then current operating environment in the Company's markets, and the Board's outlook for the Company's business and growth opportunities.

The dividend policy is aligned with the Company's Articles.

2. Material events and contracts concluded by the Company (including related party agreements)

The following is a summary of certain terms of the Company's material agreements. The following summaries do not purport to describe all of the applicable terms and conditions of such contracts and are qualified in their entirety by reference to the actual agreements.

Related Party Transactions

The Company is a party to various agreements and other arrangements with related parties comprising the RTA, the RTA's fellow Agencies, the RTA's fully owned subsidiary Dubai Taxi Corporation, the RTA's 50% controlled joint venture RTA Careem LLC (Hala Taxi), the Board of Directors of the RTA and the Government of Dubai. The most significant of these transactions are described below

The Company has availed the exemption as per para 25 of IAS 24 Related Party Disclosure and consider the entities controlled by Government of Dubai as non-related, except for the RTA, 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 terms determined by the management. Additionally, the Company entered into the Concession Agreement and the TSA with the RTA and the Term Financing and Revolving Financing Facility Agreement with ENBD (for more information, see "*Material Agreements*").

The following table summarises related party balances as at 1 July 2022:

	As at 1 July 2022 *AED'000*
Balances with entities under common control of the Government of Dubai	
Due to RTA	4,200,000
Financings - ENBD	4,001,736
Cash at bank - ENBD	4,205,000

Transactions with ENBD relate to commissions earned and amount to AED 1.16 million (UAE Dirhams one million, one hundred and sixty thousand) and AED 1.07 million (UAE Dirhams one million, seventy thousand) for the period ended 1 July 2022 and 1 July 2021, respectively. Transactions, gross of commission earned, with ENOC relate to the sale of Salik Tags and recharge cards and amount to AED 57.5 million (UAE Dirhams fifty-seven million, five hundred thousand) and AED 66 million (UAE Dirhams sixty-six million) for the period ended 1 July 2022 and 1 July 2021, respectively. The Company does not have any other significant transactions with the entities controlled, jointly controlled or significantly influenced by the Government of Dubai.

Relationship with the Department of Finance

The Department of Finance will, along with the RTA, approve any fees and charges to the TEC that the Company may propose. Otherwise, the ongoing relationship between the Company and the Department of Finance, is limited to its role as a shareholder of the Company on behalf of the Government of Dubai.

Relationship with the Dubai Government

The Company transacts with its owner, and entities controlled, or significantly influenced by the owner or its affiliates such as the RTA within the scope of its ordinary business activities, including suppliers and customers. Since the Company is ultimately wholly owned by the Government of Dubai, it is referred to as 'government-related entity'. The Company is subject to the oversight of the Financial Audit Authority – a Dubai Government body which is able to conduct financial and compliance, performance, control systems and control systems efficacy and efficiency audits over government entities and owned companies.

Tolling fees collected by Dubai Taxi Corporation

Tolling fees collected by Dubai Taxi Corporation and Hala Taxi represent the toll fees collected in the Emirate of Dubai and are based on trips through Salik toll gates where there is a passenger in the taxi vehicle. Tolling fees collected by Dubai Taxi Corporation were AED 31.9 million (UAE Dirhams thirty one million, nine hundred thousand) for the period ended 1 July 2022 and AED 20.3 million (UAE Dirhams twenty million, three hundred thousand) for the period ended 1 July 2021. Historically, collections made by Dubai Taxi Corporation have been settled directly with the Department of Finance. Effective from 1 July 2022, the amounts will be collected from Dubai Taxi Corporation by the RTA on behalf of the Company and will be transferred to the Company in accordance with the Concession Agreement.

Corporate Allocation Expense

The Company was allocated expenses of AED 40.5 million (UAE Dirhams forty million five hundred thousand) and AED 45.3 million (UAE Dirhams forty-five million, three hundred thousand) for the period 1 January 2022 to 1 July 2022 and 1 January 2021 to 1 July 2021, respectively, from the RTA. These costs are derived from multiple levels within the RTA including shared RTA corporate expenses and shared agency expenses. The allocated corporate costs include, but are not limited to, executive oversight, legal, finance, human resources, audit, strategic planning, and IT governance and were historically allocated to the Company to represent the cost of providing these services. Further, the RTA's Director compensation is included in corporate costs allocation.

The amounts allocated to the Company are intended to represent the costs of providing the above services, and management believes the allocation methods are reasonable. However, the actual cost of obtaining these individual services, if the Company were a stand-alone company, could be materially different. The cost of the services provided by the RTA and the TRA were determined by the most relevant allocation method, primarily relative percentage of headcount or revenue. These costs are recorded as corporate allocation expenses in the Financial Statements. Effective 1 July 2022, the Company entered into the TSA with the RTA, wherein the RTA will provide services to the Company to support the performance of its tolling operations and back office functions, such as finance, IT, Human Resources, Administration, Marketing and Communication in accordance with the Concession Agreement. Thus, from the effective date of the TSA, no such cost will be allocated to the Company.

Cash Pooling

The Company historically utilised the RTA's centralised processes and systems for cash management. As a result, substantially all cash received related to the tolling business was deposited and comingled with the RTA's general corporate funds. The Company did not have the legal right to deposit or withdraw funds autonomously. Substantially all cash received by the Company was deposited in and commingled with the RTA's general corporate funds and was not specifically allocated to the Company.

	As at 1 July 2022 (unaudited) AED'000	*As at 31 December 2021 (audited) AED'000*	*As at 1 July 2021 (unaudited and not reviewed) AED'000*
Cash pooling and general activities	(415,936)	(1,222,255)	(561,206)
Receivables from RTA	(451,296)	(123,560)	(98,406)
Corporate allocations	40,521	113,076	45,273
Net decrease in parent company investment	(826,711)	(1,232,739)	(614,339)

Effective from 1 July 2022, the Company has its own bank account and ceased to use the RTA's centralised cash pooling process and systems. Accordingly, all the transactions will be settled directly with the Company's bank account from 1 July 2022.

Carve-out Related Party Transactions

In connection with the Carve-out, the Company and the RTA entered into the Concession Agreement and the TSA. Following, the Offering, the Government of Dubai owns 80% of the Company. For more information on the Concession Agreement and the TSA, see "*Material Agreements — The Concession Agreement*" and "*Material Agreements — The Transitional Services Agreement*".

Lease Agreement

The Company entered into a lease agreement with the RTA in respect of premises located on the 1st Floor of the RTA Headquarters, Block C, in Dubai (which include the Company's corporate office and call centre) with an effective date of 1 July 2022. The head office lease is for a 2 year term during which the Company has the full use of the premises in exchange for the payment of the agreed rent. The Lease can be terminated, without penalty, by either the Company or the RTA (as landlord) giving not less than 2 (two) months' written notice to the other at any time during the term.

Assignment of trademarks from RTA

The Company and the RTA have entered into a trademark assignment agreement (as part of the Concession Agreement) to transfer the ownership of the Salik trademarks held by the RTA to the Company for the duration of the Concession Agreement. The process of transferring the RTA Salik trademarks to the Company is underway through the Ministry of Economy and should be completed before the commencement of the Offer Period. The trademark assignment agreement is in process of being registered with the Ministry of Economy which will officially transfer the ownership of these marks to the Company.

Material Agreements

The TransCore Agreement

The Company and TransCore are continuing a previous standing agreement, following its novation from the RTA to the Company, governed by the UAE and Dubai laws, under which TransCore provides a full range of operation and maintenance services of the toll gate system across various locations in Dubai (the 'TransCore Agreement'). The TransCore Agreement, which was first entered into between the RTA and TransCore in 2006 for the design-build, operation and maintenance of the toll gate system was renewed in 2013, 2016 and most recently in September 2021 for a period of 3 years. The TransCore Agreement was further extended in 2022, as part of its novation from the RTA to the Company, for a further 2 years up to September 2026. The TransCore Agreement governs the operation and maintenance of Dubai's existing 'Salik' Toll Collection System by TransCore as the main contractor and permits the RTA to request the design, implementation and integration of new toll gate locations in Dubai with the existing system. TransCore will be evaluated based on the service level agreement and key performance indicators set out in the TransCore Agreement.

Intellectual Property

TransCore retains full ownership of all intellectual property rights in core back office software and modules of the TransCore Toll System software developed and upgraded for RTA from 2007 until 12th September 2013 under the TransCore Agreement. The RTA fully owns all intellectual property rights in the enhancements to the TransCore Toll System software developed since 12th September 2013 and holds a perpetual, non-exclusive, royalty free license to the source code for all TransCore Toll System core modules. RTA also retains full ownership of the 'Salik' brand/tradename under which the Dubai Toll Collection System operates. There are additional and ancillary software modules developed under this agreement that have mixed intellectual property rights including those that cannot be sold and/or licensed by either party without the consent of the other.

As of the date of this Prospectus, all intellectual property rights in the enhancements and developments to all software from September 2013 onwards under arrangement with key third party contractor, TransCore, (including ownership of software in connection with the Smart Salik Application and the Salik Website) have been transferred to Salik under the Concession Agreement.

Functions provided by TransCore

TransCore provides and manages the following services for the Company under the TransCore Agreement:

Customer Service (walk-in and call centre)

TransCore provides a first point of contact for customers to ask general questions concerning the operation of the Company, specific questions concerning their Salik account or the opening of a new Salik account. Issues raised by the customer that cannot be immediately resolve by the call centre on the first call are recorded in the Salik CRM and forwarded to the call centre offline support group for investigation and resolution.

Customer Service Off-Line Support

TransCore processes requests from all customer service channels where the front-line agent cannot process the request immediately. This includes investigating the issue and implementing a suitable resolution and advise the customer of the outcome. The customer service off-line support team also processes other back-office activities as approved from time to time by the RTA.

The primary scope of the off-line support involves resolving the tasks below:

- Issuing tracer tickets originating from call centre and walk-in locations for any customer complaints;
- Issuing tracer tickets originating from processing customer applications — major (more complex) issues, such as:
  - Salik Tag issues — separation;
  - Merge accounts;
  - Wrong Salik Tag number;
  - Approved cases;
  - Multiple TFNs on one account;
  - Trade plates;
  - Ghost vehicles;
  - Abu Dhabi rental cases;
- Handling vehicle information updates from e-traffic system; and
- Completing complex data cleanup, performing UAT, regularly checking the Salik website and app, and occasionally conducting surveys with Salik customers.

Disputes

TransCore receives and investigates customer disputes concerning violations they have received, with any recommendations for violation dismissal to be provided to the RTA or Company for approval.

Violation Processing/Image Review

TransCore is in charge of reading license plate images of all vehicles passing through the Company's gates without a Salik Tag and forwarding these images for toll processing or issuing of a violation.

Data Entry

TransCore provides data entry staff, which consist of a group of customer service agents working at the Salik back office. The primary responsibility for this team is to ensure the opening of customer new accounts and adding vehicles for existing customers. The team receives electronic requests that were not processed automatically by the system due to multiple reasons such as:

- Duplicate plate: where vehicle plate is registered under a different customer account;
- Duplicate chassis: where vehicle plate is registered under a different customer account;
- Duplicate TFN: where the TFN provided by the customer is either duplicate or under a different customer account; and
- International and export vehicles registration.

The data entry team receives the above requests either electronically when created through the Company's website (or third-party apps), or manually created by the call centre team or wall in team. The registration of the Salik Tag is finalised within a key performance indicator measure defined in the service levels agreement. The team may require performance of callbacks to customers to verify the information and/or details, which is performed by a group of specialised agents who completed call centre internal training.

The team is also responsible for correcting customer account information (through requests) and vehicle details.

Tolling Equipment Roadside Maintenance

TransCore provides preventive, predictive and corrective maintenance for all equipment used at the roadside.

Software Support

TransCore provides the Company a software support group, comprised of software engineers and related support staff whose task is to provide a help desk support system to address customer issues and software bugs.

Information Technology

TransCore provides the Company an information technology group, which provides architectural design; preventive, corrective and emergency maintenance for computers, network and telecommunications equipment.

Project Management Office

TransCore provides the Company a project management office that is responsible for managing projects and deployments which require significant interdepartmental and/or multiple stakeholder coordination. Activities assigned to this group will be on a case-by-case basis and will be assigned by TransCore and the RTA or the Company.

Software Development

TransCore provides a development team comprising a number of skilled software developers and related support staff whose task is to provide enhancements to the Company's system.

Agreements relating to the Carve-out

The Concession Agreement

For a full description of the Concession Agreement, see "*Concession and Regulatory Matters – Concession Agreement*".

The Transitional Services Agreement

The Company and the RTA have entered into the TSA to govern the separation and transition of the tolling business from the RTA to the Company.

The services which will be extended by the RTA to the Company pursuant to the TSA include: accounting, marketing and communication, office administration, contracting and procurement support, walk-in centres, customer, human resource, corporate IT, taxi fare collection, mobile applications, website, chatbot and/or various computer system services. Each service will commence on the date of the TSA unless the Company notifies the RTA that a service(s) is not required until a later date.

The services are intended to be provided by the RTA (or procured to be provided by a third-party supplier) for an agreed period for each service. The Company is, however, under an obligation to establish systems, enter into agreements with third parties and take all other steps which required to enable it to transition off each service by the end of the pre-agreed period.

The Company has the right to terminate specific services for convenience, provided that it pays any costs associated with such termination. Either the RTA or the Company may terminate the agreement in case a material breach is committee and no mutually satisfactory resolution is reached between the 2 (two). The RTA does not have a right to terminate for convenience.

The Term Financing and Revolving Financing Facilities Agreement

The Company entered into an AED 4,200,000,000 Term Financing and Revolving Financing Facilities Agreement dated 29 June 2022 comprising of murabaha term financing and revolving financing facilities with ENBD (the "Term Financing and Revolving Financing Facilities"). The financing was provided on an unsecured basis principally for the purposes of settling concession fees due under the Concession Agreement. The Term Financing and Revolving Financing Facilities Agreement includes a change of control mandatory payment event whereby the financiers may choose to demand immediate payment of their participations if the Government of Dubai ceases to hold (directly or indirectly) at least 50.1% of the issued share capital of the Company following the completion of a listing event in respect of the Company.

The Term Financing and Revolving Financing Facilities Agreement includes a 5x leverage covenant which is required to be tested on a semi-annual basis and other relatively limited undertakings (including restrictions on making certain disposals and granting certain security interests).

The Term Financing and Revolving Financing Facilities Agreement also contains certain customary events of default including non-payment, breach of a financial covenant or other undertakings, termination of the Concession Agreement and cross default in respect of other financial indebtedness of any member of the Group. The occurrence of an event of default would allow the financiers to take acceleration action and cancel the financing.

Fourth Section: Other details

1. **Mechanism for adopting a governance system in the Company**

The Board of Directors is committed to maintaining appropriate standards of corporate governance that are in line with international best practice. As at the date of this Prospectus, Salik complies, and intends to comply, with the corporate governance requirements applicable to public joint stock companies listed on the DFM as set out in the Corporate Governance Guide for Joint Stock Companies issued by the SCA pursuant to Decision No. 3/RM of 2020 (as amended) (the "SCA Governance Guide").The Board of Directors has also adopted a governance and board composition policy which includes various principles applicable to the make-up of the Board, including that there must be at least one female director. In this Prospectus, the SCA Corporate Governance Guide and the governance and board composition policy are collectively referred to as the "Governance Rules".

2. **The Company's proposed management structure**

Company's Board structure

As at Listing and pursuant to the TEC's Executive Council Resolution No. 34 of 2022, forming Salik Company P.J.S.C.'s Board of Directors, the Board consists of seven Directors of which there is 1 Executive Director and 6 Non-Executive independent Directors. Each of the Directors has been appointed for a term of 3 years. The Board meets at least every 3 months.

Name	Year of Birth	Position	Year of appointment
His Excellency Mattar Al Tayer	1958	Chairman, Non-executive	2022
Abdul Muhsen Ibrahim Kalbat	1967	Vice-chairman, Non-executive	2022
Maitha Bin Adai	1970	Director, Non-executive	2022
Mohammed Al-Mudharreb	1982	Director, Non-executive	2022
Ibrahim Al Haddad	1977	Executive Director and Chief Executive Officer	2022
Mohammed Abdulla Lengawi	1971	Director, Non-executive	2022
Mohammad Alhawi	1983	Director, Non-executive	2022

The management expertise and experience of each of the Directors is set out below.

His Excellency Mattar Al Tayer (Chairman)

His Excellency Mattar Al Tayer, Commissioner General for Infrastructure, Urban Planning and Well-Being Pillar and Director General, Chairman of the Board of Executive Directors of the RTA, holds a Bachelor's degree in Civil Engineering from the University of Wisconsin, USA, 1983. Prior to taking up the RTA's leadership role, Mr. Al Tayer had worked in the Dubai Municipality since 1983. He worked in several specialised and supervisory roles ranging from Director of the Roads Department up to Deputy Director General of Dubai Municipality.

He took leadership of the RTA in November 2005, where he oversaw its establishment phase including the recruitment of competent and experienced professionals. Under his leadership, the RTA has made remarkable achievements in a variety of fields, including radical development of the mass transit system through mega projects, like Dubai Metro (Red and Green Lines) and Dubai Tram. It has made a major shift in the bus and marine transit services, as well as the developments in the road network, including multiple crossings on Dubai Creek, such as the Infinity Bridge, Business Bay Crossing, Al Garhoud Bridge and the Floating Bridge. The RTA has also developed key roads and interchanges on Sheikh Zayed Road, Al Khail Road, Sheikh Mohammed bin Zayed Road and Emirates Road, as well as the construction of 15 projects to serve Expo 2020 costing more than AED 15 billion highlighted by Dubai Metro's Route 2020 and a sprawling roads network. Al Tayer has also overseen the improvement of the Dubai-Al Ain Road Project in addition to the Al Shindagha, Al Khawaneej and Tripoli Corridors. His portfolio includes an array of projects such as the Dubai Water Canal, Jumeirah Corniche, Etihad Museum, Enterprise Command and Control Center (EC3) and the Dubai Intelligent Traffic Systems Centre. Overall, Mr. Al Tayer has overseen projects worth more than AED 140 billion undertaken by the RTA. Such achievements and projects have ranked the RTA amongst the leading and reputed global entities in the roads and transportation industry. Matching its outstanding record of achievements, the RTA has won several local, regional and international awards, amounting to more than 270 awards.

In his capacity as Commissioner General for Infrastructure, Urban Planning and Well-Being Pillar, Al Tayer oversaw the development of the Dubai 2040 Urban Master Plan, which sets out a long-term strategy for the emirate and identifies the core urban planning areas highlighted by well-being, housing, economy, and tourism as well as the governance and regulation of land uses, and the development of the Dubai Citizens Housing Policy. He oversees the implementation of projects under the Hatta Master Development Plan as he chairs the Supreme Committee for Hatta Master Development, Dubai landscape and rural development projects, in addition to the wellbeing initiatives and projects in the emirate. Al Tayer also steers the corporate transformation scheme for government departments affiliated with the Infrastructure, Urban Planning and Well-Being namely Dubai Municipality, Dubai Land Department, and Mohammed bin Rashid Housing Establishment. This cooperation has paid dividends reflected in launching a host of initiatives across the emirate, such as:

- a 20-Year Government Housing Programme (worth AED 65 billion);
- the Unified Comprehensive Map of Dubai Lands; and
- the Dubai RE-Tech Platform.

Abdul Muhsen Ibrahim Kalbat (Vice-chairman)

Abdul Muhsen Ibrahim Kalbat has a wealth of 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 business organisational structure. He introduced creative management concepts and diverse approaches for improving administrative and technical processes across the RTA, which lead to transforming them from routine daily operations to a highly efficient strategic drive.

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

Mr. Kalbat has been the CEO of the Rail Agency since 2015. 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 is 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 & operational costs. At the Rail Agency, he is currently overseeing a number of important and prestigious projects, most prominent of which is the 10.6 Billion UAE Dirhams Route 2020 project.

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

Maitha Bin Adai (Director)

Maitha Bin Adai acts as CEO for the Traffic and Roads Agency at the RTA as of its establishment in 2005, during which she has suprvised the design and implementation of several projects including Dubai's floating bridge project, the Dubai water canal, road projects for roads leading to Expo 2020, and the establishment of road toll operator services. Ms. Bin Adai manages an institution with an annual budget of approximately AED 4,600,000,000, in addition to overseeing the planning, design, and operation and maintenance of road project infrastructures in the Emirate of Dubai, the approximate value of which amounts to AED 3,500,000,000 per annum. Additionally, Ms. Bin Adai supervises a multitude of strategic initiatives at the local and regional levels, centred around road safety and security and smart transportation, which attain an annual turnaround of aproximately AED 5,100,000,000.

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

Ms. Bin Adai acts as chairman of several important boards and committees in the transportation, traffic safety and substainability sectors. Ms. Bin Adai holds a Master's Degree in Transportation Engineering from the University of Newcastle, in addition to a Bachelor's Degree in Civil Engineering from the University of Kuwait.

Mohammed Al-Mudharreb (Director)

Mohammed Al-Mudharreb is a digital transformation leader in the mobility sector in Dubai, serving as the CEO of the RTA's Corporate Technology Support Services. He is responsible for leveraging cutting edge technologies to create pioneering, digitally enabled experiences for drivers, commuters and road users.

He built his extensive leadership portfolio and experience by serving as Director of Rail Operations at the RTA, where he oversaw one of the largest concession agreements in the region to run Dubai Metro and Dubai Tram and thereby promoted delivery of 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 creating other commercial revenue streams utilising such infrastructure.

He is a member of numerous city-wide committees and taskforces that oversee the digital transformation journey in Dubai.

Ibrahim Al Haddad (Director and Chief Executive Officer)

Ibrahim Al Haddad is a highly experienced professional with 17+ years track record of delivering high impactful projects in both public and private sectors. Since he joined the RTA in 2013, he has focused on commercial transformation and public private partnerships projects and spearheaded the implementation of many marquee projects for the RTA, such has the Hala Joint Venture Agreement between the RTA and Careem, commercial transformation of Dubai Taxi, concession agreement with Hypermedia, and implementation of the RTA Invest Portal to name a few. Under his leadership, the Commercial and Investment Department won the CFI award for the "Most Innovative Logistics Project Investment Team – GCC 2019" and also achieved the ISO 10014:2006 Certification (first entity in the region to obtain the certification) which demonstrates 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 the UAE University.

Mohammed Abdulla Lengawi (Director)

Mohammed Abdulla Lengawi is experienced in safety, security and crisis management, and airport operations with a strong business acumen. Further, he has hands-on experience in planning, organising, coordinating, directing and controlling the airport crisis functions and all matters related to aviation. Mr. Lengawi's current role since 2016 is Executive Director of Aviation Security & Accident Investigation, where he is responsible for aviation security, risk minimisation, policy-making and many other functions. He has a proven track record in managing a variety of departments and related functions with exceeding high-level management expectations.

Mohammad Alhawi (Director)

Mohammad Alhawi is currently the Director of Economic Development at the Executive Council, where he leads Dubai economic policy and strategy development in coordination with all related stakeholders from both the public and private sectors. He also serves as Chairman of the Economic

Team and reports to the Executive Council with the mandate of enhancing Dubai's economic and competitive position.

During his previous role as Vice President in the Technology, Manufacturing & Mining Platformat Mubadala, Mr. Alhawi lead an international investment consortia of multi-billion dollar infrastructure projects. He was also responsible for the creation of the Research and Development strategy of the world's 5th largest Aluminium company.

Holding various positions at the Prime Minister's Office and The Executive Office over the years, Mr. Alhawi has a track record of using interpersonal skills, negotiation capabilities and crisis management skills for delivering institutional objectives. Mr. Alhawi also has experience in developing and implementing high-level government initiatives and government policies

Mr. Alhawi received a Master of Science in Computer Science from University College London, in addition to a Bachelor of Science in Mathematics from Imperial College London.

Senior Management

In addition to the members of the Board of Directors, the day-to-day management of our operations is conducted by the Company's senior management team, as follows:

Name	Year of birth	Position	Year of appointment
Maged Ibrahim	1968	Chief Financial Officer	2022
Tariq Ismail Mohammad	1983	Chief Technology Officer	2022
Stephen Hibbert	1954	Chief Legal Counsel	2022
Tariq Al Mutawa	1989	Support Services Director	2022
Gopalakrishnan Hariharan	1982	Director, Strategy and Growth	2022
Mohamed Hisham Aly Zeinelabedin	1984	Head of Investor Relations	2022
Mohamad Muyees	1975	Project Manager	2022

The management expertise and experience of each of the senior management team is set out below.

Maged Ibrahim (Chief Financial Officer)

Maged Ibrahim joined the RTA in 2010. Mr. Ibrahim worked for 12 (twelve) years in the finance department of the RTA. He has 32 (thirty-two) years of experience in finance and the audit field varied between Big4 Audit firms, and government and private entities. Highly qualified, analytical, and solution-driven professional with remarkable exposure in executing and leading the full spectrum of financial operations, he has developed expertise across fundraising, cost reduction, revenues maximisation, megaproject financing, and financial management, Overseeing financial strategies in compliance with organization regulations to assure financial sustainability, consolidated financials, planning, budgeting, treasury operations, and accounting policies/procedures formulation. During 12 (twelve) years within the RTA Finance department, he has overseen US$8B (United States Dollars eight billion) of several mega infrastructure projects to present iconic landmarks in Dubai, from concept to final settlements, he has lead up to US$4B (United States Dollars four billion) various major financing facilities agreements varied between local financing and international financing through export credit agencies. He is a certified accountant (CPA) from Illinois University in the United States and holds a master's degree in business administration from the Canadian University. He is a Certified Fraud Examiner (CFE), Certified Internal Controls accountant (CICA), and is IFRS Certified (CertIFR).

Tariq Ismail Mohammad (Chief Technology Officer)

The Directors expect Tariq Ismail Mohammed to join the Company as Chief Technology Officer in October 2022. Tariq is an experienced manager, with nearly 17 (seventeen) years of experience. He joins Salik from Injazat Data Systems, where he was the Hassantuk Program Director. Before that, 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 Center. He holds a

Bachelor's degree of Information Technology from the American University in Dubai and a Master of Business Administration (MBA) from Bayes Business School – City, University of London.

Stephen Hibbert (Chief Legal Counsel)

Stephen Hibbert is an Australian lawyer, admitted to the Supreme Court of NSW in 1983. He has specialised in major projects, particularly in the transport and public infrastructure sectors. He has over 25 (twenty-five) years' experience in the establishment and operations of toll roads throughout Australasia, where he acted for concession companies, banks, and financiers. Over the last 15 (fifteen) years he has been working in the Middle East in private practice and, from 2012 to 2020 was the General Counsel of one of Qatar's largest infrastructure agencies, the Qatar Railways Company. In that role, he oversaw the legal and contractual requirements for the design and construction of the Doha Metro project from inception to completion, and into full operations in 2020.

Tariq Al Mutawa (Support Services Director)

The Directors expect Tariq Al Mutawa to join the Company as Support Services Director in October 2022. He joins the Company from Emirates Airlines, where he has over 10 (ten) years of management experience. Most recently, he served as the manager of Emirates Airlines for Thailand and, before that, 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 50-100+ employees. He holds a Bachelors degree from the American University in Dubai and a Masters degree in General Management from Coventry University.

Gopalakrishnan Hariharan (Director, Strategy & Growth)

Gopalakrishnan Hariharan has 15 (fifteen) years' experience in the strategy, operations and governance roles. He has strong experience in working in the private and public sectors and has managed multiple multi-cultural teams through delivering a variety of programmes in the region in Business Transformation, Business and Growth Strategy Development, Business Planning, Financial Planning, Feasibility Studies, Process Reengineering and Improvement, Organization and Operating Model Design. Prior to joining Salik, he worked at the RTA on the commercialization strategies for achieving the commercial revenue targets of the RTA. During his 4 (four) years at the RTA, he was actively involved across multiple high impact projects/initiatives which has had tangible impact on the overall commercial revenues of the RTA. Prior to joining the RTA, he worked as a Principal Consultant with KPMG UAE's Management Consulting practice. During his approximately 9.5 years' (nine years and six months) tenure with KPMG, he worked on multiple advisory assignments across Transportation, Government, Real Estate, Manufacturing and Infrastructure sectors. He has also had a brief stint with United Spirits Limited, as a Brand Manager for one of the largest liquor brands in India.

Mohamed Hisham Aly Zeinelabedin (Head of Investor Relations)

Mohamed Zein joined Salik as Head of Investor Relations in July 2022. Zein is a seasoned capital markets professional with over 15 (fifteen) years of experience, mostly as a sell-side analyst covering a wide range of sectors in Egypt, Saudi Arabia, the UAE, and Kuwait with CI Capital, Renaissance Capital, and Beltone Financial. Prior to joining Salik, Mohamed headed Saudi Aramco's Analyst Engagement team and subsequently spent time advising Saudi corporates on setting up and implementing best-practice investor relations programs. Zein holds a Bachelor's degree in Economics from the American University in Cairo and is a certified investor relations officer from the Middle East Investor Relations Association in partnership with the UK Investor Relations Society.

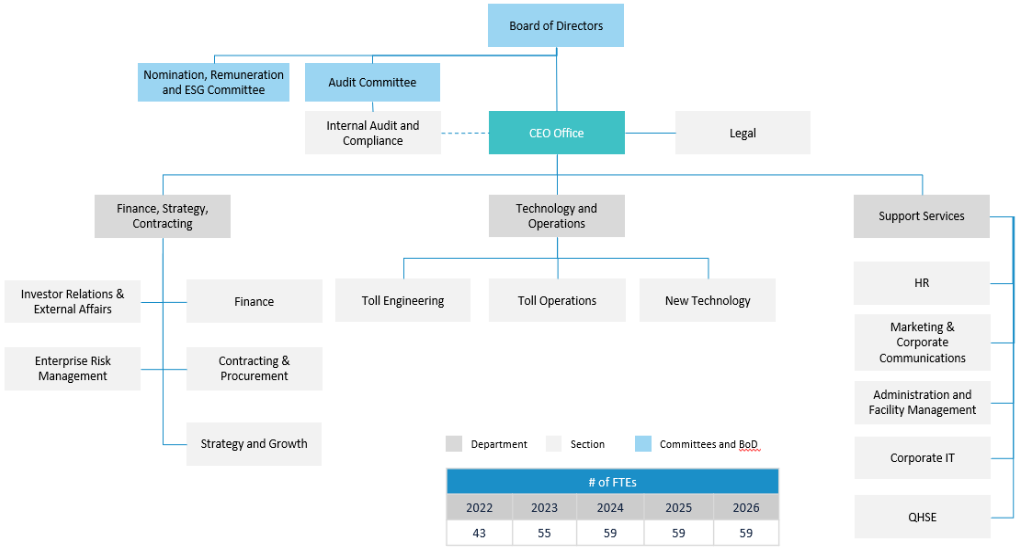
Mohamed Muyees (Project Manager)

A seasoned Senior Project Manager, Mohamed Muyees has over 2 (two) decades of experience overseeing systems infrastructure and leveraging best-practice methodologies to oversee end-to-end project delivery. Mohamed has expertise in toll engineering, systems and operations, IT infrastructure/service management, agile, waterfall and engineering project management methodologies.

Mohamed has worked with the Salik Tolling Business since July 2008. During this period, he played a pivotal role in managing the implementation of key Salik projects such as rolling out Toll Gates, technology modernisation and digital transformation projects. He is a Fellow Member (FBCS) of the British Computer Society and holds a Master of Science (MSc) in Engineering Management, in addition to a Master of Business Administration (MBA).

Company’s Organization Chart

The below shows the organisation structure for the Company:



Employment positions of members of the senior executive in other public joint stock companies

None.

Employment positions of members of the board of directors in other public joint stock companies

None

Conditions of eligibility, election, removal and proposed names of the Company’s first Board formation

Except for the Board members appointed by the Government of Dubai, the remaining Board members will be elected by the shareholders in a general meeting by using the cumulative voting system set out in the Articles of Association. However, the first appointment of the Directors listed in this section was made by a resolution of the TEC dated 23 June 2022. The Board members are elected for a term of 3 (three) years.

Director’s competencies and responsibilities:

The principal duties of the Board are to provide the Company’s strategic leadership, to determine the fundamental management policies of the Company and to oversee the performance of the Company’s business. The Board is the principal decision-making body for all matters that are significant to the Company, whether in terms of their strategic, financial or reputational implications. The Board has final authority to decide on all issues save for those which are specifically reserved to the general meeting of Shareholders by law or by the Articles of Association. The Board will meet at least every 3 (three) months.

The key responsibilities of the Board include:

- determining the Company’s strategy, budget and structure;
- approving the fundamental policies of the Company;
- implementing and overseeing appropriate financial reporting procedures, risk management policies and other internal and financial controls;
- proposing the issuance of new ordinary shares and any restructuring of the Company;
- appointing executive management;
- determining the remuneration policies of the Company and ensuring the independence of Directors and that potential conflicts of interest are managed; and
- calling Shareholder meetings and ensuring appropriate communication with Shareholders.

Members of the Board are appointed by the Shareholders for 3 (three) year terms. Board members may serve any number of consecutive terms.

3. Board Committees

The Board will establish 2 (two) permanent committees – an Audit Committee and a Nomination, Remuneration and ESG Committee (each of which will be subject to the composition requirements of the Governance Rules). If the need should arise, and subject to the Articles of Association, the Board may set up additional committees as appropriate. In accordance with the Governance Rules, the Chairperson is not permitted to be a member of either the Audit Committee or the Nomination, Remuneration and ESG Committee.

A high-level overview of the mandate of each of these committees, is set out below.

Audit Committee

The Audit Committee assists the Board in discharging its responsibilities relating to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the Company's financial statements, reviewing and monitoring the Company's financial and accounting policies and procedures, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the relationship with the Company's external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of the Company's internal control review function. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board. The Audit Committee will give due consideration to the applicable laws and regulations of the UAE, the SCA and the DFM, including the provisions of the Governance Rules.

The Governance Rules requires that the Audit Committee must comprise at least 3 (three) members who are Non-Executive Directors of whom at least 2 (two) of its members must be independent. In addition, all members must have knowledge in financial and accounting matters and at least one member is required to have practical experience in accounting and finance or a university degree or professional certificate in accounting and finance or a related field. The Audit Committee will be chaired by one of the independent members and will include other members elected by the Board members from time to time. The Audit Committee will meet at least 4 (four) times per year.

The Audit Committee will take appropriate steps to ensure that the Company's external auditors are independent of the Company as required by applicable law and intends to obtain written confirmation from the Company's auditors that they will comply with guidelines on independence issued by the relevant accountancy and auditing bodies.

The Audit Committee is chaired by Abdul Muhsen Ibrahim Kalbat, and its other members are Mohammad Alhawi, Mohammed Abdulla Lengawi, and Nitin Khanna.

Nomination, Remuneration and ESG Committee

The Nomination, Remuneration and ESG Committee assists the Board in setting and overseeing the nomination and remuneration policies in respect of the Board, any committees of the Board and senior management, including recommending and overseeing the appointment of the members of the Board and endorsing the hiring of the executive management. In such capacity, it is responsible for evaluating the hiring of Salik's executive management, evaluating the balance of skills, knowledge and experience of the Board and committees of the Board and, in particular, monitoring the independent status of the independent Directors. It is also responsible for periodically reviewing the Board's structure and identifying, where relevant, potential independent candidates to be appointed as Directors or committee members as the need may arise. In addition, and subject to the Articles of Association, the Nomination, Remuneration and ESG Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration.

Further, the Nomination, Remuneration and ESG Committee assists the Board in supporting the Company in fulfilling its responsibilities in respect to ESG and sustainability matters, including setting the Company's sustainability strategy and developing and managing initiatives and policies based on the sustainability strategy.

The Nomination, Remuneration and ESG Committee must be comprised of at least 3 (three) Non-Executive Directors, at least 2 (two) of whom must be independent, in each case within the meaning of those terms in the Governance Rules. The chairperson of the Nomination, Remuneration and ESG Committee must be chosen from amongst the independent committee members, and its other members will be nominated by the Board. The Nomination, Remuneration and ESG Committee must meet at least twice a year, and otherwise from time to time based on the Company's requirements.

The Nomination, Remuneration and ESG Committee is chaired by Mohammad Al Mudharreb, and its other members are Mohammad Alhawi and Mohammed Abdulla Lengawi.

4. Shareholders' rights and responsibilities

The Shareholders' key rights in accordance with the Companies Law and the Articles of Association are

as follows:

- The right to dividend distributions determined by the General Assembly.
- The Company is exempted from the preemptive rights set out in Article 199 of the Companies Law but has the discretion to offer new shares on a preemptive basis.
- The right to receive their share of the assets upon liquidation of the Company.
- The right to attend General Assembly Meetings and receive a copy of the Company's financial statements.
- The right to request the nullity of any resolutions passed at the General Assembly and to prosecute the board members.
- The right to be nominated as a member of the Board of Directors.
- The right to appoint the auditors of the Company and determine their remuneration.
- The right to act in any way with respect to the shares, in accordance with the law.
- The limitation of liability of each Shareholder to the payment of the purchased share value, but not for the Company's debts except within the limits of the nominal value of his shares.

5. Articles of Association

The full text of the Articles of Association is annexed to the Prospectus under Annex 1.

6. Legal matters

The following is a summary of the legal matters that will apply to the Company following its Listing. The legal matters listed below must be read in light of the provisions of the Company's Articles of Association (which are set out in Annex 1 of this Prospectus).

- **Articles of Association**

  The Company's Articles of Association, the Salik Incorporation Law and the Companies Law describe the rights and obligations associated with the ownership of the Shares in detail.

- **Attending General Meetings and voting rights**

  Each Shareholder shall have the right to attend General Meetings and shall have a number of votes equal to the number of their Shares.

- **Share register**

  Upon Listing on the DFM, the Shares will be dematerialized and the share register will be maintained by the DFM.

  The Shares may be sold, transferred, pledged, or otherwise disposed of in accordance with the provisions of the Articles and the applicable regulations for selling, purchasing, clearing, settling and recording.

- **Financial information**

  A Shareholder is entitled to request a copy of the annual audited financial statements of the Company.

- **Financial Year**

  The financial year of the Company will start on the 1st of January and end on the 31st of December of each year.

- **Dividends and liquidation proceeds**

  The Company shall pay dividends on Shares in compliance with the relevant laws and regulations applicable to the Company. Shareholders shall have the sole right to the profits due on those Shares. In the event of liquidation of the Company, each Shareholder shall be entitled to a part of the Company's assets in accordance with the Articles of Association and applicable law and regulation in accordance with Article 223 of the Companies Law.

- **Interim Dividends**

  Subject to Board approval, the Company may distribute interim dividends on a semiannual or quarterly basis.

- **General Meeting**

  An annual general meeting shall be held in accordance with the Companies Law, at such place or places (including electronic platforms), date and time as may be decided by the Board.

  The Board may, whenever they think fit, call a general meeting. The Board is required to call a general meeting once the Company has received requests from its members to do so in accordance with the Companies Law. The Board shall determine whether a general meeting is to be held as a physical general meeting or an electronic general meeting.

  Notice of general meetings shall include all information required to be included by the Companies Law and shall be published and sent to shareholders in accordance with the provisions of the Companies Law.

  No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business.

- **Liability of the Board**

  The Board shall be liable towards the Company, the Shareholders and third parties for all acts of fraud, abuse of power, violation of the law or the Company's Articles of Association, in addition to mismanagement. The Company shall have the right to initiate proceedings against the members of the Board claiming damages suffered by the Shareholders as a result of the Board's abuse of power, violation of the law or the Company's Articles of Association and mismanagement. A resolution of the General Assembly shall be adopted specifying who shall initiate the proceedings on behalf of the Company.

  Any shareholder may file with the competent court a lawsuit against the Company and the Board, if any damage is inflicted upon the shareholder as the result of an act by the Company or its board or executive management in violation of the provisions of the Companies Law.

- **Appointment of the Chairperson and the Powers of the Chairperson**

  The Articles of Association provide that the Board of Directors shall elect, from amongst their members, a chairman and a vice-chairman. The chairman shall execute the resolutions adopted by the Board of Directors. In the event that there is an equality of votes by the directors, then the Chairman shall have a casting vote.

- **Law of Establishment**

  The Salik Incorporation Law gives the RTA the specific right to delegate some or all of its mandates and powers regarding the operation and management of Salik to the Company. The RTA will, however, regulate the operations of the Company. The Salik Incorporation Law also forms the basis for the RTA and the Company entering into the Concession Agreement.

- **Exemption from the Companies Law**

  The Company received on 30 August 2022 the resolution no (73M/7) of 2022 issued by the Cabinet of Ministers exempting the Company from Articles 117/2 (subscription of founders in the Offering), 118 and 119 (in-kind contributions),121 (statutory announcements of Offer),149 (directorships),152 (related parties),199 (pre-emption rights), 217 (lock-up), 221 (treasury shares) and 355 (share price manipulation in relation to stabilisation) of the Companies Law.

7. Independent Auditors

The carve-out financial statements for the years ended 31 December 2021, 2020 and 2019 of Salik Tolling Business included in this Prospectus have been audited by PwC (the "Independent Auditors") in accordance with the International Standards on Auditing ("**ISAs**") as stated in their independent auditor's report appearing herein (which contains an emphasis of matter paragraph drawing attention to the fact that, as described in Note 1 to the Annual Carve-out Financial Statements, Salik Tolling Business has not operated as a separate entity and hence the Annual Carve-out Financial Statements are not necessarily indicative of results that would have occurred if Salik Tolling Business had been a separate stand-alone entity during the years presented or of its future results).

The unaudited condensed interim carve-out financial statements for the period 1 January to 1 July 2022 of the Company (which includes comparative financial information not audited or reviewed for the period 1 January to 1 July 2021) included in this Prospectus have been reviewed by PwC in accordance with International Standard on Review Engagements 2410, “Review of interim financial statements performed by the independent auditor of the Company” as stated in their review report appearing herein (which contains an emphasis of matter paragraph drawing attention to Note 2 to the Interim Carve-out Financial Statements, which describes the basis of accounting and the fact that Salik Company P.J.S.C. has not operated as a separate entity for the period 1 January to 30 June 2022, the date of transfer of the Salik Tolling Business into the Company).

Annex 1

Articles of Association
of
Salik Company P.J.S.C.

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Introduction:

After perusal of:

Law No. (12) of 2022 on Establishing Salik Company, a public joint stock company (PJSC) owned by the Government of Dubai, having legal personality, financial and administrative autonomy, and the necessary legal capacity to conduct its activities and achieve its objectives, as set out in that same law and these Articles of Association; and

The Chairman of the Authority's Board of Directors' Decision No. (3/Chairman) of 2020 concerning the Approval of Joint Stock Companies Governance Guide, as amended.

The Articles of Association of Salik Company P.J.S.C. are hereby issued as follows:

Definitions
Article (1)

The following terms and expressions, wherever mentioned in these Articles, shall have the meanings assigned to each of them as follows, unless the context indicates otherwise:

State:	United Arab Emirates.
Emirate:	The Emirate of Dubai
Government:	The Government of Dubai
SCA:	The Securities and Commodities Authority.
Executive Council:	The Executive Council of the Emirate of Dubai.
Competent Authority:	The authority responsible for licensing economic activities in the Emirate.

Founder:	The Government, in its capacity as the sole owner of the Company.
Financial Market:	Any of the financial markets in which the Company's shares are listed.
Companies Law:	Federal Law by Decree- No. (32) of 2021 Concerning Commercial Companies, or any other legislation replacing it.
Law:	Law No. (12) of 2022 Establishing Salik Company P.J.S.C.
Traffic Toll System:	A system that allows the withdrawal of an amount equivalent to the toll approved in accordance with the aforementioned Law No. (22) of 2006 and the resolutions issued thereunder, which the road user pays when passing through one of the Traffic Toll Gates.
Traffic Toll Gates:	The locations where special technical devices are installed allowing the payment of an amount equivalent to the toll approved in accordance with the aforementioned Law No. (22) of 2006 and the resolutions issued thereunder from the traffic toll cards in each vehicle crossing those locations without the need to stop.
Traffic Systems:	A group of electronic and electrical devices linked through a communication network to central systems and servers, containing specialized engineering software and applications used to monitor, manage, and control traffic on the road network.
Government Shareholder:	The Department of Finance, in its capacity as the holder of the Government in the Emirate’s share in the Company.
Shareholder:	A natural or legal person who holds shares in the Company, in case the Company’s capital is increased or the Founder sells a percentage of its shares and offers them for public subscription.
Company:	Salik Company P.J.S.C.
Governance Rules:	The set of controls and procedures issued by the SCA, which achieve institutional discipline across all Company matters, including the responsibilities and duties of the Chairperson, Board, and Management, and the rights of Shareholders.

Subsidiary Company:	Any corporation or company in which the Company owns a majority of shares, either directly or indirectly.
Special Resolution:	A resolution passed by a majority vote of the Shareholders owning at least three quarters (3/4) of the shares represented in the general assembly.
Board of Directors:	The board of directors of the Company.
Chairperson:	Chairperson of the Board of Directors.
Director:	A member of the Board of Directors.
CEO:	The chief executive officer of the Company.
Management:	The executive management of the Company, which consists of the CEO, his/her assistants, and the administrative, financial, and technical officers employees of the Company.
Secretary:	The secretary of the Board of Directors or any of its committees.
Auditor:	The Company's auditor appointed by the general assembly.
Cumulative Voting:	A voting process in which each Shareholder has a number of votes equal to the number of shares held by such Shareholder, and whereby, when voting in favour of Director appointments, such may be cast in favour of a single nominated Director or distributed in favour of more than one (1) nominated Director, provided that the number of votes cast by a Shareholder does not exceed the number of the shares held by such a Shareholder.
Listing Rules:	The rules and requirements for listing set out in the Companies Law and the resolutions issued by the Council of Ministers in pursuance thereof, as well as the resolutions issued by the SCA, and regulations applicable in the Financial Market.
Related Party:	Any person, entity, or body to be identified by the SCA as a Related Party, in accordance with the resolutions issued by the SCA in this regard.

PART ONE

GENERAL PROVISIONS

Company Name

Article (2)

The name of the Company shall be **"Salik Company P.J.S.C.**

Company's Head Office

Article (3)

The head office of the Company shall be in the Emirate of Dubai. The Board of Directors may establish branches and offices of the Company within and outside of the Emirate.

Term of the Company

Article (4)

The term of the Company shall be ninety-nine (99) Gregorian years, automatically renewable for similar periods unless a Special Resolution is issued by the general assembly modifying the term of the Company or dissolving the Company before the expiry of the term.

The Objectives and Functions of the Company

Article (5)

A. The Company's Objectives shall be as follows:

1. To operate, manage and develop the Traffic Toll System exclusively within the Emirate of Dubai and apply the legislation governing the tariffs, including the Executive Council Resolution No. 19 of 2010, in accordance with the concession agreement entered into with the Roads and Transport Authority.
2. To manage, develop and operate the traffic systems, in accordance with the agreements entered into with the authorities concerned with the traffic systems in and outside the Emirate of Dubai.
3. To provide consultancy services in the field of traffic and toll systems
4. To coordinate with the Roads and Transport Authority to prepare studies related to the plans and locations of Traffic Toll Gates.
5. To invest in the field of traffic and toll systems.

B. For the purposes of achieving the objectives set forth in paragraph (A) of this Article, the Company may:

1. Contract with third parties to achieve its objectives.
2. Establish fully owned companies or to hold shares in companies operating in a field associated with its objectives within and outside the Emirate.
3. Own, possess, rent, and lease land and real estate necessary to achieve its objectives.
4. Invest and employ its funds in any field whether commercial, financial, service or industrial.
5. Borrow funds with or without collateral, in accordance with the legislation in force in the Emirate.
6. Grant usufruct rights and any other in-kind rights over the lands owned by it to any party or company that contributes to the field of traffic systems, including the Toll System.
7. Any other business or activities related to achieving its purposes, and not inconsistent with the provisions of the Law, the Companies Law and the resolutions issued thereunder, these Articles of Association and the legislation in force in the Emirate.

PART TWO

THE COMPANY'S CAPITAL

Determination of Capital and Shares

Article (6)

A. The Company's issued capital is set at seventy-five million dirhams (AED 75,000,000), divided into seven billion five hundred million (7,500,000,000) shares, and the nominal value of each share is one fils (AED 0.01).

B. All the Company's shares shall be nominal and equal in rank and rights in all respects, unless the general assembly decides by way of a Special Resolution to issue different classes of shares.

Government Shareholding

Article (7)

The percentage of Government ownership in the Company must not be less than sixty percent (60%) of the share capital of the Company at all times.

Public Subscription Offering

Article (8)

Subject to the provisions of Article (7) of these Articles, the Company's shares shall be offered for public subscription in accordance with the relevant percentages determined by the Executive Council in this regard.

Payment of Share Nominal Value

Article (9)

One hundred percent (100%) of the total nominal value of the shares shall be paid up in full upon subscription.

Assuming or Increasing of Liabilities

Article (10)

The Shareholders shall not assume any liability of the Company or any losses incurred by it, other than to the extent of any amount unpaid in respect of the shares held by them. Such liabilities of the Shareholders may be increased only with their unanimous consent.

Effect of Ownership of Company Share

Article (11)

The ownership of any share in the Company shall be deemed an acceptance by the Shareholder to be bound by these Articles and the resolutions of the general assembly. A Shareholder may not request a refund of the amounts paid to the Company in consideration of his/ her shareholding in the capital.

Division of Share Ownership

Article (12)

It is not permissible to divide the ownership of shares; therefore, it is not permissible for one share to be owned by more than one person.

Shareholder Rights

Article (13)

Each share entitle its holder to a proportion equal to that of other shares without distinction. A Shareholder is entitled to:

1. ownership of the Company's assets upon dissolution, equal to the value of the shares he/she holds;
2. the Company’s profits, in proportion to the value of the shares he/she holds;
3. the right to attend the meetings of the general assembly; and
4. vote on the resolutions of the general assembly.

Listing and Disposition of Shares

Article (14)

A. The Company shall list its shares on any of the Financial Markets licensed in the Emirate. The Board of Directors may list the Company’s shares on Financial Markets outside the Emirate or the State. n issuing, registering, trading in, transferring, and creating rights in the Company shares, the Company shall comply with the rules set out in the Companies Law, Federal Law No. (4) of 2000, Cabinet Resolution No. (12) of 2000 and the resolutions issued thereunder, and these Articles, as well as the regulations adopted by the relevant Financial Markets, and the legislation in force in the Emirate.

B. The Company’s shares may be sold, transferred, pledged, or otherwise legally disposed of, in accordance with the provisions of these Articles, and all such dispositions shall be registered in a special register referred to as the “Share Register” to be maintained by the Company. Upon listing the Company’s shares on the Financial Market, all dispositions related to these shares, including any set-off or settlement, shall be registered in accordance with the regulations applicable in the Financial Market.

C. In the event of the death of a Shareholder, his/ her heir(s) or devisee(s) shall be the only person(s) having rights or interests in the shares of the deceased Shareholder. Such heir(s) or devisee(s) shall be entitled to such dividends and other privileges as the deceased Shareholder would have been entitled in relation to such shares. Such heir(s) or devisee(s), after being registered as a Shareholder in accordance with these Articles, shall have the same rights in his/ her capacity as a Shareholder in the Company as the deceased Shareholder had in relation to such shares. The estate of the deceased Shareholder shall not be exempted from any obligation to the Company or others regarding any share held by him/her at the time of death.

D. Any person who becomes entitled to rights to a share or shares in the Company as a result of the death, dissolution, or bankruptcy, or pursuant to an attachment order issued in favour of that person by any competent court of law, must within thirty (30) days:

1. Submit written evidence of such right to the shares to the Company;

2. Decide, in accordance with the Companies Law and the resolutions issued in pursuance thereof, either to be registered as a Shareholder or to nominate another person to be registered as a Shareholder of the share(s) devolved unto him/her by way of inheritance, dissolution, bankruptcy, or judicial attachment.

Share Electronic System

Article (15)

Upon completion of the listing of its shares on the Financial Market, the Company shall replace the Share Register and share ownership transfer system with an electronic system for share registration and transfer of ownership which is compatible with the system adopted by the Financial Market. The data recorded within the electronic system shall be deemed final and binding, and may not be challenged, transferred, or altered except in accordance with the laws, regulations, and procedures applicable in the Financial Market.

Attachment of Company Property

Article (16)

The Shareholder’s heirs, successors, or creditors may not, for whatsoever reason, request the attachment, division, or sale of the Company’s property, or to interfere in any way in the management of the Company. Those heirs, successors, and creditors must, when exercising their rights, rely on the Company’s inventory lists and the financial statements of the Company’s preceding financial year, and the resolutions of the general assembly.

Earnings Per Share

Article (17)

The Company shall pay the dividends payable for each share to the last holder of such share whose name is registered in the Company’s share register, on the date specified by the general assembly for payment of dividends. Such holder, his agent, or his legal representative shall have the right to receive the amounts due on those shares, whether these profits represent dividends or entitlements to a part of the Company’s assets in the event of its liquidation

Increase and Decrease the Company's Capital

Article (18)

A. Subject to the provisions of the Companies Law and the resolutions issued thereunder, the share capital of the Company may, after obtaining the SCA approval, be increased by issuing new shares with the same nominal value as the original shares he share capital of the Company may, after obtaining the SCA approval. Subject to obtaining the SCA approval, the share capital of the Company may also be reduced in accordance with the provisions of the Companies Law and the resolutions issued thereunder.

B. An increase or a reduction of the share capital shall require a Special Resolution of the general assembly issued pursuant to a proposal of the Board of Directors after reviewing the Auditor's report. In the case of increase of the share capital, the resolution must state the amount of the increase and the value of the shares to be issued. In the case of reduction of the share capital, the resolution must state the amount to be reduced and the method of reduction.

PART THREE

BONDS AND SUKUK

Issuing of Bonds and Sukuk

Article (19)

A. Subject to the provisions of the Companies Law and the resolutions issued thereunder, the general assembly may, pursuant to a Special Resolution and upon the recommendation of the Board of Directors, resolve to issue tradable or non-tradable bonds, sukuk, or other securities of any nature of equal value per issue whether they are convertible to shares or otherwise. The Special Resolution issued by the general assembly shall determine the value of the bonds, securities or sukuk, the terms of issuance and their tradability and convertibility into shares. The general assembly may also delegate to the Board of Directors the power to determine the date of issuance of such bonds and sukuks, pursuant to the rules adopted by the SCA.

B. Any bond or sukuk issued by the Company shall remain nominal until fully paid up. The Company may not issue bearer bonds or sukuks. Bonds or sukuks issued in connection with a single loan shall give equal rights to the holders of such bonds or sukuks. Any condition to the contrary shall be invalid.

PART FOUR

BOARD OF DIRECTORS

Appointment and Election of Board Members

Article (20)

A. Subject to the provisions of Article (10) of the Law, the management of the Company shall be assumed by a Board of Directors consisting of the Chairperson, vice-Chairperson and other experienced and specialised members. The number of Board of Directors members must not be less than seven (7). The Directors shall be appointed or elected by the general assembly by way of secret Cumulative Voting.

B. The Board of Directors shall be appointed or elected in accordance with the share ownership rights in the Company, as follows:

1. The Government Shareholder shall be entitled to appoint a number of Directors commensurate with its shareholding in the Company Share Capital.

2. The remaining Directors shall be elected without participation of the Government Shareholder via secret Cumulative Voting in accordance with the provisions of the Companies Law and the resolutions issued thereunder. Directors may also be non-Shareholders.

3. The Company shall comply with the Governance Rules with respect to nomination for the Board of Directors membership. A candidate for membership shall provide the Company with the following information and documents:

    a) a curriculum vitae, stating his/ her academic qualifications and professional experience, and details of the position he/she is nominated to;

    b) an undertaking to abide by the Law, the Companies Law and the resolutions issued thereunder and these Articles, and to exercise his/ her duties as a prudent person throughout the term of his/ her membership in the Board of Directors;

c) a list of the companies and entities for which he/she works at the time of nomination or in which he/she is a Director, in addition to any other competing activity he/she carries out, whether directly or indirectly;

d) for representatives of corporate bodies, a letter from the corporate body listing the names of its candidates for the Board of Directors membership; and

e) a list of the commercial companies in which he/she is a partner or a shareholder, in addition to the number of shares or stocks he/she owns.

Board Membership

Article (21)

A. Membership of the Board of Directors shall be for a term of three (3) years. At the end of such term, the Board of Directors shall be reconstituted by appointing or electing new members, or reappointing or re-electing former members.

B. In the event that the position of any of the Directors becomes vacant, the Board of Directors may appoint a new Director to fill that position within thirty (30) days from the date of vacancy. Such appointment must be presented to the general assembly in its first subsequent meeting to approve the appointment decision or appoint another Director. The new Director shall complete the term of his/ her predecessor. Where no new Director is appointed within the aforementioned period, the Board of Directors shall, at the first subsequent general assembly meeting, solicit candidates for election to fill the vacancy in the Board of Directors.

C. If the vacant positions amount to one third of the number of Directors, the Board of Directors or the remaining Director must call for the general assembly to convene within thirty (30) days at most from the date of the last vacant position in order to elect new Directors to occupy those positions. In all cases, the new Director shall complete the term of his/her predecessor.

Election of the Chairperson

Article (22)

A. Upon the expiry of the term of the first Board of Directors, formed under Executive Council Resolution No. (34) of 2022, the new Board of Directors shall, by secret ballot, elect from among its members the Chairperson, as well as the vice-Chairperson, who shall act as the Chairperson in the event of his/her absence or the vacancy of her/her position.

B. The Chairperson shall undertake the task of supervising the Board of Directors and its exercise of the powers assigned to it under the Law, the Companies Law and the resolutions issued thereunder, and under these Articles.

C. The Board of Directors shall appoint a Secretary, in accordance with the regulations approved by the SCA in this regard, to be entrusted with the task of preparing the agenda of the Board of Directors, inviting Directors to attend its meetings, recording, following up the implementation of, maintaining, and archiving its minutes of meetings, resolutions, and recommendations; and performing any other duties assigned to him/her by the Chairperson or the Board of Directors.

D. The Secretary must satisfy the conditions and requirements set forth in the Governance Rules. The Secretary shall report directly to the Board of Directors, and may only be dismissed by resolution of the Board of Directors.

E. The Board of Directors may, in line with the Law and the Governance Rules, form one or more committees from amongst its members, and delegate to such committees any of the duties and powers assigned to the Board of Directors.

Functions of the Board of Directors

Article (23)

A. The Board of Directors shall undertake the general management of the Company and its performance of all the functions and activities required to achieve its objectives. The Board of Directors shall also act on behalf of the Company within the scope of the functions assigned to it under the Law, the Companies Law and the resolutions issued thereunder, these Articles, and the general assembly resolutions. In particular, the Board of Directors shall have the duties and powers to:

1. approve, and follow up the implementation of, the strategic plans and policies of the Company;

2. conclude loan agreements for periods in excess of three (3) years, and enter into arbitration clauses in contracts and disputes to which the Company is a party;

3. agree to releasing the Company's debtors from liabilities; engage in conciliation and arbitration; agree to the application of foreign laws to any of its agreements; and establish, invest in, sell, dissolve, and liquidate fully or partially owned companies and Subsidiaries;

4. approve the terms of reference of the Board of Directors and all other relevant matters, including the allocation of functions and delegation of responsibilities to Directors;

5. approve the financial, administrative, and technical regulations of the Company, including the delegation of authority matrix; the regulations governing its procurements and asset management; and the regulations governing its human resources;

6. approve the organizational structure of the Company;

7. divide, transfer, convert, merge, consolidate, sell, mortgage, assign, or dispose of, in any legal manner, any of the Company's funds, or assets or the funds or assets of any of the Subsidiaries, in accordance with the delegation of authority matrix;

8. allow the Company and its Subsidiaries to engage in any investment, borrowing or lending process, or to issue guarantees, bonds, sukuk or any other debt instruments, in accordance with the legislation in force in the Emirate;

9. acquire and merge companies;

10. appoint and dismiss the CEO;

11. determine the duties and powers of Management;

12. review and evaluate the performance of the Management, and the extent to which it implements the approved plans, strategies and policies;

13. approve the basis for granting incentives, rewards and benefits to Directors and Management;

14. approve the draft budget and final accounts;

15. assign any of its Directors to be a managing director of the Company and to carry out the duties of the CEO; and

16. any other tasks or powers consistent with the objectives of the Company, that are necessary to achieve its interests, and that do not conflict with the Law and the legislation in force in the Emirate.

C. The Board of Directors may delegate any of its powers set out in Paragraph (A) of this Article, in a manner that does not conflict with the provisions of the Law and the Companies Law and the resolutions issued thereunder.

Functions of the CEO

Article (24)

A. Subject to the provisions of Paragraphs (B) and (C) of Article (10) of the Law, the CEO shall assume the following duties and powers:

1. representing the Company before all authorities, whether within or outside the Emirate, including judicial authorities and Governmental and non-Governmental entities;

2. implementing all resolutions issued by the general assembly and the Board of Directors;

3. facilitating the day-to-day operations of the Management, managing the Company’s operations, and verifying that it performs the tasks entrusted to it under the Law, the Companies Law and the resolutions issued thereunder, these Articles, the legislation in force in the Emirate, and the regulations in force in the Company;

4. concluding contracts, agreements and memoranda of understanding, and signing documents, whatever their nature and type, within the limits of the powers entrusted under these Articles;

5. issuing internal policies, resolutions and internal regulations related to the affairs of the Company and its Subsidiaries, with the exception of regulations that the Board of Directors is authorised to approve in accordance with Clause (5) of Paragraph (A) of Article (23) of these Articles;

6. carrying out all financial and banking activities, and taking decisions related to any of them, in accordance with the powers entrusted to him/her under the regulations approved by the Company in this regard;

7. carrying out all the functions entrusted to him under the applicable legislations followed by the Company, its internal regulations, and the legislation in force in the Emirate;

8. supervising the Management of the Company, and all matters related to human resources, including approving the appointment of employees, determining their salaries and remuneration, transferring and dismissing them, and all matters related to them, in accordance with the powers set out in the human resources regulations approved by the Company;

9. recommending to the Board of Directors, by way of nomination, the Company's representatives to the boards of directors of the Subsidiary Companies, provided that a resolution of the Board of Directors is issued to approve their appointment to the boards of directors of such Subsidiaries;

10. forming permanent and temporary committees and work groups, defining their functions, and remunerating their members in line with the regulations approved by the Company, the Companies Law and the resolutions issued thereunder, and the Governance Rules;

11. assigning third parties to represent the Company in any matter related to achieving its interests and defending its rights;

12. concluding conciliation contracts and settlement agreements on behalf of the Company, agreeing to the application of foreign laws to any of the contracts or agreements entered into by the Company and its Subsidiaries, filing lawsuits, appointing lawyers, and conducting judicial and legal settlements, in accordance with the resolutions of the Board of Directors and the interests of the Company; and

13. any other tasks or powers delegated or assigned to him/her by the general assembly, the Chairperson, or the Board of Directors.

B. The CEO shall exercise the tasks and powers entrusted to him under Paragraph (A) of this Article in accordance with the delegation of authority matrix approved by the Board of Directors in this regard.

C. The CEO may delegate any of the powers entrusted to him under Paragraph (A) of this Article to any of the Company's employees, in a manner that is not in conflict with the provisions of the Law and the Companies Law and the resolutions issued thereunder, and in line with work requirements, and in a way that serves the interests of the Company and its Subsidiaries. Such delegation shall be in writing, specific and consistent with the delegation of authority matrix approved by the Board of Directors.

Board of Directors Meetings

Article (25)

The Board of Directors shall meet at least four (4) times a year, or whenever it deems necessary, at the invitation of its Chairperson, or the vice-chairperson in case of absence of the Chairperson at the time and place he/ she determines. The meetings of the Board of Directors may be held through audio or videoconferencing facilities. The invitation shall be sent, together with the approved agenda, at least one (1) week before the date scheduled for the meeting. Each Director may request adding any items to the agenda to be discussed at the meeting subject to approval of the request by the chair of the meeting.

Validity of Board Meetings and Resolutions

Article (26)

A. A Board meeting or a meeting of its committees shall be valid in the presence of the majority of Directors, and attendance shall be in person, either personally, or through audio technology, audio/video technology, or any other visual means of communication approved by the Board of Directors or its committees. A Director may in writing delegate another Director to attend the meeting of the Board of Directors or its committee, and vote on its resolution, on his/her behalf. In such Director shall have one (1) vote out of the votes of attending members. A Director may not hold more than one proxy at any meeting, and no Director shall vote by way of correspondence .

B. Resolutions of the Board of Directors or its committee shall be issued by a majority of votes of the members present or represented. In case of a tie, the chair of the meeting shall have a casting vote.

Minutes of Meetings of the Board of Directors

Article (27)

A. All topics and issues considered and discussed, and the resolutions passed, shall be recorded in the minutes of the meetings of the Board of Directors or its committees, provided that any reservations expressed by any of the Directors or any dissenting opinions are also recorded in those minutes.

B. The Directors present and the Secretary shall sign the minutes of the meetings of the Board of Directors or its committee, whether the signature is in writing or electronically. Copies of these minutes are distributed to the Directors once they are approved.

C. The minutes of meetings of the Board of Directors and its committees shall be maintained by the Secretary. Where a Director refuses to sign any minutes of meeting, this shall be recorded in the minutes together with any reasons provided for the refusal.

Approval of Resolutions by Circulation

Article (28)

A. Without prejudice to the quorum required for the meeting of the Board of Directors, the Board of Directors may issue certain resolutions by circulation, subject to the following:

   1. The majority of the Directors acknowledge the existence of an emergency requiring the issuance of resolutions on an urgent basis or by circulation.

2. The resolutions to be passed by the Directors by circulation shall be in writing and accompanied with all related documents

B. In cases where the Company's shares are wholly owned by the Government Shareholder, and before the completion of offering of the Company's shares for public subscription, the written resolution of the Board of Directors signed or approved by the majority of the Directors shall be considered valid and effective and as a resolution that has been adopted in a meeting of the Board of Directors that was duly constituted and held.

Certified Copies of Minutes of Meetings

Article (29)

The Chairperson, the CEO, the Secretary and the Company's legal advisor are hereby authorised, jointly or severally, to provide certified copies of the minutes of the meetings of the Board of Directors or its committees, to sign these copies, to confirm that they are true copies of the original minutes of the meeting, and to date these certified copies. Any party dealing with the Company may rely before third parties on any of the certified copies as a true copy of the original document.

Conflict of Interests

Article (30)

A. The Chairperson and the Directors must avoid any conflict of interest that may arise as a resolute of their membership in the Board of Directors or any of its committees. They shall avoid any act that may raise any suspicions of conflict of interest, and disclose the existence of any conflicts of interest or the any suspicion thereof. They shall in particular refrain from the following:

1. Participating in any discussion, voting on, or influencing in any way whatsoever any resolution, recommendation, or procedure in which they, their spouse, or any of their relatives up to the fourth degree may have a direct or indirect interest;

2. Exploiting their membership in the Board of Directors or its committees, or disclosing any information obtained by virtue of this membership, to achieve certain objectives or to obtain a special service or treatment;

3. Participating in any process, procedure, or resolution that would affect the performance of his duties objectively, independently, and impartially;

4. Being involved in any of the cases of conflict of interest provided for in the Companies Law and the resolutions issued thereunder, and in other legislation in force in the Emirate.

B. Any resolutions and procedures issued in violation of the provisions of Paragraph (A) of this Article shall be deemed null and void.

Disclosure of Conflicts of Interest

Article (31)

A. Conflicts of interest must be disclosed by the concerned Director in the minutes of meeting of the Board of Directors or its committee. The Secretary must record that disclosure in a register maintained for this purpose, update this register on a regular basis, and present it to the Chairperson and Directors for perusal.

B. The Board of Directors shall have the right to consider any conflict of interest a Director may be involved in, and issue the relevant resolution by majority vote of attending Directors. The Director involved in the conflict of interest may not vote on the relevant resolution.

C. In the event that a Director fails or refuses to disclose to the Board of Directors a conflict of interest related to a dealing or transaction to which the Company is a party, the Company or any of its Shareholders may request the Board of Directors, the Competent Authority, or the competent court to rescind such dealing or transaction and to require the violating Director to return to the Company any profit or benefit derived from the relevant dealing or transaction.

Termination of Membership in the Board of Directors

Article (32)

Membership in the Board of Directors shall terminate if any of the following occurs:

1. Death, legal incapacity, or inability to perform duties;

2. Conviction of any dishonesty offence;

3. Resignation pursuant to a written notice served on the Chairperson;

4. Dismissal by a resolution of the General Assembly; or

5. Absence, during the tenure of the Board of Directors, for three (3) successive or five (5) non-successive meetings of the Board of Directors, without an excuse acceptable to the Chairperson.

Personal Liability of Directors

Article (33)

Subject to the provisions of Article (34) of these Articles, a Director shall not be personally liable for any of the obligations of the Company a result of performing his/ her duties as Director, provided that he/she does not exceed or violate the limits of their authority.

Liability of the Board of Directors and the Company

Article (34)

A. The Board of Directors and the Management shall be liable towards the Company, the Shareholder, and third parties for all acts of fraud, abuse of power, and any violation of the provisions of the applicable legislation or these Articles. Any provision to the contrary shall be invalid.

B. The liability of Directors referred to in Paragraph (A) of this Article will be joint liability if it arises from a unanimous resolution of the Board of Directors. However, where the relevant resolution is adopted by majority vote, the Directors who have objected to the resolution or made reservations thereon shall not be held liable for the same, provided that they have recorded their objection or reservation in writing in the minutes of the meeting in which the resolution was adopted. A Director who was absent from the meeting in which the resolution was adopted shall not be relieved from liability unless it is proven that he had no knowledge of the resolution or that he knew about the resolution but had not been able to object to it. The Management shall bear the liability specified in Paragraph (A) of this Article if the breach arises from a decision issued by it.

C. The Company shall, to the extent of the value of its assets, indemnify the Directors and the members of the Management of the Company against any liability, with the exception of criminal liability, incurred by them as a result of or in connection with the performance of their duties in the Company, provided that these Directors or members have been acting in good faith and in a manner they reasonably believed to be in the best interests of the Company. Nonetheless, no indemnification shall be made in respect of any claim or matter as to which that Director or member has been finally adjudged by a competent court to be liable towards the Company. In all events, the Company shall maintain the necessary insurance coverage in respect of the Board of Directors and Management liability.

Provision of Loans

Article (35)

A. The Company may not provide any loans to any Director or execute guarantees or provide any securities in connection with any loans granted to him/her. A loan shall be deemed as granted to a Director if granted to his/ her spouse, children, or relatives up to the second degree.

B. No loan may be granted to a company in which a Director or his/ her spouse, children, or relatives up to the second degree hold more than twenty percent (20%) of the share capital.

Transactions and Dealings of Related Parties

Article (36)

A. The Related Parties shall not use any information to which they have access by reason of their membership in the Board of Directors or employment with the Company to achieve any interest whatsoever for themselves or for third parties through dealing in the securities of the Company or any other transactions. The Related Parties may not have a direct or indirect interest with any party entering into transactions intended to influence the price of the securities of the Company or those issued by it.

B. The Company may, with the approval of the Board of Directors, conclude any transaction which value does not exceed (5%) of its capital with a Related Party. The approval of the Company's general assembly must be obtained for transaction that exceeds this percentage after evaluating that transaction, in accordance with the controls and conditions issued by the SCA in this regard.

C. A Director may not, without the approval of the general assembly, participate in any business that would compete with the Company, or transact for his/her own benefit or for the benefit of others in one of the branches of the activity practiced by the Company. A Director may not disclose any information or data related to the Company; otherwise, the Company may claim compensation from him/her or the profits that have been made as a result.

D. The Related Party shall, before concluding a transaction with the Company, disclose to the Board of Directors the nature and conditions of the deal and all material information about its stake or contribution in the two companies that are party to the transaction and the extent of her/her interest or benefit therein.

E. In the event the Company concludes transactions with Related Parties, the Chairperson shall provide the SCA with a statement containing the data and information about the Related Party, the details of the transaction, the nature and extent of the interest of the Related Party in the transaction, and any data, information or documents required by the SCA, along with a written confirmation that the terms of the transaction with the Related Party are fair and reasonable and in the interest of the Shareholders of the Company.

F. Without prejudice to what has been stated in this Article, transactions with Related Parties shall be governed by an internal policy approved by the Board of Directors. The Auditor shall state in his/ her annual report any conflicts of interest or financial dealings that have taken place between the Company and any Related Parties, and the action taken in this respect.

G. The provisions of Articles (30), (31), (36), and (49) of these Articles of shall not apply to the transactions or dealings entered into or concluded by the Company with the Founder, or by the Company with any other company that is directly or indirectly owned by or under the Control of the Founder, federal government, or local government, or any entity owned directly or indirectly by the Government, the federal government, or any Subsidiary, sister company, or affiliate of the Company; and shall not apply to any transaction that may be challenged on the grounds of a conflict of interest arising out of the appointment of a Director by the Founder. Any such transactions shall be exempt from compliance with the relevant provisions of the Companies Law and the resolutions issued thereunder, and with any other rules concerning the transactions of Related Parties regulated by the relevant resolutions issued by the SCA.

Remuneration of Directors

Article (37)

A. The remuneration of Directors shall be calculated as a percentage of the net profits of the Company, and may not exceed one percent (1%) of the net profits for the relevant financial year after deducting the depreciation allowance and reserves. The duties of the Chairperson and the CEO must be taken into consideration when determining their remuneration. The Company may reimburse any Director for the expenses he/she incurs.

B. Subject to obtaining the approval of the General Assembly, the Board of Directors may pay a Director his/ her remuneration as a lump sum not exceeding two hundred thousand dirhams (AED 200,000.00) at the end of the financial year in the following cases:

1. if the Company is not making a profit; or

2. if the Company makes profits, and the Director's share of these profits is less than two hundred thousand dirhams (AED 200,000).

Dismissal of Board Members

Article (38)

Without prejudice to the provisions of Article (20) of these Articles, the general assembly may dismiss all or any of the elected Directors, and solicit candidates for the election of new Directors in their places in accordance with the Governance Rules. A dismissed Director may not stand for election or be re-elected as a Director for at least three (3) years from the date of dismissal.

PART FIVE

GENERAL ASSEMBLY

Convening the General Assembly

Article (39)

A general assembly shall be duly convened in the Emirate where the Shareholders owning more than fifty percent (50%) of the share capital of the Company are in attendance. If the quorum is not present in the first general assembly meeting, an invitation for a second meeting shall be sent, and that meeting shall be convened no earlier than five (5) days and no later than fifteen (15) days from the scheduled date of the first meeting. The second general assembly meeting shall be deemed duly convened regardless of the number of Shareholders in attendance.

Attending the General Assembly

Article (40)

A. Every Shareholder shall have the right to attend the general assembly meeting, and shall have a number of votes equal to the number of his/her shares. A Shareholder may authorise any person to attend the general assembly on his/her behalf, provided that such person is not a Director, an employee of the Company, or a brokerage company or any of its employees. Such authorisation shall be valid only if it is documented in a written proxy in accordance with the relevant conditions stipulated by the Board of Directors. The number of shares represented by a proxy for multiple Shareholders may not exceed five percent (5%) of the Company's share capital. Shareholders lacking legal capacity and legally incapacitated Shareholders shall be represented by their legal representatives.

B. A legal person may, pursuant to a resolution of its board of directors or its assignee, delegate a representative, a person in charge of its management, or any of its employees to represent it in the general assembly. The delegated person shall have the powers determined in the delegating resolution.

Invitation to Attend the General Assembly Meeting

Article (41)

A. Shareholders shall be invited to attend the general assembly meeting by advertising in two local daily newspapers, issued in Arabic and English, and by e-mail and text message or recorded ledgers, at least twenty-one (21) days before the scheduled date of the meeting, after obtaining the approval of SCA, the invitation shall include the agenda for that meeting. Moreover, a copy of the invitation papers shall be sent to both the SCA and the Competent Authority.

B. It is permissible to hold the general meeting and the Shareholder may participate in its deliberations and vote on its resolutions by means of modern technology, in accordance with the controls and procedures approved by the SCA in this regard.

Convocation of the General Assembly

Article (42)

The general assembly shall be convened upon the invitation of:

1. the Board of Directors, at least once a year, and during the four months following the end of the fiscal year;

2. the Board of Directors, where necessary, upon a request of the Auditor, or if one or more Shareholders holding not less than ten percent (10%) of the share capital request a meeting. In case of request for meeting, the Board of Directors shall convene a general assembly meeting within five (5) days from the date of submitting the request. The meeting shall be held within thirty (30) days from the date of its invitation;

3. the Auditor directly, if the Board of Directors fails to send an invitation to convene the general assembly while this is required under the Companies Law and the resolutions issued thereunder, or within five (5) days from the date of submission of a request for meeting by the Auditor to the Board of Directors; or

4. the SCA, within five (5) days from the date of its request to the Board of Directors to convene the general assembly, in the following cases:

   a) the lapse of thirty (30) days after the date prescribed for the general assembly meeting, or lapse of four (4) months after the end of the financial year, without the Board of Directors sending an invitation to the meeting;

   b) if the number of Directors is less than the minimum to constitute a quorum;

   c) where it is established to the Company's satisfaction, at any time, that violations of the Companies Law or the resolutions issued thereunder, or of these Articles, have been committed, or substantial errors in managing the Company have been made; or

   d) if the Board of Directors fails to invite the general assembly to convene, despite the request of one or more Shareholders representing ten (10%) percent of the Company's capital.

Matters to be Presented to the General Assembly

Article (43)

The following items shall be included on the agenda of the annual general assembly for action:

1. the Board of Directors' report on the Company's activity and financial position throughout the year, and the Auditor's report, for approval;

2. the balance sheet and profit and loss account, for discussion and approval;

3. election of Directors, where necessary;

4. appointment of Auditors and determining their remuneration;

5. the proposals of the Board of Directors concerning the distribution of profits, whether as cash dividends or bonus shares, for consideration;

6. the proposals of the Board of Directors concerning the remuneration of Directors and determination of the same in accordance with the provisions of these Articles, for consideration;

7. any case of dismissal, discharge of liability, impeachment, or suing of Directors where necessary; and

8. any case of dismissal of the Auditors, discharging them from liability, impeachment, or prosecuting them when necessary.

Registration to Attend the General Assembly Meeting

Article (44)

A. Shareholders who wish to attend the general assembly meeting must, within sufficient time prior to the meeting, register their names in the electronic register maintained by the Management for this purpose. This register must include the name of the Shareholder or his/ her proxy, the number of shares owned by the Shareholder, or the number of the shares represented by the proxy and the names of their owners. The Shareholder or the proxy shall be given a pass to attend the meeting, which shall state the number of votes held or represented by him/ her. An extract from the register, indicating the number of shares represented at the meeting and the percentage of attendance, shall be printed and attached to the minutes of the general assembly after being signed by the chair of the meeting, the general assembly secretary, and the Auditor.

B. Registration for attending general assembly meetings shall close when the chair of the meeting announces whether or not the quorum of such meeting is reached. No registration of any Shareholder or proxy may be accepted thereafter, and the votes of such late Shareholders or proxies shall not count and their views on the matters raised in that meeting shall not be taken into account. If any of the attending Shareholders, or their representatives, withdraws from a quorate general assembly meeting, such withdrawal shall not affect the validity of the meeting. In that case, resolutions will be passed by the majority prescribed in the Companies Law based on the remaining shares represented at the meeting.

Closing of Shareholders' Register

Article (45)

The register of Shareholders shall be closed in accordance with the regulations on trading, clearing, settlement, transfer of ownership, custody of securities, and the relevant rules prevailing in the Financial Market.

General Assembly Quorum

Article (46)

A. The provisions of the Companies Law and the resolutions issued thereunder shall apply to the legal quorum that must be available for the validity of the general assembly meeting, and to the majority necessary to issue the resolutions.

B. In the event that the ownership of the Company's shares shall remain entirely with the Government Shareholder and before the completion of the offering of its shares for public subscription, the general assembly meeting shall be held in the presence of the Government Shareholder with a person authorised to attend meetings on its behalf.

Chairmanship of the General Assembly

Article (47)

A. A general assembly meeting shall be chaired by the Chairperson, or by the vice chairperson in case of absence of the Chairperson. If both the Chairperson and vice chairperson are absent, the general assembly meeting shall be chaired by the CEO or by any Director appointed by the Board of Directors for this purpose.

B. If the persons referred to in Paragraph (A) of this Article are not present in the meeting, the general assembly shall appoint a Shareholder to chair the meeting and shall appoint a secretary for the meeting.

C. The general assembly shall appoint a teller to count votes in any of its meetings.

D. The minutes of meetings of the general assembly and the details of the attendees shall be recorded in special books maintained for this purpose. These minutes must be signed by the chair of the relevant meeting, the general assembly secretary, the tellers, and the Auditor. The signatories of the minutes of meeting shall be held liable for the accuracy of the information contained therein.

Voting in the General Assembly Meetings

Article (48)

A. Voting at a general assembly shall be in such manner as specified by the chair of the general assembly meeting, unless the general assembly prescribes a different manner of voting. Voting must be by secret ballot if it relates to the dismissal or impeachment of Directors.

B. In the event that the ownership of the Company's shares remains entirely with the Government Shareholder and before the completion of its shares for public subscription, any written resolution approved and signed by the Government Shareholder, in their capacity as the representative of the general assembly meeting, is considered valid and enforceable, as if it had been taken in any duly held general assembly meeting.

Voting

Article (49)

A. Directors may not participate in voting on the resolutions of the general assembly relating to discharging them from liability for management or conferring a private benefit upon them or which relates to a conflict of interest or dispute between them and the Company.

B. A person having the right to attend General Assembly meetings may not participate in voting in his/ her personal capacity or by proxy on matters related to a personal benefit or an existing dispute between him and the Company.

Powers of the General Assembly

Article (50)

Subject to the provisions of the Companies Law and the resolutions issued thereunder and the legislation in force in the Emirate, the general assembly may, pursuant to a Special Resolution:

1. increase or decrease the Company's share capital in any way;

2. sell or dispose of, in any form of legal action, all or part of the Company's business, projects or assets;

3. extend or terminate the term of the Company;

4. issue bonds, sukuk, or any other financial instruments;

5. subject to obtaining the approval of the SCA, decide to allocate a percentage of its annual profits or accumulated profits for social responsibility purposes. In that case, the Company must disclose its social responsibility contribution on its website upon the end of the financial year, and the Auditor must include in his/her report and in the Company's annual financial statements the names of the beneficiary(ies) of the social responsibility contribution of the Company; and

6. amend these Articles, provided that this amendment takes into account the provisions of paragraph (B) of Article (8) of the Law, subject to the following:

   a) the amendments shall not increase the obligations of the Shareholders; and

   b) the amendments shall not lead to the transfer of the Company's head office outside of the Emirate.

Right to Vote

Article (51)

Subject to the legislation in force with the SCA and the Financial Market, the owners of the share registered on the working day preceding the convening of the general assembly meeting shall be deemed the holders of the right to vote in that meeting.

Agenda of the General Assembly

Article (52)

A. Subject to the provisions of the Law, the Companies Law and the resolutions issued thereunder, and these Articles, the general assembly shall be competent to consider all issues related to the Company listed on the agenda.

B. Notwithstanding the provisions of Paragraph (A) of this Article, the general assembly may deliberate on any crucial matters discovered during the meeting, or any matters requested by the SCA, or by a Shareholder(s) representing at least five percent (5%) of the share capital of the Company, to be included in the agenda of the General Assembly before that agenda is discussed. The chair of the meeting shall grant the request, in accordance with terms determined by the SCA.

PART SIX

THE AUDITOR

Appointment of Auditors

Article (53)

A. The Company shall have one or more Auditors, appointed by the general assembly, upon nomination by the Board of Directors, for a renewable term of one (1) year. The fees and remuneration of the Auditor shall be determined by the general assembly.

B. The Auditor must be registered with the SCA and must be licensed to practice the profession of Auditor in the State in accordance with the legislation in force.

C. The Auditor shall assume his/her duties upon the conclusion of the General Assembly meeting during which he/ she is appointed and until the subsequent annual General Assembly meeting is concluded.

D. The period of appointment of an Auditor shall not exceed the term specified in the Companies Law and the resolutions issued thereunder.

Independence of Auditors

Article (54)

A. The Auditor shall be independent from the Company and the Board of Directors and may not be a business partner, agent, or relative up to the fourth degree of the Founder or any of the Directors. The Auditor may not be a Shareholder or a member of the Board of Directors or occupy any technical, administrative, operational, or executive position at the Company.

B. The Company shall take practical steps to verify the independence of the Auditor, and that the Auditor has no conflict of interest.

Functions of Auditors

Article (55)

A. The Auditor shall have the duties and powers provided for in the Companies Law and the resolutions issued in pursuance thereof and in these Articles. In particular, the Auditor shall, at all times, have the right to access all the books, records, and documents of the Company and to request clarifications as he deems necessary for the performance of his/ her duties. The Auditor shall have the right to verify the assets and liabilities of the Company. If the Auditor is unable to exercise these powers, he/she must document this in a written report submitted to the Board of Directors. If the Board of Directors fails to enable the Auditor to perform his/ her duties, the Auditor must send a copy of the report to the SCA and the Competent Authority and present the same to the general assembly.

B. The Auditor shall audit the Company’s accounts, examine the balance sheet the profit and loss account, review the Company’s dealings and transactions with Related Parties, and ensure that the implementation of the provisions of the Companies Law and the resolutions issued thereunder and these Articles are applied. The Auditor shall submit a report on the results of such examination and audit to the general assembly and forward a copy thereof to the SCA and the Competent Authority. On preparing his/her report, the Auditor shall verify the following:

1. the accuracy of the accounting records kept by the Company; and

2. the extent to which the Company's accounts conform with the accounting records.

C. Subsidiaries and their Auditors shall be provide any information or clarifications requested by the Auditor for audit purposes.

Auditor's Report

Article (56)

A. The Auditor shall submit to the general assembly a report containing all the information set out in Article (252) of the Companies Law. The Auditor must attend the general assembly meeting to present his/her report to the Shareholders, clarifying in it any obstacles or interferences from the Board of Directors that he/she may have encountered during the performance of his/her duties.

B. The Auditor's report must be independent and impartial and shall include the opinion of the Auditor concerning all matters related to his/ her duties, particularly the Company’s balance sheet and accounts, its financial position, and any relevant violations.

C. The Auditor shall indicate in his/her report and in the balance sheet any charitable and community contributions made by the Company during the relevant financial year. The report and the balance sheet shall name the beneficiaries of such contributions.

D. In the capacity of an agent of the Shareholders, the Auditor shall be liable for the accuracy of the information stated in his/ her report. Each Shareholder may discuss the report of the Auditor and request clarifications on the matters included therein during a general assembly meeting.

PART SEVEN

FINANCES OF THE COMPANY

The Company's Books and Financial year

Article (57)

A. The Board of Directors shall maintain duly organised accounting books which reflect the accurate and fair representation of the Company's business and dealings in accordance with internationally recognised accounting standards. No Shareholder shall have the right to inspect those books without the relevant authorisation from the Board of Directors.

B. The financial year of the Company shall start on the first day of January and shall end on the thirty first day of December of every year.

Annual Financial Statements

Article (58)

A. The balance sheet for a financial year must be audited at least one (1) month before the annual general assembly meeting. The Board of Directors must prepare a report on the Company's activities and financial position at the end of the financial year, and that report must state its recommendations on the distribution of net profits. Copies of the annual financial statements, the profit and loss account, the Auditor’s report, the Board of Directors’ report, and the governance report must be sent to the SCA along with a draft of the annual general assembly meeting invitation to the Shareholders of the Company for approval of the publication of that invitation in the daily newspapers twenty-one (21) days before the date scheduled for the general assembly meeting.

B. The annual financial statements of the Company shall be published pursuant to the relevant rules prescribed by the SCA, and a copy of these statements shall be lodged with the SCA and the Competent Authority.

Deduction from Annual Profits

Article (59)

The Board of Directors may deduct a percentage of the annual gross profits as depreciation allowance or impairment allowance in respect of the Company’s assets. These amounts shall only be utilised for their intended purposes in accordance with the relevant resolutions of the Board of Directors, and shall not be distributed to the Shareholder.

Annual Dividend Distribution

Article (60)

The net annual profits of the Company shall be distributed after deducting all general expenses and other costs as follows:

1. ten percent (10%) of the net profits shall be deducted and set aside as a legal reserve. This deduction shall cease when the total amount of the reserve is equal to at least fifty percent (50%) of the Company's share capital. If the reserve falls below this threshold, such deduction shall be resumed;

2. a percentage not exceeding one percent (1%) of the net profit for the ended financial year shall be allocated as remuneration for the Directors, after deducting all depreciation and reserves. Any fines that may have been imposed on the Company by the SCA or the Competent Authority due to the violation of the Board of Directors of the Law or the Companies Law and the resolutions issued thereunder, these Articles, or any of the legislation in force in the Emirate during the ended financial year, shall be deducted from the remuneration of the Board of Directors. The general assembly meeting may not deduct these fines or some of them if it becomes clear to it that these fines are not the result of a default or error on the part of the Board of Directors; and

3. the balance of the net profits shall be distributed to Shareholders, or carrying it over to the next financial year, based on a recommendation of the Board of Directors, or allocating it for the creation of a voluntary reserve, according to the determination of the general assembly meeting in this regard.

Utilisation of the Statutory Reserve

Article (61)

The statutory reserve shall be utilised pursuant to a resolution of the Board of Directors in the best interests of the Company, and the statutory reserve may not be distributed to the Shareholders. However, any amount of the statutory reserve in excess of fifty percent (50%) of the paid-up capital may be utilised to distribute dividends not exceeding ten percent (10%) of the paid-up capital to the Shareholders in any years where the distribution of that percentage is not feasible.

Dividend Distribution Policy

Article (62)

A. Dividends shall be paid to the Shareholders in accordance with the regulations on trading, clearing, settlement, transfer of ownership, and custody of securities, and other applicable rules, of the Financial Market in which the Company's shares are listed.

B. The Company may distribute quarterly or semi-annual dividends to the Shareholders out of its operating profits or accumulated profits of the Company. The Board of Directors shall be authorised to adopt and implement resolutions related to the distribution of dividends in accordance with the dividend distribution policy approved by the general assembly.

PART EIGHT

LIABILITY

Civil Liability Claim

Article (63)

Subject to Article (33) of these Articles, civil liability claims against the Directors may not be barred by reason of any resolution issued by the general assembly. If the act giving rise to the liability is presented to the general assembly in a Board of Directors' report or Auditor's report and is ratified by the general assembly, any civil claims in respect of that act shall be barred upon the expiry of one (1) year from the date of the general assembly meeting. However, where the act attributed to the Directors constitutes a criminal offence, the civil liability claim shall be barred only if the criminal proceedings are barred.

PART NINE

DISSOLUTION AND LIQUIDATION OF THE COMPANY

Company Dissolution Cases

Article (64)

The Company shall be dissolved pursuant to a resolution of the Executive Council, in any of the following cases:

1. expiry of the Company's term as prescribed in these Articles;

2. fulfilment of the objectives end for which the Company was established;

3. termination of the term of the Company pursuant to a Special Resolution issued by the general assembly;

4. merger of the Company into another company; or

5. the loss of all or most of the Company's assets so that it is not possible to invest the rest as a viable investment in accordance with what the general assembly decides under the Special Resolution.

Accumulated Losses

Article (65)

If the Company's accumulated losses amount to half (i.e. 50%) of its issued share capital, the Board of Directors must, within thirty (30) days from the date of disclosure of the Company's periodic or annual financial statements to the SCA, invite the general assembly to convene to take the necessary action regarding the dissolution of the Company before the specified period or its continuation in the conduct of its activity.

Liquidation of the Company

Article (66)

Upon the expiry of the term of the Company or in the event of the dissolution before the expiry of that term, the general assembly shall, upon the request of the Board of Directors, determine the method of liquidation of the Company, appoint one or more liquidators, and determine their duties. As of the date of appointment of the liquidator(s), the Board of Directors shall cease to perform its duties. The general assembly shall continue to exercise the functions and powers entrusted to it throughout the liquidation period and until the completion of the liquidation process.

PART TEN

FINAL PROVISIONS

Applicable Provisions

Article (67)

A. The Company shall be excluded from the provisions set out in Articles (14), (15), (20), (22), (25), (30), (5/32), (36), (39) to (45), (47), (49), (51), (52), and (68) of these Articles during the period in which all of its shares are wholly owned by the Government Shareholder.

B. The Company is excluded from the provisions set out in Articles (6), (7), (8), (11) to (20), (22), (24), (3/26), (30), (31), (32), (36), (37), (105) to (160), (162), (164)-(241) (243), (244), (245), (247), (248), (251), (252), (253) (2/254), (268) - (273). (275)-(301), (306), (309), (311), (314) to (334), (340) to (348), (350)-(359) and (361)-(363) of the Companies Law during the period in which all of its shares are wholly owned by the Government Shareholder and before the offering of the Company shares for public subscription.

C. The provisions of the Companies Law and the resolutions issued thereunder and these Articles shall be applied to the Company upon completion of the offering of its shares for public subscription and its registration with the SCA, provided that the Company is excluded in this case from the provisions set out in Articles (117/2), (118), (119), (121), (143/2), (149), (152), (199), (217) and (221) of the Companies Law. The Company is exempt from the provisions of these articles by virtue of a resolution issued in this regard by the Cabinet.

Corporate Governance

Article (68)

Subject to the provisions of these Articles, the Company shall be governed by all the resolutions regulating corporate governance adopted by the SCA. These resolutions shall form an integral and complementary part of these Articles.

Filing the Articles of Association

Article (69)

These Articles shall be filed and published in accordance with the Companies Law.

Annex 2

Lead Receiving Bank's Branches / Receiving Bank's Branches

Emirates NBD - Participating Branches

Sr	Area	Branch	Location	Working hours	IPO Subscription Hours	Contact
1	Dubai	Group Head Office Branch	Ground Floor, Emirates NBD Group Head Office, Baniyas Road, Deira, Dubai	Monday to Thursday (8:00 AM - 3:00 PM)	Monday to Thursday (8:00 AM - 2:00 PM)	800 72545 476 – 800 SALIK IPO
				Friday (7:30 AM - 12:15 PM)	Friday (7:30 AM - 11:15 PM)	
2	Dubai	Jumeirah Branch	Emirates NBD Building, Al Wasl Rd Intersection, Umm Suquiem 3, Jumeirah, Dubai	Monday to Thursday (8:00 AM - 2:00 PM)	Monday to Thursday (8:00 AM - 1:00 PM)	800 72545 476 – 800 SALIK IPO
				Friday (7:30 AM - 12:15 PM)	Friday (7:30 AM - 11:15 PM)	
				Saturday (8:00 AM - 2:00 PM)	Saturday (8:00 AM - 1:00 PM)	
3	Dubai	Al Qusais Branch	Damascus St, Near Dubai Grand Hotel, Al Qusais, Dubai	Monday to Thursday (8:00 AM - 2:00 PM)	Monday to Thursday (8:00 AM - 1:00 PM)	800 72545 476 – 800 SALIK IPO
				Friday (7:30 AM - 12:15 PM)	Friday (7:30 AM - 11:15 PM)	
				Saturday (8:00 AM - 2:00 PM)	Saturday (8:00 AM - 1:00 PM)	
4	Abu Dhabi	Abu Dhabi Main Branch	Ground Floor, Al Neem Building, Shaikh Khalifa Street , Abu Dhabi	Monday to Thursday (8:00 AM - 3:00 PM)	Monday to Thursday (8:00 AM - 2:00 PM)	800 72545 476 – 800 SALIK IPO
				Friday (7:30 AM - 12:15 PM)	Friday (7:30 AM - 11:15 PM)	
5	Abu Dhabi	Electra Street Branch	Zayed The Second Street, Near Electra Park, Abu Dhabi	Monday to Thursday (8:00 AM – 8:00 PM)	Monday to Thursday (8:00 AM - 1:00 PM)	800 72545 476 – 800 SALIK IPO
				Friday (7:30 AM - 12:15 PM)	Friday (7:30 AM - 11:15 PM)	
				Saturday (8:00 AM - 2:00 PM)	Saturday (8:00 AM - 1:00 PM)	
6	Al Ain	Al Ain Main Branch	Sheikh Khalifa Bin Zayed St, (in front of Burjeel Hospital), Al Ain	Monday to Thursday (8:00 AM – 2:00 PM)	Monday to Thursday (8:00 AM - 1:00 PM)	800 72545 476 – 800 SALIK IPO
				Friday (7:30 AM - 12:15 PM)	Friday (7:30 AM - 11:15 PM)	
				Saturday (8:00 AM - 2:00 PM)	Saturday (8:00 AM - 1:00 PM)	
7	Sharjah		Ground Floor, Emirates NBD	Monday to Thursday	Monday to Thursday	

Sr	Area	Branch	Location	Working hours	IPO Subscription Hours	Contact
		Sharjah Main Branch	Building, Immigration Road, Al Qassimia Area, Sharjah	(8:00 AM – 2:00 PM) Friday (7:30 AM - 11:30 AM) Saturday (8:00 AM - 2:00 PM)	(8:00 AM - 1:00 PM) Friday (7:30 AM - 11:15 PM) Saturday (8:00 AM - 1:00 PM)	800 72545 476 – 800 SALIK IPO
8	Ajman	Ajman Branch	Emirates NBD Building, Sheikh Rashid Bin Humaid St, Al Sawan, Ajman	Monday to Thursday (8:00 AM – 2:00 PM) Friday (7:30 AM – 12:15 PM) Saturday (8:00 AM - 2:00 PM)	Monday to Thursday (8:00 AM - 1:00 PM) Friday (7:30 AM - 11:15 PM) Saturday (8:00 AM - 1:00 PM)	800 72545 476 – 800 SALIK IPO
9	Umm Al Quwain	Umm Al Quwain Branch	King Faisal Road, Al Raas B, Umm Al Quwain, Near Umm Al Quwain Hospital, Umm Al Quwain	Monday to Thursday (8:00 AM – 2:00 PM) Friday (7:30 AM – 12:15 PM) Saturday (8:00 AM - 2:00 PM)	Monday to Thursday (8:00 AM - 1:00 PM) Friday (7:30 AM - 11:15 PM) Saturday (8:00 AM - 1:00 PM)	800 72545 476 – 800 SALIK IPO
10	Fujairah	Fujairah Main Branch	Sheikh Hamad Bin Abdullah Street, Town Centre 3, Fujairah, Opposite Al Diar Siji Hotel, Fujairah	Monday to Thursday (8:00 AM – 2:00 PM) Friday (7:30 AM – 12:15 PM) Saturday (8:00 AM - 2:00 PM)	Monday to Thursday (8:00 AM - 1:00 PM) Friday (7:30 AM - 11:15 PM) Saturday (8:00 AM - 1:00 PM)	800 72545 476 – 800 SALIK IPO
11	Ras Al Khaimah	Ras Al Khaimah Main Branch	Al Muntasir Road, Al Mamourah Road Intersection, Ras Al-Khaimah	Monday to Thursday (8:00 AM – 2:00 PM) Friday (7:30 AM – 12:15 PM) Saturday (8:00 AM - 2:00 PM)	Monday to Thursday (8:00 AM - 1:00 PM) Friday (7:30 AM - 11:15 PM) Saturday (8:00 AM - 1:00 PM)	800 72545 476 – 800 SALIK IPO

Sharjah Islamic Bank - Participating Branches

Sr	Branch name	Branch Location - Area	Customer Timings	IPO Subscription Hours	Branch Address	Contact
1	Abu Dhabi Mall Branch	Abu Dhabi	Monday to Saturday 09:00 AM - 09:00 PM	Monday to Saturday 09:00 AM - 03:00 PM	Abu Dhabi Mall, First Floor, Near to Main Entrance	06 5 999 999
			Friday 3:00 PM – 9:00 PM	Friday Not Applicable		
2	Al Khalidiyah Branch	Abu Dhabi	Monday to Saturday 08:00 AM - 02:30 PM	Monday to Saturday 08:00 AM - 02:30 PM	Mubarak Bin Mohamad Road, Shining Tower	06 5 999 999
			Friday 7:30 AM – 12:30 PM	Friday 7:30 AM – 12:30 PM		
3	Musaffah Branch	Abu Dhabi	Monday to Saturday 08:00 AM - 02:30 PM	Monday to Saturday 08:00 AM - 02:30 PM	Musaffah Indusrtial Area, Al Fahim HQ Building	06 5 999 999
			Friday 7:30 AM to 12:30 PM	Friday 7:30 AM to 12:30 PM		
4	Al Ain Branch	Al Ain	Monday to Saturday 08:00 AM - 02:30 PM	Monday to Saturday 08:00 AM - 02:30 PM	Oud Al Toba Area, Ali Bin Abi Taleb Road, Khalifa Al Salmeen Building	06 5 999 999
			Friday 7:30 AM to 12:30 PM	Friday 7:30 AM to 12:30 PM		
5	Hazza'a Bin Zayed (HBZ) Stadium Branch	Al Ain	Monday to Saturday 08:00 AM - 08:00 PM	Monday to Saturday 08:00 AM - 02:00 PM	Hamdan Bin Mohamad Road, Next to Hazza'a Bin Zayed Stadium	06 5 999 999
			Friday 08:00 AM - 12:30 PM 03:00 PM - 08:00 PM	Friday 08:00 AM - 12:30 PM		
6	Al Dhaid Mall Branch	Al Dhaid	Monday to Saturday 08:00 AM - 08:30 PM	Monday to Saturday 08:00 AM - 02:30 PM	Al Dhaid Mall	06 5 999 999
			Friday 3:00 PM - 8:30PM	Friday Not Applicable		
7	Al Twar Branch	Dubai	Monday to Saturday 08:00 AM - 02:30 PM	Monday to Saturday 08:00 AM - 02:30 PM	Al Nahda Road, Next to Al Qusais Metro Station and Al Twar Centre	06 5 999 999
			Friday 7:30 AM to 12:30 PM	Friday 7:30 AM to 12:30 PM		
8	City Centre Mirdif Branch	Dubai	Saturday to Thursday 09:00 AM - 09:00 PM	Saturday to Thursday 09:00 AM - 03:00 PM	Mirdif City Center, First Floor, Entrance A	06 5 999 999
			Friday 03:00 PM - 09:00 PM	Friday Not Applicable		
9		Dubai	Saturday to Thursday	Saturday to Thursday		

Sr	Branch name	Branch Location - Area	Customer Timings	IPO Subscription Hours	Branch Address	Contact
	Mall of the Emirates Branch		09:00 AM - 09:00 PM Friday 03:00 PM - 09:00 PM	09:00 AM - 03:00 PM Friday Not Applicable	Mall of the Emirates, First Floor, Entrance A	06 5 999 999
10	Port Saeed Branch	Dubai	Monday to Saturday 08:00 AM - 08:00 PM Friday 08:00 AM - 12:30 PM 03:00 PM - 08:00 PM	Monday to Saturday 08:00 AM - 02:00 PM Friday 08:00 AM - 12:30 PM	Port Saeed Area, Near Deira City Centre	06 5 999 999
11	Sheikh Zayed Rd. Branch	Dubai	Monday to Saturday 08:00 AM - 02:30 PM Friday 7:30 AM to 12:30 PM	Monday to Saturday 08:00 AM - 02:30 PM Friday 7:30 AM to 12:30 PM	Sheikh Zayed Road, Nassima Tower Next to Voco Hotel	06 5 999 999
12	Fujairah Branch	Fujairah	Monday to Saturday 08:00 AM - 02:30 PM 7:30 AM to 12:30 PM	Monday to Saturday 08:00 AM - 02:30 PM 7:30 AM to 12:30 PM	Hamad Bin Abdullah Road	06 5 999 999
13	Ras El Khaimah Branch	Ras al Khaimah	Monday to Saturday 08:00 AM - 02:30 PM 7:30 AM to 12:30 PM	Monday to Saturday 08:00 AM - 02:30 PM 7:30 AM to 12:30 PM	Al Nakheel Area, Al Muntasir Road	06 5 999 999
14	American University of Sharjah (AUS) Branch	Sharjah	Monday to Saturday 08:00 AM - 02:30 PM Friday 7:15 AM to 11:45 AM	Monday to Saturday 08:00 AM - 02:30 PM Friday 7:15 AM to 11:45 AM	University City Area, American University of Sharjah, Main Building	06 5 999 999
15	Buhaira Branch	Sharjah	Monday to Saturday 08:00 AM - 02:30 PM Friday 7:15 AM to 11:45 AM	Monday to Saturday 08:00 AM - 02:30 PM Friday 7:15 AM to 11:45 PM	Corniche Al Buhairah Road, Al Dana Tower	06 5 999 999
16	Hamriyah Free Zone Branch	Sharjah	Monday to Saturday 08:00 AM - 02:30 PM Friday 7:15 AM to 11:45 AM	Monday to Saturday 08:00 AM - 02:30 PM Friday 7:15 AM to 11:45 PM	Al Ittihad Road, Inside Hamriyah Free Zone Area	06 5 999 999
17	King Faisal St. Branch	Sharjah	Monday to Saturday 08:00 AM - 02:30 PM Friday 7:15 AM to 11:45 AM	Monday to Saturday 08:00 AM - 02:30 PM Friday 7:15 AM to 11:45 AM	King Faisal Street, Al Fakhama Tower	06 5 999 999
18	Maleha Rd. Branch	Sharjah	Monday to Saturday 08:00 AM - 02:30 PM Friday	Monday to Saturday 08:00 AM - 02:30 PM Friday	Industrial 18 Area, Maliha Road	06 5 999 999

Sr	Branch name	Branch Location - Area	Customer Timings	IPO Subscription Hours	Branch Address	Contact
			7:15 AM to 11:45 AM	7:15 AM to 11:45 AM		
19	Matajer Al Juraina Branch	Sharjah	Monday to Saturday 09:00 AM - 09:00 PM	Monday to Saturday 09:00 AM - 03:00 PM	Matajer Al Jurainah, Al Juraina Area Near University City Area	06 5 999 999
			Friday 3:00 PM – 9:00 PM	Friday Not Applicable		
20	Matajer Al Mirgab Branch	Sharjah	Monday to Saturday 09:00 AM - 09:00 PM	Monday to Saturday 09:00 AM - 03:00 PM	Matajer Al Mirgab, Al Mirqab Area, Al Sharq Street to Ajman	06 5 999 999
			Friday 3:00 PM – 9:00 PM	Friday Not Applicable		
21	Mega Mall Branch	Sharjah	Monday to Saturday 09:00 AM - 09:00 PM	Monday to Saturday 09:00 AM - 03:00 PM	Mega Mall, Ground Floor	06 5 999 999
			Friday 3:00 PM – 9:00 PM	Friday Not Applicable		
22	Mowaileh Branch	Sharjah	Monday to Saturday 08:00 AM - 02:30 PM	Monday to Saturday 08:00 AM - 02:30 PM	Muwaileh Area, University City Road	06 5 999 999
			Friday 7:15 AM to 11:45 AM	Friday 7:15 AM to 11:45 AM		
23	Rahmania Mall Branch	Sharjah	Monday to Saturday 09:00 AM - 09:00 PM	Monday to Saturday 09:00 AM - 03:00 PM	Rahmania Mall, Entrance A	06 5 999 999
			Friday 3:00 PM – 9:00 PM	Friday Not Applicable		
24	Sahara Centre Branch	Sharjah	Monday to Saturday 09:00 AM - 09:00 PM	Monday to Saturday 09:00 AM - 03:00 PM	Sahara Center, Lower Ground Floor, Banks and Services Area	06 5 999 999
			Friday 3:00 PM – 9:00 PM	Friday Not Applicable		
25	SAIF Zone Branch	Sharjah	Monday to Saturday 08:00 AM - 02:30 PM	Monday to Saturday 08:00 AM - 02:30 PM	Sharjah Airport Road, Saif Zone Area, Next to Emirates Post Office	06 5 999 999
			Friday 7:15 AM to 11:45 AM	Friday 7:15 AM to 11:45 AM		
26	Sharjah Main Branch	Sharjah	Monday to Saturday 08:00 AM - 02:30 PM	Monday to Saturday 08:00 AM - 02:30 PM	Al Khan Area, Near Al Qasba Canal, Sharjah Islamic Bank Tower	06 5 999 999
			Friday 7:15 AM - 11:45 AM	Friday 7:15 AM - 11:45 AM		
27	Shj. Court Branch	Sharjah	Monday to Thursday 08:00 AM - 02:30 PM	Monday to Thursday 08:00 AM - 02:30 PM	Al Khan Area, Al Meena Street Port Khalid, Sharjah Court Building	06 5 999 999
			Friday 7:15 AM - 11:45 AM	Friday 7:15 AM - 11:45 AM		

Sr	Branch name	Branch Location - Area	Customer Timings	IPO Subscription Hours	Branch Address	Contact
28	Shj. Economic Dept. Branch	Sharjah	Monday to Thursday 08:00 AM - 02:30 PM Friday 7:15 AM - 11:45 AM	Monday to Thursday 08:00 AM - 02:30 PM Friday 7:15 AM - 11:45 AM	Al Layyah Area, Sharjah Economic Development Department Building	06 5 999 999
29	University of Sharjah - Gents Branch	Sharjah	Monday to Thursday 08:00 AM - 02:30 PM Friday 7:15 AM - 11:45 AM	Monday to Thursday 08:00 AM - 02:30 PM Friday 7:15 AM - 11:45 AM	University City Area, University of Sharjah, Men's College, Student Center	06 5 999 999
30	University of Sharjah - Ladies Branch	Sharjah	Monday to Thursday 08:00 AM - 02:30 PM Friday 7:15 AM - 11:45 AM	Monday Thursday 08:00 AM - 02:30 PM Friday 7:15 AM - 11:45 AM	University City Area, University of Sharjah, Women's College, W21	06 5 999 999
31	Wasit Branch	Sharjah	Monday to Saturday 08:00 AM - 08:00 PM Friday 07:15 AM - 11:45 AM 03:00 PM - 08:00 PM	Monday to Saturday 08:00 AM - 02:00 PM Friday 07:15 AM - 11:45 AM	Al Khazamiyah Area, Wasit Road, Near to Al Qasimi Hospital	06 5 999 999
32	Dibba Al Hisn Branch	Sharjah – Dibba - East Coast	Monday to Saturday 08:00 AM - 02:30 PM Friday 7:15 AM - 11:45 AM	Monday to Saturday 08:00 AM - 02:30 PM Friday 7:15 AM - 11:45 AM	Al Akd Al Fareed Road, Near to Government Buildings	06 5 999 999
33	Kalba Branch	Sharjah – Kalba - East Coast	Monday to Saturday 08:00 AM - 02:30 PM Friday 7:15 AM - 11:45 AM	Monday to Saturday 08:00 AM - 02:30 PM Friday 7:15 AM - 11:45 AM	Sheikh Saeed Road, Opposite Sidra Park	06 5 999 999
34	Khorfakkan Branch	Sharjah – Khorfakkan - East Coast	Monday to Saturday 08:00 AM - 02:30 PM Friday 7:15 AM - 11:45 AM	Monday to Saturday 08:00 AM - 02:30 PM Friday 7:15 AM - 11:45 AM	Al Rugaylat Road, Opposite Khorfakan Beach	06 5 999 999

Al Maryah Community Bank - Participating Branches

Sr	Branch name	Branch Location - Area	Customer Timings	IPO Subscription Hours	Branch Address	Contact
1	Al Maryah Community Bank, Innovation Hub	Abu Dhabi	Monday to Saturday 08:00 AM - 10:00 PM	Monday to Saturday 08:00 AM - 10:00 PM	Al Maryah Community Bank, Innovation Hub, 454 Shakbout Bin Sultan Street, Abu Dhabi, UAE	600571111
2	Al Maryah Community Bank, Mall of the Emirates	Dubai	Monday to Saturday 10:00 AM – 10:00 PM	Monday to Saturday 10:00 AM - 10:00 PM	Al Maryah Community Bank, Level 1, Ski Dubai Entrance, Mall of the Emirates, Dubai, UAE	600571111

Abu Dhabi Commercial Bank - Participating Branches

Sr	Branch name	Branch Location - Area	Branch Customer Timings	IPO Subscription Hours	Branch Address	Contact Details
1	Khalidiya Tower Branch	Abu Dhabi	Monday to Thursday 08:00 AM - 03:00 PM Friday 08:00 AM – 12:00 PM	Saturday to Thursday 08:00 AM - 01:00 PM	Corniche Road, Opp Emirates Palace Hotel P.O Box: 59919 Abu Dhabi	600502030
2	ADNEC	Abu Dhabi	Monday to Thursday 08:00 AM - 03:00 PM Friday 08:00 AM – 12:00 PM	Saturday to Thursday 08:00 AM - 01:00 PM	AD-1 Tower, ADNEC AREA P.O.Box: 939 Abu Dhabi	600502030
3	Shahama Branch	Abu Dhabi	Monday to Thursday 08:00 AM - 03:00 PM Friday 08:00 AM – 12:00 PM	Saturday to Thursday 08:00 AM - 01:00 PM	Dubai Abu Dhabi Road, Near Bani Yas Coop P.O.Box: 76122	600502030
4	Hazza Bin Zayed Stadium Branch	Abu Dhabi, Al Ain	Monday to Thursday 08:00 AM - 07:00 PM Friday 08:00 AM – 12:00 PM	Saturday to Thursday 08:00 AM - 01:00 PM	Hazza Bin Zayed Stadium, Al Ain	600502030
5	Zayed Town Branch	Abu Dhabi, Al Dhafra Region	Monday to Thursday 08:00 AM - 03:00 PM Friday 08:00 AM – 12:00 PM	Saturday to Thursday 08:00 AM - 01:00 PM	Zayed Town Main Street, Near Zayed Town Court P.O.Box: 50013 Zayed Town	600502030
6	Al Riggah Branch	Dubai	Monday to Thursday 08:00 AM - 03:00 PM Friday 08:00 AM – 12:00 PM	Saturday to Thursday 08:00 AM - 01:00 PM	Al Riggah Road, Near Al Riggah Metro-Station P.O.Box: 5550	600502030
7	Business Bay Branch	Dubai	Monday to Thursday 08:00 AM - 03:00 PM Friday 08:00 AM – 12:00 PM	Saturday to Thursday 08:00 AM - 01:00 PM	Business Bay, Al Khaleej Al Tejari, Dubai, Nearest landmark-Business bay metro station	600502030
8	Ajman	Ajman	Monday to Thursday 08:00 AM - 03:00 PM Friday 08:00 AM – 12:00 PM	Saturday to Thursday 08:00 AM - 01:00 PM	Al Ittihad Street, Near Lulu centre P.O.Box: 1843	600502030
9	Ras Al Khaimah	RAK	Monday to Thursday 08:00 AM - 03:00 PM	Saturday to Thursday 08:00 AM - 01:00 PM		600502030

Sr	Branch name	Branch Location - Area	Branch Customer Timings	IPO Subscription Hours	Branch Address	Contact Details
			Friday 08:00 AM – 12:00 PM		Al Naeem Mall, New central business district P.O.Box: 1633	
10	Fujairah	Fujairah	Monday to Thursday 08:00 AM - 03:00 PM Friday 08:00 AM – 12:00 PM	Saturday to Thursday 08:00 AM - 01:00 PM	Hamed Bin Abdulla Street, Near ADNOC P.O.Box: 770	600502030
11	Ruwais Branch	Al Dhafrah Region	Monday to Thursday 08:00 AM - 03:00 PM Friday 08:00 AM – 12:00 PM	Saturday to Thursday 08:00 AM - 01:00 PM	Al Ruwais City, Sheikh Zayed Road, Central Market, ADCB Building, Abu Dhabi P.O.Box 11851	600502030
12	Dalma Mall	Abu Dhabi	Monday to Thursday 10:00 AM - 09:00 PM Friday 08:00 AM – 01:00 PM	Saturday to Thursday 08:00 AM - 01:00 PM	Dalma Mall- 1st floor - Mussafah	600502030
13	Al Zahiya City Centre Branch	Sharjah	Monday to Thursday 10:00 AM - 09:00 PM Friday 08:00 AM – 01:00 PM	Saturday to Thursday 08:00 AM - 01:00 PM	Sheikh Mohammed Bin Zayed Street, Al Zahia City Centre, Ground level, near Entrance A P.O.Box: 23657	600502030

CBD - Participating Branches

Sr	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address	Contact Number
1	Main Branch	Deira, Dubai	Monday, Tuesday, Wednesday, Thursday, Saturday (08:00 AM - 03:30 PM)	Monday, Tuesday, Wednesday, Thursday, Saturday (08:00 AM - 02:00 PM)	Al Ittihad Road, Port Saeed Area, Dubai	+971 4 212 1895
			Friday (07:30 AM - 12:30 PM)	Friday (08:00 AM -11:00 AM)		
2	Jumeirah Branch	Jumeirah	Monday, Tuesday, Wednesday, Thursday, Saturday (08:00 AM - 03:30 PM)	Monday, Tuesday, Wednesday, Thursday, Saturday (08:00 AM - 02:00 PM)	Jumeirah Road, Dubai	+971 4 212 1895
			Friday (07:30 AM - 12:30 PM)	Friday (08:00 AM -11:00 AM)		
3	Bur Dubai Branch	Bur Dubai, Dubai	Monday, Tuesday, Wednesday, Thursday, Saturday (08:00 AM - 03:30 PM)	Monday, Tuesday, Wednesday, Thursday, Saturday (08:00 AM - 02:00 PM)	Al Mankhool Road, Bur Dubai, Dubai	+971 4 212 1895
			Friday (07:30 AM - 12:30 PM)	Friday (08:00 AM -11:00 AM)		
4	Sheikh Zayed Road Branch	Sh. Zayed Rd., Dubai	Monday, Tuesday, Wednesday, Thursday, Saturday (08:00 AM - 03:30 PM)	Monday, Tuesday, Wednesday, Thursday, Saturday (08:00 AM - 02:00 PM)	Sheikh Zayed Road, Dubai	+971 4 212 1895
			Friday (07:30 AM - 12:30 PM)	Friday (08:00 AM -11:00 AM)		
5	Zayed the First branch	Abu Dhabi	Monday, Tuesday, Wednesday, Thursday, Saturday (08:00 AM - 03:30 PM)	Monday, Tuesday, Wednesday, Thursday, Saturday (08:00 AM - 02:00 PM)	Zayed The First Road, Abu Dhabi	+971 4 212 1895
			Friday (07:30 AM - 12:30 PM)	Friday (08:00 AM -11:00 AM)		
6	Sharjah Branch	Sharjah	Monday, Tuesday, Wednesday, Thursday, Saturday (08:00 AM - 03:30 PM)	Monday, Tuesday, Wednesday, Thursday, Saturday (08:00 AM - 02:00 PM)	King Abdulaziz Road, Sharjah	+971 4 212 1895
			Friday (07:30 AM - 12:30 PM)	Friday (08:00 AM -11:00 AM)		

Ajman Bank - Participating Branches

Sr	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address	Contact Number
1	Khalifa Branch	Ajman	Monday to Thursday & Saturday (08:00 AM - 2:00 PM)	Monday to Thursday & Saturday (08:00 AM - 2:00 PM)	A&F Towers-Sheikh Khalifa Bin Zayed ST-Ajman	06 701 8685
			Friday (07:00 AM - 12:00 PM)	Friday (07:00 AM - 12:00 PM)		
2	Main Branch	Ajman	Monday to Thursday & Saturday (08:00 AM - 2:00 PM)	Monday to Thursday & Saturday (08:00 AM - 2:00 PM)	Al Ettehad Street, Next to Etisalat Building, Mushairef – Ajman	06 701 8880
			Friday (07:00 AM - 12:00 PM)	Friday (07:00 AM - 12:00 PM)		
3	Al Ain Branch	Al Ain	Monday to Thursday & Saturday (08:00 AM - 2:00 PM)	Monday to Thursday & Saturday (08:00 AM - 2:00 PM)	Subway – Ajman Bank Building, near Sheikh Khalifa Bin Zayed ST – Abu Dhabi	03 701 3566
			Friday (07:00 AM - 12:00 PM)	Friday (07:00 AM - 12:00 PM)		
4	Buhaira Branch	Sharjah	Monday to Thursday & Saturday (08:00 AM - 2:00 PM)	Monday to Thursday & Saturday (08:00 AM - 2:00 PM)	Ground Floor, Zahrat El Madaen Tower, Corniche street, next to starbucks – Al Sharjah	06 701 8177
			Friday (07:00 AM - 12:00 PM)	Friday (07:00 AM - 12:00 PM)		
5	Dalma Mall Branch (TCA)	Abu Dhabi	Monday to Thursday & Saturday (8:00 AM -2:00 PM)	Monday to Thursday & Saturday (8:00 AM -2:00 PM)	Inside Dalma Mall, 1st Floor – Al Wazn ST-Abu Dhabi	02 654 7720
			Friday (03:00 PM - 08:00 PM)	Friday (03:00 PM - 08:00 PM)		
6	Khalidiya Branch	Abu Dhabi	Monday to Thursday & Saturday (08:00 AM - 2:00 PM)	Monday to Thursday & Saturday (08:00 AM - 2:00 PM)	23 Rawd ST – Al Khalidiyah-W9- Abu Dhabi	02 654 7763
			Friday (07:00 AM - 12:00 PM)	Friday (07:00 AM - 12:00 PM)		
7	RAK Branch	Ras Alkhaima	Monday to Thursday & Saturday (08:00 AM - 2:00 PM)	Monday to Thursday & Saturday (08:00 AM - 2:00 PM)	Next to Health first pharmacy – E11 – Al Nadiyah – Ras Al Khaimah	07 2042913
			Friday (07:00 AM - 12:00 PM)	Friday (07:00 AM - 12:00 PM)		
8	Jumeirah Branch	Dubai	Monday to Thursday & Saturday (08:00 AM - 2:00 PM)	Monday to Thursday & Saturday (08:00 AM - 2:00 PM)	Zia medical center building – Jumeirah – Dubai	04 707 6885

Sr	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address	Contact Number
			Friday (07:00 AM - 12:00 PM)	Friday (07:00 AM - 12:00 PM)		
9	Sheikh Zayed Road Branch	Dubai	Monday to Thursday & Saturday (08:00 AM - 2:00 PM)	Monday to Thursday & Saturday (08:00 AM - 2:00 PM)	Ground Floor, Eiffel Boulevard Limited Building , Sheikh Zayed Road , Dubai	04 707 6808
			Friday (07:00 AM - 12:00 PM)	Friday (07:00 AM - 12:00 PM)		

DIB - Participating Branches

Sr	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address	Contact Number
1	Al Salam Br.	Abu Dhabi	Monday to Thursday & Saturday (08:00 AM - 02:00 PM) Friday (07:15 AM - 12:15 PM)	Monday to Thursday & Saturday (08:00 AM - 02:00 PM) Friday (07:15 AM - 12:15 PM)	Al Falah Street, Ministry of Energy Bldg, Abu Dhabi	04 - 6092222
2	Abu Dhabi Main Br. Al Ain Main Br	Abu Dhabi Al Ain	Monday to Thursday & Saturday (08:00 AM - 02:00 PM) Friday (07:15 AM - 12:15 PM)	Monday to Thursday & Saturday (08:00 AM -02:00 PM) Friday (07:15 AM - 12:15 PM)	Airport Road , Opposite to Etisalat Bldg, Abu Dhabi	04 - 6092222
3	Al Ain Main Br	Dubai	Monday to Thursday & Saturday (08:00 AM - 02:00 PM) Friday (07:15 AM - 12:15 PM)	Monday to Thursday & Saturday (08:00 AM - 02:00 PM) Friday (07:15 AM - 12:15 PM)	Salah El Din Al Ayyubi Street, Al Ain	04 - 6092222
4	Al Makhtoum Br	Dubai	Monday to Thursday & Saturday (08:00 AM - 02:00 PM) Friday (07:15 AM - 12:15 PM)	Monday to Thursday & Saturday (08:00 AM - 02:00 PM) Friday (07:15 AM - 12:15 PM)	Bur Saeed Area Al Maktoum Street, Clock Tower, Dubai Islamic Bank Building, Dubai	04 - 6092222
5	Dubai Main Br.	Dubai	Monday to Thursday & Saturday (08:00 AM - 02:00 PM) Friday (07:15 AM - 12:15 PM)	Monday to Thursday & Saturday (08:00 AM - 02:00 PM) Friday (07:15 AM - 12:15 PM)	Bur Saeed Area, Al Ittihad Road, Al Shoala Building, Dubai	04 - 6092222
6	Sheikh Zayed Road Br.	Abu Dhabi Al Ain	Monday to Thursday & Saturday (08:00 AM - 02:00 PM) Friday (07:15 AM - 12:15 PM)	Monday to Thursday & Saturday (08:00 AM - 02:00 PM) Friday (07:15 AM - 12:15 PM)	Grosvenor House Commercial Tower, Sheikh Zayed Road, Near Fairmont Hotel, Dubai	04 - 6092222
7	Jumeirah Ladies	Dubai	Monday to Thursday & Saturday (08:00 AM - 02:00 PM) Friday (07:15 AM - 12:15 PM)	Monday to Thursday & Saturday (08:00 AM - 02:00 PM) Friday (07:15 AM - 12:15 PM)	Jumeirah Street, Opposite to old ZOO ,Jumeirah 1, Dubai	04 - 6092222
8	Umm Suqeim Br.	Dubai	Monday to Thursday & Saturday (08:00 AM - 02:00 PM)	Monday to Thursday & Saturday (08:00 AM - 02:00 PM)	Abdalla Bin Fahd Villa , Jumeirah Street,	04 - 6092222

Sr	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address	Contact Number
			Friday (07:15 AM - 12:15 PM)	Friday (07:15 AM - 12:15 PM)	Umm Suqeim 1, Dubai	
9	Muhaisnah-Ittihad Mall Br.	Dubai	Monday to Thursday & Saturday (10:00 AM - 10:00 PM)	Monday to Thursday & Saturday (10:00 AM - 10:00 PM)	Al Khawaneej Road, Ittihad Mall, Dubai	04 - 6092222
			Friday (03:30PM - 09:00 PM)	Friday (03:30 PM - 09:00 PM)		
10	Ajman Main Br	Ajman	Monday to Thursday & Saturday (08:00 AM - 02:00 PM)	Monday to Thursday & Saturday (08:00 AM - 02:00 PM)	Shk Khalifa Street, Dubai Islamic Bank Bldg ,Ajman	04 - 6092222
			Friday (07:15 AM - 12:15 PM)	Friday (07:15 AM - 12:15 PM)		
11	Fujairah Main Br.	Fujairah	Monday to Thursday & Saturday (08:00 AM - 02:00 PM)	Monday to Thursday & Saturday (08:00 AM - 02:00 PM)	Hamad Bin Abdalla Street, Station Area - Fujairah	04 - 6092222
			Friday (07:15 AM - 12:15 PM)	Friday (07:15 AM - 12:15 PM)		
12	Ras Al Khaimah Main Br.	RAK	Monday to Thursday & Saturday (08:00 AM - 02:00 PM)	Monday to Thursday & Saturday (08:00 AM - 02:00 PM)	Al Nakeel Area - Al Muntasir Str - Dubai Islamic Bank Bldg.	04 - 6092222
			Friday (07:15 AM - 12:15 PM)	Friday (07:15 AM - 12:15 PM)		
13	Sharjah Main Br	Sharjah	Monday to Thursday & Saturday (08:00 AM -02:00 PM)	Monday to Thursday & Saturday (08:00 AM - 02:00 PM)	Al Zahra'a St - Al Qasimia - Al Nud - Sharjah	04 - 6092222
			Friday (07:15 AM - 12:15 PM)	Friday (07:15 AM - 12:15 PM)		
14	Wasit Br.	Sharjah	Monday to Thursday & Saturday (08:00 AM - 02:00 PM)	Monday to Thursday & Saturday (08:00 AM - 02:00 PM)	University City Street, Industrial Area 6, Sharjah	04 - 6092222
			Friday (07:15 AM - 12:15 PM)	Friday (07:15 AM - 12:15 PM)		
15	Umm Al Quwain Br.	UAQ	Monday to Thursday & Saturday (09:00 AM - 09:00 PM)	Monday to Thursday & Saturday (09:00 AM - 09:00 PM)	King Faisal Street, Mall of Umm Al Quwain, Umm Al Quwain	04 - 6092222
			Friday (3:30 PM - 09:00 PM)	Friday (3:30 PM - 09:00 PM)		

ADIB - Participating Branches

Sr	Branch name	Branch Type	Branch Code	Branch Location-Area	Area Code	Customer Timing	IPO Subscription Timings	Branch Address	Contact details
1	Al Bateen Branch	Normal Branch	33	Abu Dhabi	1	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Abu Dhabi - Al Bateen king Abdulla bin AbdulAziz Al Sauod Street - near UAE Central Bank	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
2	Najda Street Branch	Normal Branch	398	Abu Dhabi	1	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Next to Al Mariah Mall (on the intersection of Al Najda street and Hamdan Street).	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
3	Abu Dhabi Police GHQ Branch	Normal Branch	92	Abu Dhabi	1	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Abu Dhabi police general head quarter- Al Saada Street, opposite Sheikh Khalifah University	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
4	Sheikh Zayed Main Branch	Normal Branch	403	Abu Dhabi	1	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Sheikh Rashid Bin Saeed St (Old Airport Road) opposite to Hilton Capital Grand Hotel	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
5	Abu Dhabi Judiciary Branch	Normal Branch	394	Abu Dhabi	1	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Al Khaleej Al Arabi Street – Judicial Department Building –Ground Floor Office (GR-A-051)	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		

Sr	Branch name	Branch Type	Branch Code	Branch Location-Area	Area Code	Customer Timing	IPO Subscription Timings	Branch Address	Contact details
6	Sheikh Khalifa Energy Complex Branch	Normal Branch	23	Abu Dhabi	1	Monday - Saturday (08:00 AM - 03:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Sheikh Khalifa Eneregy complex - Corniche Street	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
7	Marina Mall Branch	Mall Branch	57	Abu Dhabi	1	Monday - Saturday (10:00 AM - 10:00 PM)	Monday - Saturday (10:00 AM - 02:00 PM) (04:00 PM – 09:00 PM)	Corniche Street – Marina Mall – First Floor, next to Yas Perfumes	+971 2 652 0878
						Friday (04:00 PM - 10:00 PM)	Friday (04:00 PM - 09:00 PM)		
8	Nation Towers Branch	Mall Branch	71	Abu Dhabi	1	Monday - Saturday (10:00 AM - 10:00 PM)	Monday - Saturday (10:00 AM - 02:00 PM) (04:00 PM – 09:00 PM)	Nation Towers Galleria – Corniche Road, First Floor	+971 2 652 0878
						Friday (04:00 PM - 10:00 PM)	Friday (04:00 PM - 09:00 PM)		
9	Baniyas Branch	Normal Branch	13	Abu Dhabi	1	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Al Mafraq –Dubai Road opposite Al Mafraq Hospital - Baniyas	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
10	Mussafah Branch	Normal Branch	19	Abu Dhabi	1	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Industrial Area- M9	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		

Sr	Branch name	Branch Type	Branch Code	Branch Location-Area	Area Code	Customer Timing	IPO Subscription Timings	Branch Address	Contact details
11	Khalifa A City Branch	Normal Branch	94	Abu Dhabi	1	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Khalifa A city, street # 16/21 south west.	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
12	Shahama Branch	Normal Branch	40	Abu Dhabi	1	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Old Shahama area near Police Station	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
13	Al Silaa Branch	Normal Branch	39	Abu Dhabi West (Gharbiya)	5	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Al Sila'a Area, opposite Al Areej School	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
14	Madinat Zayed Branch	Normal Branch	7	Abu Dhabi West (Gharbiya)	5	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Madinat Zayed City - Western Region	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
15	Ghayathi Branch	Normal Branch	50	Abu Dhabi West (Gharbiya)	5	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Ghayathi Area- Western Region	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
16	Al Marfaa Branch	Normal Branch	21	Abu Dhabi West (Gharbiya)	5	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Al Marfaa Area - Western Region	+971 2 652 0878
						Friday	Friday		

Sr	Branch name	Branch Type	Branch Code	Branch Location-Area	Area Code	Customer Timing	IPO Subscription Timings	Branch Address	Contact details
						(08:00 AM - 12:00 PM)	(08:00 AM - 11:00 AM)		
17	Ruwais Mall Branch	Mall Branch	302	Abu Dhabi West (Gharbiya)	5	Monday - Saturday (10:00 AM - 10:00 PM)	Monday - Saturday (10:00 AM - 02:00 PM) (04:00 PM – 09:00 PM)	First Floor of Ruwais Mall , Ruwais Area	+971 2 652 0878
						Friday (04:00 PM - 10:00 PM)	Friday (04:00 PM - 09:00 PM)		
18	Bawadi Mall Branch	Mall Branch	83	Al Ain	2	Monday - Saturday (10:00 AM – 03:30 PM) (04:00 PM – 09:00 PM)	Monday - Saturday (10:00 AM - 02:00 PM) (04:00 PM – 09:00 PM)	Al Ain City - Al Bawadi Mall, Ground Floor, Mizyad Area	+971 2 652 0878
						Friday (04:00 PM - 10:00 PM)	Friday (04:00 PM - 09:00 PM)		
19	Al Ain Branch	Normal Branch	2	Al Ain	2	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Al Ain City - Central District - Shaikh Zayed Bin Sultan Street - Near Clock Tower	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
20	Al Yahar Branch	Normal Branch	25	Al Ain	2	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Al Ain City - Al Yahar Main Street	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
21	Al Qusais Branch	Normal Branch	51	Dubai	3	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Al Qusais Area -Al Wasl Building	+971 2 652 0878

Sr	Branch name	Branch Type	Branch Code	Branch Location- Area	Area Code	Customer Timing	IPO Subscription Timings	Branch Address	Contact details
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
22	Second of December Branch	Normal Branch	86	Dubai	3	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Jumeirah beach street, Dubai	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
23	Sheikh Zayed Road Branch	Normal Branch	14	Dubai	3	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Emarat Atrium Building, Sheikh Zayed Road	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
24	Nad Al Sheba Branch	Normal Branch	15	Dubai	3	Monday - Saturday (10:00 AM - 05:00 PM)	Monday - Saturday (11:00 AM - 04:00 PM)	Avenue Mall - Nad Al Sheba - Nad Al Sheba 2 - Dubai	+971 2 652 0878
						Friday (04:00 PM - 10:00 PM)	Friday (05:00 PM - 09:00 PM)		
25	Dubai Internet City - Arenco Branch	Normal Branch	53	Dubai	3	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Arenco Tower, Dubai Internet City	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
26	Fujairah Branch	Normal Branch	6	East Coast	6	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Shaikh Hamad Bin Abdulla Street	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
27			11	East Coast	6	Monday - Saturday	Monday - Saturday		+971 2 652 0878

Sr	Branch name	Branch Type	Branch Code	Branch Location-Area	Area Code	Customer Timing	IPO Subscription Timings	Branch Address	Contact details
	Ras Al Khaimah Branch	Normal Branch				(08:00 AM - 02:00 PM)	(09:00 AM - 01:00 PM)	Opposite Al Manar Mall, Al Muntasir Road	
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
28	Dibba Branch	Normal Branch	17	East Coast	6	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Sheikh Zayed Street, Opposite Dibba Police Station - Fujairah	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
29	Kalba Branch	Normal Branch	49	East Coast	6	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Al Wahda Street - Khamis Khalfan Al Zahmi Building - Block No:19	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
30	Al Dhaid Branch	Normal Branch	38	East Coast	6	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Al Dhaid Expo Center	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
31	Khorfakkan Branch	Normal Branch	22	East Coast	6	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Corniche Road, Banks Area	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
32	Umm Al Quwain Branch	Normal Branch	29	Sharjah North East Area	4	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	King Faisal Street opposite Umm Al Quwain Mall	+971 2 652 0878
						Friday	Friday		

Sr	Branch name	Branch Type	Branch Code	Branch Location-Area	Area Code	Customer Timing	IPO Subscription Timings	Branch Address	Contact details
						(08:00 AM - 12:00 PM)	(08:00 AM - 11:00 AM)		
33	Sharjah Main Branch	Normal Branch	5	Sharjah North East Area	4	Monday - Saturday (08:00 AM - 02:00 PM)	Monday - Saturday (09:00 AM - 01:00 PM)	Al Mussala Area opposite Etisalat building	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		
34	Al Rahmania Mall Branch	Mall Branch	47	Sharjah North East Area	4	Monday - Saturday (10:00 AM – 10:00 PM)	Monday - Saturday (10:00 AM - 02:00 PM) (04:00 PM – 09:00 PM)	Al Rahmania Mall - First Floor	+971 2 652 0878
						Friday (04:00 PM - 10:00 PM)	Friday (04:00 PM - 09:00 PM)		
35	Zawaya Walk Branch	Normal Branch	28	Sharjah North East Area	4	Monday - Saturday (08:00 AM - 08:00 PM)	Monday - Saturday (09:00 AM - 02:00 PM) (03:00 PM – 07:00 PM)	Zawaya Walk Area	+971 2 652 0878
						Friday (08:00 AM - 12:00 PM)	Friday (08:00 AM - 11:00 AM)		

FAB - Participating Branches

Sr	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address	Contact Details
1	Business Park, Abu Dhabi	Abu Dhabi	Monday – Thursday (08:00 AM - 02:00 PM) Saturday (08:00 AM - 02:00 PM) Friday (08:00 AM - 12:30 PM)	Monday – Thursday (08:00 AM - 01:00 PM) Saturday (08:00 AM - 01:00 PM) Friday (08:00 AM - 12:00 PM)	Khalifa Park Al Qurm, PO BOX:6316	+97126161800
2	FAB One Tower, Abu Dhabi	Abu Dhabi	Monday – Thursday (08:00 AM - 02:00 PM) Saturday (08:00 AM - 02:00 PM) Friday (08:00 AM - 12:30 PM)	Monday – Thursday (08:00 AM - 01:00 PM) Saturday (08:00 AM - 01:00 PM) Friday (08:00 AM - 12:00 PM)	Intersection of Shaikh Khalifa street and Baniyas street,PO BOX:2993	+97126161800
3	Al Ain New	Al Ain - Abu Dhabi	Monday – Thursday (08:00 AM - 02:00 PM) Saturday (08:00 AM - 02:00 PM) Friday (08:00 AM - 12:30 PM)	Monday – Thursday (08:00 AM - 01:00 PM) Saturday (08:00 AM - 01:00 PM) Friday (08:00 AM - 12:00 PM)	Al Ain New PO BOX: 17822	+97126161800
4	Jumeirah Branch	Dubai	Monday – Thursday (08:00 AM - 02:00 PM) Saturday (08:00 AM - 02:00 PM) Friday (08:00 AM - 12:30 PM)	Monday – Thursday (08:00 AM - 01:00 PM) Saturday (08:00 AM - 01:00 PM) Friday (08:00 AM - 12:00 PM)	Link International Building, Jumeirah Beach Road Umm suqeim	+97126161800
5	Deira Branch (ABS)	Dubai	Monday – Thursday (08:00 AM - 02:00 PM) Saturday (08:00 AM - 02:00 PM) Friday (08:00 AM - 12:30 PM)	Monday – Thursday (08:00 AM - 01:00 PM) Saturday (08:00 AM - 01:00 PM) Friday (08:00 AM - 12:00 PM)	Abu Baker Al Siddique Rd, Deira	+97126161800
6	RAK (LNBAD)	Ras Al Khaimah	Monday – Thursday (08:00 AM - 02:00 PM) Saturday (08:00 AM - 02:00 PM) Friday (08:00 AM - 12:30 PM)	Monday – Thursday (08:00 AM - 01:00 PM) Saturday (08:00 AM - 01:00 PM) Friday (08:00 AM - 12:00 PM)	FAB RAK (LNBAD) , Corniche Al Qawasim Road , Near to NMC Royal Medical Center , RAK	+97126161800

Sr	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address	Contact Details
7	Fujairah	Fujairah	Monday – Thursday (08:00 AM - 02:00 PM)	Monday – Thursday (08:00 AM - 01:00 PM)	Opposite to Plaza Theatre Hamdan Bin Abdulla street; PO BOX:79	+97126161800
			Saturday (08:00 AM - 02:00 PM)	Saturday (08:00 AM - 01:00 PM)		
			Friday (08:00 AM - 12:30 PM)	Friday (08:00 AM - 12:00 PM)		
8	Sharjah	Sharjah	Monday – Thursday (08:00 AM - 02:00 PM)	Monday – Thursday (08:00 AM - 01:00 PM)	Al Reem Plaza, Ground floor Buheira Corniche, Sharjah; PO BOX:1109	+97126161800
			Saturday (08:00 AM - 02:00 PM)	Saturday (08:00 AM - 01:00 PM)		
			Friday (08:00 AM - 12:30 PM)	Friday (08:00 AM - 12:00 PM)		
9	Umm Al Quwain	Umm Al Quwain	Monday – Thursday (08:00 AM - 02:00 PM)	Monday – Thursday (08:00 AM - 01:00 PM)	Building No 211, King Faisal Road Al Maidan Area, Umm Al Quwain;Po BOX:733	+97126161800
			Saturday (08:00 AM - 02:00 PM)	Saturday (08:00 AM - 01:00 PM)		
			Friday (08:00 AM - 12:30 PM)	Friday (08:00 AM - 12:00 PM)		
10	Corniche	Abu Dhabi	Monday – Thursday (08:00 AM - 02:00 PM)	Monday – Thursday (08:00 AM - 01:00 PM)	Corniche Road Abu Dhabi	+97126161800
			Saturday (08:00 AM - 02:00 PM)	Saturday (08:00 AM - 01:00 PM)		
			Friday (08:00 AM - 12:30 PM)	Friday (08:00 AM - 12:00 PM)		
11	Oud Al Touba	Al Ain - Abu Dhabi	Monday – Thursday (08:00 AM - 02:00 PM)	Monday – Thursday (08:00 AM - 01:00 PM)	Oud Al Touba Area, National housing loans bulding, Ali Bin Abi Talieb street, Al Ain	+97126161800
			Saturday (08:00 AM - 02:00 PM)	Saturday (08:00 AM - 01:00 PM)		
			Friday (08:00 AM - 12:30 PM)	Friday (08:00 AM - 12:00 PM)		
12	Al Batin	Abu Dhabi	Monday – Thursday (08:00 AM - 02:00 PM)	Monday – Thursday (08:00 AM - 01:00 PM)	Street No. 9 Next to Bateen Bus Terminal and Al Bateen Mall; PO BOX:7644	+97126161800
			Saturday (08:00 AM - 02:00 PM)	Saturday (08:00 AM - 01:00 PM)		
			Friday (08:00 AM - 12:30 PM)	Friday (08:00 AM - 12:00 PM)		

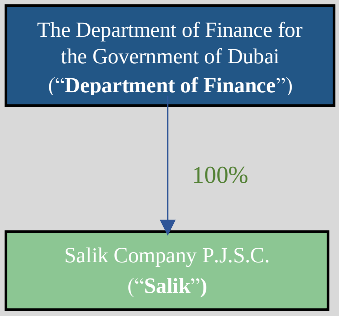
Emirates Islamic Bank - Participating Branches

Sr	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address	Contact Number
1	Diyafa Road Branch	Dubai	Monday to Saturday (08:00 AM - 02:00 PM)	Monday to Saturday (08:00 AM - 01:00 PM)	Opposite DUNE Center, Al Diyafa Street	800 72545 476
			Friday (08:00 AM - 12:30 PM)	Friday (08:00 AM - 11:30 AM)		
2	Healthcare City Branch	Dubai	Monday to Saturday (08:00 AM - 04:00 PM)	Monday to Saturday (08:00 AM - 01:00 PM)	Building 16, Dubai Health Care City	800 72545 476
			Friday (08:00 AM - 12:30 PM) (02:00 PM - 04:00 PM)	Friday (08:00 AM - 11:30 PM)		
3	EI Al Wasl Road Branch	Dubai	Monday to Saturday (08:00 AM - 08:00 PM)	Monday to Saturday (08:00 AM - 01:00 PM)	Al Wasl Road, Al Ferdous 1 Building	800 72545 476
			Friday (08:00 AM - 12:30 PM)	Friday (08:00 AM - 11:30 PM)		
4	EI Ibn Battuta Mall	Dubai	Monday to Saturday (10:00 AM - 10:00 PM)	Monday to Saturday (10:00 AM - 02:00 PM)	Shop No. 143 A, China Court, Ibn Batutta Mall, Dubai	800 72545 476
			Friday (03:00 PM - 10:00 PM)	Friday (Closed)		
5	EI Jebel Ali	Dubai	Monday to Saturday (08:00 AM - 03:00 PM)	Monday to Saturday (08:00 AM - 01:00 PM)	Banking Complex, JAFZA Main Gate, Jebel Ali	800 72545 476
			Friday (08:00 AM - 12:30 PM) (02:00 PM - 03:00 PM)	Friday (08:00 AM - 11:30 PM)		
6	Nad Al Hamar	Deira	Monday to Saturday (08:00 AM - 02:00 PM)	Monday to Saturday (08:00 AM - 01:00 PM)	Bel Remaitha Club Building, Show Rooms # S-8 & S-9,Nad Al Hamar Area, Al Rubat street	800 72545 476
			Friday (08:00 AM - 12:30 PM)	Friday (08:00 AM - 11:30 AM)		
7	Al Tawar Branch	Deira	Monday to Saturday (08:00 AM - 02:00 PM)	Monday to Saturday (08:00 AM - 01:00 PM)	Al Nahda Road, Near Al Twar Centre	800 72545 476
			Friday (08:00 AM - 12:30 PM)	Friday (08:00 AM - 11:30 AM)		
8	Warqaa Mall Branch	Deira	Monday to Saturday (09:00 AM - 09:00 PM)	Monday to Saturday (09:00 AM - 01:00 PM)	Warqaa City Mall, Al Warqaa 4	800 72545 476
			Friday (03:00 PM - 09:00 PM)	Friday (Closed)		

Sr	Branch name	Branch Location-Area	Customer Timing	IPO Subscription Timings	Branch Address	Contact Number
9	Halwan Branch	Sharjah & NE Region	Monday to Saturday (08:00 AM - 08:00 PM)	Monday to Saturday (08:00 AM - 01:00 PM)	Sheikh Isam Building, Wasit Street, Industrial Area, Halwaan, Sharjah	800 72545 476
			Friday (08:00 AM - 11:30 AM)	Friday (08:00 AM - 10:30 AM)		
10	El Al Rahmaniya Mall	Sharjah & NE Region	Monday to Saturday (09:00 AM - 09:00 PM)	Monday to Saturday (09:00 AM - 01:00 PM)	Al Rahmaniya Mall, ground floor, next to Babyshop, Sharjah	800 72545 476
			Friday (03:00 PM - 09:00 PM)	Friday (Closed)		
11	Ajman Kalifa Bin Zayed	Ajman	Monday to Saturday (08:00 AM - 02:00 PM)	Monday to Saturday (08:00 AM - 01:00 PM)	Al Jurf 2, close to City Centre Ajman	800 72545 476
			Friday (08:00 AM - 12:30 PM)	Friday (08:00 AM - 11:30 AM)		
12	Ras Al Khaimah Branch	Ras Al Khaimah	Monday to Saturday (08:00 AM - 08:00 PM)	Monday to Saturday (08:00 AM - 01:00 PM)	Emirates Islamic Tower, Ground Floor, Al Muntaser Road - Al Nakheel Area	800 72545 476
			Friday (08:00 AM - 12:30 AM)	Friday (08:00 AM - 11:30 AM)		
13	Fujairah Branch	Fujairah	Monday to Saturday (08:00 AM - 02:00 PM)	Monday to Saturday (08:00 AM - 01:00 PM)	Near Choithram Supermarket, Sheikh Hamad Bin Abdulla Street	800 72545 476
			Friday (08:00 AM - 12:30 PM)	Friday (08:00 AM - 11:30 AM)		
14	Khalifa City Branch	Abu Dhabi	Monday to Saturday (08:00 AM - 08:00 PM)	Monday to Saturday (08:00 AM - 01:00 PM)	Villa # 104, Sector SE-02, Khalifa City Main Street, Abu Dhabi	800 72545 476
			Friday (08:00 AM - 12:30 AM)	Friday (08:00 AM - 11:30 AM)		
15	Main Branch Abu Dhabi	Abu Dhabi	Monday to Saturday (08:00 AM - 02:00 PM)	Monday to Saturday (08:00 AM - 01:00 PM)	Khalidiyah Corniche Area, Wave Tower	800 72545 476
			Friday (08:00 AM - 12:30 PM)	Friday (08:00 AM - 11:30 AM)		
16	Al Ain Branch	Al Ain	Monday to Saturday (08:00 AM - 02:00 PM)	Monday to Saturday (08:00 AM - 01:00 PM)	Jawazat Street, Near Sheikha Salama Mosque	800 72545 476
			Friday (08:00 AM - 12:30 PM)	Friday (08:00 AM - 11:30 AM)		

Annex 3

Ownership Structure as of the date of Listing



As of the date of Listing, Salik Company P.J.S.C. does not have any subsidiaries or branches.

Annex 4

ROADS AND TRANSPORT AUTHORITY - Salik Tolling Business

Carve-out financial statements of the Salik Tolling Business

FOR THE YEARS ENDED 31 DECEMBER 2021, 2020 and 2019

ROADS AND TRANSPORT AUTHORITY - Salik Tolling Business

Carve-out financial statements of the Salik Tolling Business
For the years ended 31 December 2021, 2020 and 2019

Independent auditor's report to the directors of Roads and Transport Authority - Salik Tolling Business

Report on the audit of the carve-out financial statements

Our opinion

In our opinion, the carve-out financial statements present fairly, in all material respects, the financial position of Roads and Transport Authority (RTA) - Salik Tolling Business ("Salik") as at 31 December 2021, 2020, 2019 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

What we have audited

The Salik's carve-out financial statements comprise:

- the carve-out statement of financial position as at 31 December 2021, 2020, 2019;
- the carve-out statement of profit and comprehensive income for the years then ended;
- the carve-out statement of changes in equity for the years then ended;
- the carve-out statement of cash flows for the years then ended; and
- the notes to the carve-out financial statements, which include significant accounting policies 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 carve-out 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 Salik 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 carve-out financial statements in the United Arab Emirates. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code.

Emphasis of matter – basis of accounting

We draw attention to the fact that, as described in Note 1 to the carve-out financial statements, Salik has not operated as a separate entity. These carve-out financial statements are, therefore, not necessarily indicative of results that would have occurred if Salik had been a separate stand alone entity during the years presented or of future results of Salik.

The carve-out financial statements are prepared by the management of Roads and Transport Authority in connection with the listing of Salik on the Dubai Financial Market in the United Arab Emirates. As a result, the carve-out financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Jacques Fakhoury, Douglas O'Mahony, Murad Alnsour and Rami Sarhan are registered as practising auditors with the UAE Ministry of Economy

Independent auditor's report to the directors of Roads and Transport Authority - Salik Tolling Business (continued)

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

Management is responsible for the preparation and fair presentation of the carve-out financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the carve-out financial statements, management is responsible for assessing Salik'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 Salik or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the carve-out financial statements

Our objectives are to obtain reasonable assurance about whether the carve-out 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 carve-out 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 carve-out 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 Salik'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 Salik'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 carve-out 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 Salik to cease to continue as a going concern.

Independent auditor's report to the directors of Roads and Transport Authority - Salik Tolling Business (continued)

Auditor's responsibilities for the audit of the carve-out financial statements (continued)

- Evaluate the overall presentation, structure and content of the carve-out financial statements, including the disclosures, and whether the carve-out 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.

PricewaterhouseCoopers
24 June 2022

Murad Alnsour
Registered Auditor Number 1301
Dubai, United Arab Emirates

CARVE-OUT STATEMENT OF PROFIT AND COMPREHENSIVE INCOME

For the years ended 31 December 2021, 2020, 2019

	Notes	***2021 AED'000***	*2020 AED'000*	*2019 AED'000*
Revenue	6	1,693,207	1,388,684	1,975,260
Cost of tags and recharge cards	7	(21,766)	(14,916)	(16,399)
Toll operation and maintenance expense	8	(85,859)	(81,661)	(85,253)
Employee benefits expense	9	(9,551)	(12,173)	(11,666)
Depreciation expense	11	(6,000)	(6,304)	(6,629)
Other expense	10	(40,129)	(33,567)	(42,339)
Corporate allocation expense	15	(113,076)	(92,873)	(102,439)
Loss on property and equipment disposal	11	-	(4,747)	-
Software enhancement expense	12	(9,972)	(12,461)	(14,014)
Impairment loss on receivables	14	(26,279)	(25,170)	(49,913)
PROFIT FOR THE YEAR		1,380,575	1,104,812	1,646,608
OTHER COMPREHENSIVE INCOME		-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,380,575	1,104,812	1,646,608

The attached notes 1 to 23 form part of these carve-out financial statements.

CARVE-OUT STATEMENT OF FINANCIAL POSITION
As at 31 December 2021, 2020, 2019

	Notes	***31-Dec 2021 AED'000***	*31-Dec 2020 AED'000*	*31-Dec 2019 AED'000*	*1-Jan 2019 AED'000*
ASSETS					
Non-current assets					
Property and equipment	11	107,337	112,128	120,536	125,822
		107,337	112,128	120,536	125,822
Current assets					
Inventories	13	16,044	19,528	8,632	17,064
Trade and other receivables	14	158,520	94,113	153,626	157,240
Advance to supplier		33,416	14,857	25,144	34,416
		207,980	128,498	187,402	208,720
TOTAL ASSETS		315,317	240,626	307,938	334,542
LIABILITIES					
Non-current liabilities					
Employees' end of service benefits	16	2,377	2,114	1,832	1,603
Contract liabilities	18	36,723	32,461	36,764	37,780
		39,100	34,575	38,596	39,383
Current liabilities					
Trade and other payables	17	9,452	106,989	66,810	20,555
Employee benefits		222	240	151	121
Contract liabilities	18	276,623	256,738	285,913	283,606
		286,297	363,967	352,874	304,282
TOTAL LIABILITIES		325,397	398,542	391,470	343,665
Net Parent Investment					
Accumulated net contributions from Parent		(10,080)	(157,916)	(83,532)	(9,123)
		(10,080)	(157,916)	(83,532)	(9,123)
TOTAL LIABILITIES AND NET PARENT INVESTMENT		315,317	240,626	307,938	334,542

These financial statements were approved by the Board of Directors of Roads and Transport Authority on 24 June 2022 and signed on its behalf by:

....	....
Director General – Chairman of the Board of Executive Directors	CEO – Corporate Administrative Support Services

The attached notes 1 to 23 form part of these carve-out financial statements.

CARVE-OUT STATEMENT OF CASH FLOWS

For the years ended 31 December 2021, 2020, 2019

	2021 AED'000	*2020 AED'000*	*2019 AED'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year	1,380,575	1,104,812	1,646,608
Adjustments for:			
Depreciation of property and equipment	6,000	6,304	6,629
Loss on property and equipment disposal	-	4,782	-
Provision for employees' end-of-service benefits, net	245	372	259
Provision for impairment losses on trade receivables	26,279	25,170	49,913
Operating cash flows before movements in working capital:			
(Increase)/decrease in trade and other receivables	(90,686)	34,343	(46,299)
Decrease/(increase) in inventories	3,484	(10,896)	8,432
(Increase)/decrease in advance to supplier	(18,559)	10,287	9,272
(Decrease)/increase in trade and other payables	(97,537)	40,179	46,255
Increase/(decrease) in contract liabilities	24,147	(33,478)	1,291
Net cash flows from operating activities	1,233,948	1,181,875	1,722,360
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment	(1,209)	(2,853)	(1,343)
Proceeds from the sale of property and equipment	-	174	-
Net cash used in investing activities	(1,209)	(2,679)	(1,343)
CASH FLOWS FROM FINANCING ACTIVITY			
Net distributions to Parent	(1,232,739)	(1,179,196)	(1,721,017)
Net cash used in financing activity	(1,232,739)	(1,179,196)	(1,721,017)
Cash, beginning of the year	-	-	-
CASH, END OF THE YEAR	-	-	-

The attached notes 1 to 23 form part of these carve-out financial statements.

CARVE-OUT STATEMENT OF CHANGES IN EQUITY

For the years ended 31 December 2021, 2020, 2019

	Total Net Parent Investment AED '000
Balance at January 1, 2019	(9,123)
Net profit	1,646,608
Net distributions to Parent (Note 15)	(1,721,017)
Balance at December 31, 2019	(83,532)
Net profit	1,104,812
Net distributions to Parent (Note 15)	(1,179,196)
Balance at December 31, 2020	(157,916)
Net profit	1,380,575
Net distributions to Parent (Note 15)	(1,232,739)
Balance at December 31, 2021	(10,080)

The attached notes 1 to 23 form part of these carve-out financial statements.

1 DESCRIPTION OF BUSINESS AND PRINCIPAL ACTIVITIES

Roads and Transport Authority ("RTA" or "the Parent") was incorporated in the Emirate of Dubai, United Arab Emirates (UAE) under decree no. 17/2005 issued by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, the Ruler of Dubai, on 1 November 2005. RTA was formed to develop solutions for Dubai's transportation needs and encompasses within its fold the roads and traffic systems, which includes the Salik Tolling Business. Additionally, RTA encompasses public buses and taxis, marine transport, metro railway and licensing system. RTA is fully owned by the Government of Dubai.

The Traffic and Roads Agency ("the Agency") is not a separate legal entity and is a division of RTA. The registered office of the Agency is PO Box 118899, Dubai, United Arab Emirates. The principal activities of the Agency include construction of roads and related network systems, administration of Salik toll system, parking fees and penalties.

In November 2021, based on the Dubai Government's direction and RTA's senior management decision, RTA announced their intention to undertake an exercise to separate and list RTA's Tolling Business (the "Company" or "Salik") on the DFM stock Exchange in Dubai, UAE. RTA is owned by the Dubai Department of Finance (DoF) which have a controlling stake in the newly established entity Salik P.J.S.C. ("Salik PJSC"). Salik PJSC is a Public Joint Stock Company established under Law no. 12 of 2022 issued by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, the Ruler of Dubai, on 10 June 2022. Therefore, Salik PJSC is held by DoF on behalf of the Government of Dubai prior to listing on the DFM. Salik PJSC is anticipated to sell a certain percentage of its shares through an Initial Public Offering ("IPO") on the DFM stock exchange (the "Transaction"). The special purpose carve-out financial statements are prepared by the management of RTA for the purpose of identifying the financial position of the Company as at 31 December 2021, 2020 and 2019 and its financial performance for the years then ended.

Salik is Dubai's automatic road toll collection business. The principal activities of the Company are the operations and maintenance of the existing tollgates throughout Dubai, UAE. Salik is a free-flowing automated system, so motorists do not need to stop their car at any point on a Dubai highway subject to toll. To use Dubai's highways subject to tolls, motorists need to attach a Salik tag to their vehicle windshield. Salik's software, Dubai Tolling Collection System ("DTCS"), uses Radio Frequency Identification ("RFID") technology which detects the customer's vehicle and scans the Salik sticker tag, which is automatically linked to the motorist's Salik customer account. Customers are required to carry a prepaid balance in their individual customer accounts, and toll fees are automatically deducted from the account once the vehicle passes through the tollgate. The tolling tariffs are governed by "Traffic Tariff/Tolls in the Emirate of Dubai law number 22 for the year 2006" as issued by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, the Ruler of Dubai, effective 1 July 2007.

2 BASIS OF PREPARATION

The carve-out financial statements for the years ended 31 December 2021, 2020 and 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The Company has applied IFRS 1, First-Time Adoption of International Financial Reporting Standards ("IFRS 1") in its adoption of IFRS. The transition date ("Transition Date") is 1 January 2019, which is the opening balance sheet date for the year ended 31 December 2019. The Company has applied IFRS standards effective for the period ended as of 31 December 2021 to all years presented in these carve-out financial statements. The Company has never prepared financial statements or financial information on the basis of preparation presented herein. Prior to the Company's first-time adoption of IFRS, the Parent reported financial information in accordance with the International Public Sector Accounting Standards (IPSAS), as issued by the International Public Sector Accountings Standards Board (IPSASB).

Estimates made by the Company in preparing its first IFRS financial statements reflect the facts and circumstances which existed at the time such estimates were made. Accordingly, the estimates made by the Company to prepare these carve-out financial statements are consistent with those made in the historical reporting of financial information of RTA.

Since Salik has not previously prepared financial statements, the carve-out financial statements do not include any IFRS 1 first-time adoption reconciliations.

2 BASIS OF PREPARATION (continued)

These carve-out financial statements represent the historical operations of Salik and have been prepared from the accounting records of RTA and reflect the cash flows, revenues, expenses, assets, and liabilities of the Salik tolling business which were separately maintained in the RTA books except for corporate shared overheads, which are carved out on the basis explained in Note 5 and 15. Further, employee benefits including the liability in respect of end of service benefits obligation only relates to employees who are directly attributable to Salik. These liabilities are not legally transferred to Salik PJSC as of the date of the transaction and will only be transferred once the legality is completed.

Because Salik is not a standalone legal entity in the historical periods presented, Parent's net investment is shown in lieu of shareholders' equity in these carve out financial statements. Parent's net investment represents the cumulative net investment by RTA in the Company through that date. The impact of transactions between the Company and RTA that were not historically settled in cash are also included in Parent's net investment.

During the periods presented, the Company functioned as part of the Transport and Roads Agency ("TRA)" which is one of four agencies forming part of RTA. Accordingly, both RTA and TRA have historically performed certain corporate overhead functions for Salik. These functions include, but are not limited to, executive oversight, legal, finance, human resources, and financial reporting. The costs of such services have been allocated to the Company based on the most relevant allocation method to the service provided. Management believes such allocations are reasonable; however, they may not be indicative of the actual expense that would have been incurred had the Company been operating as a separate entity apart from RTA and these allocations are not representative of future performance of Salik if operated independently. The cost allocated for these functions is included in Corporate allocation expense in the carve-out statement of profit and comprehensive income for the historical periods presented. A complete discussion of the Company's relationship with RTA, together with the cost allocations, is included in Note 5 and Note 15 to the carve-out financial statements.

The Company utilizes RTA's centralized processes and systems for cash management, payroll and purchasing. As a result, all cash received by the Company was deposited in and commingled with RTA's general corporate funds and is not specifically allocated to the Company. The net results of these cash transactions between the Company and RTA are reflected as Net parent investment within the carve-out statement of financial position.

During the periods presented in these carve-out financial statements, the Company used in its operations property and equipment such as infrastructure assets and tolling equipment which are legally owned by RTA. Therefore, those assets and related depreciation expense have been included in these carve-out financial statements. However, the legal title over those assets will remain with RTA and not be transferred to Salik PJSC. Accordingly, these assets will not be included in the future financial of Salik PJSC. Salik PJSC will continue using the assets in its operations in subsequent periods under a new arrangement that will be put in place between Salik PJSC and RTA.

These carve-out financial statements are the first set of financial statements of Salik as the business did not constitute a stand-alone legal entity in any of the periods presented. These carve-out financial statements have been prepared for the purpose of inclusion in the prospectus in connection with the proposed listing of Salik PJSC on Dubai Financial Market in the United Arab Emirates. As the Company did not operate as a stand-alone entity in the past, these carve-out financial statements may not be indicative of the Company's future performance and do not necessarily reflect what its results of operations, financial position and cash flows would have been had the Company operated as a separate entity apart from RTA during the periods presented.

As a result of the above mentioned matters these carve-out financial statements may not necessarily be indicative of the financial position, results of operations or cash flows of Salik, had it operated as a stand-alone legal entity during the periods presented. In addition, these carve-out financial statements do not reflect the financial impact that would arise at the point of separation of Salik from RTA.

The carve-out financial statements have been prepared on historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets, unless otherwise disclosed.

The carve-out 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 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following are descriptions of new standards, amendments and interpretations of IFRS that have been issued but are not yet effective for the Company. The Company is in the process of assessing whether there will be any significant changes to its carve-out financial statements upon adoption of these standards.

Amendments to IFRS 3: *References to Conceptual Framework in IFRS Standards*
Amendments to IAS 37: *Onerous contracts – Cost of fulfilling a contract*
Amendments to IAS 16: *Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to IFRS 1: *First-time Adoption of International Financial Reporting Standards* (Annual improvements 2018-2020)
Amendments to IFRS 9: *Financial Instruments* (Annual improvements 2018-2020)
Amendments to IAS 1: *Classification of Liabilities as Current or Non-current*
IFRS 17 and amendments to IFRS 17: *Insurance Contracts*
Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
Amendments to IAS 8: *Definition of Accounting Estimates*
Amendments to IAS1 and IFRS Practice Statement 2: *Disclosure of Accounting Policies*
Amendments to IAS 12: *Deferred Tax related to Assets and Liabilities arriving from a Single Transaction*

The above new standards, new interpretations and amended standards are not expected to have a material impact on the carve-out financial statements of the Company.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these carve-out 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 is carried at historical cost, less accumulated depreciation and any impairment loss. The cost of purchased property and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable tobringing the asset to its working condition for the intended use.

Subsequent costs incurred 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 or service potential over the total life of the asset in excess of the most recently assessed standard of performance of the asset will flow to the Company and the cost of the item can be measured reliably.

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:

Building	30 years
Infrastructure Assets (i.e. Toll gates)	15 or 25 years
Tolling Equipment	4 to 10 years
Office equipment and furniture	5 to 10 years

All assets are carried at its cost less any accumulated depreciation and any accumulated impairment losses. The residual values, useful lives and method of depreciation of assets are reviewed at each financial year-end and adjusted prospectively, if appropriate. 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, refer to Note 4.13.

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 in profit or loss. Repairs and renewals are charged to profit or loss when the expense is incurred.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4. 2 Intangible assets

An internally generated intangible asset arising from the Company's product or software development is recognised only if all of the following conditions are met:

- An asset is created that can be identified (such as software and new processes);
- It is probable that the asset will generate future economic benefits; and
- The development costs can be reliably measured.

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Research costs are recognized in the carve-out statement of profit and other comprehensive income in the period in which they are incurred.

Development costs are capitalized if, and only if, all the following conditions are fulfilled:

- The technical feasibility of the product has been demonstrated;
- The product or process will be placed on the market or used internally;
- The assets will generate future economic benefits (a potential market exists for the product or, where it is to be used internally, its future utility has been demonstrated);
- The cost of the asset can be measured reliably; and
- The technical, financial, and other resources required to complete the project are available.

Internally generated intangible assets are amortised on a straight-line basis over their useful lives, generally 4 years. Intangible assets are assessed for impairment whenever there is an indication that the intangible assets may be impaired, refer to Note 4.13. The amortisation period and the amortisation method are reviewed at least at 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 treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the carve-out statement of profit and other comprehensive income.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the carve-out statement of profit and comprehensive income when the asset is derecognised.

Other development expenditures that do not meet these criteria, along with all expenditures on research activities, are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

4.3 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.

4.4 Financial instruments

Financial assets and financial liabilities (financial instruments) are recognized 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 carve-out statement of profit 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.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Financial instruments (continued)

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 are determined on initial recognition. The Company's financial assets consist of trade and other receivables. The Company's financial liabilities consist of trade and other payables.

- *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 [Note 4.10].
- *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 Instruments at 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 carve-out statement of profit 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 carve-out statement of profit 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 carve-out statement of profit and comprehensive income.

4.5 Trade and other receivables

A trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due) and primarily relates primarily to the sale of Salik tags, receivables from fines and penalties, and commissions for processing fees from banks and telecommunication providers. 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 of the method described in the section, "Impairment loss on receivables".

4.6 Trade and other payables

These represents 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 one year or less (or in the normal operating cycle of the business if longer) after the carve-out statement of financial position date. 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). 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 good or service to the customer and when the customer pays for that good or service will be one year or less.

4.8 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 carve-out 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 carve-out statement of financial position date. The entitlement to these benefits is usually based upon the employee's 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 Parent 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. Contributions expensed are classified as Employee Benefit expense in the carve-out statement of profit and other comprehensive income.

4.9 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 carve-out statement of profit 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 carve-out statement of profit and comprehensive income.

4.10 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.

4.11 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the carve-out statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legal enforceable right is not contingent on anything.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 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 carve-out 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 carve-out 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 the nature and characteristics.

4. 13 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 costs 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 carve-out statement of profit 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 carve-out statement of profit and comprehensive income.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 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 19, that is based on five years 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 in the carve-out statement of financial position

The expected credit loss allowance for each type of financial asset (i.e. trade receivables) is deducted from the gross carrying amount of the assets (i.e. contra-asset). Impairment losses are shown separately on the face of the carve-out statement of profit and other 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 and penalties, write-offs occur five years after the violation is issued , which is estimate useful life of a customer.

4.15 Revenue recognition

The Company is in the business of providing tolling services to motorists. 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. The Company has generally concluded that it is the principal in its revenue arrangements, 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 does 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.

(c) *Fines and penalties* - Penalties are earned for violating of rules and regulations of Salik by third parties. They are recognised at the time the Company has the right to receive cash.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Revenue recognition (continued)

(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 and penalty 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.

4.16 Contingencies

Contingent liabilities are not recognised in the carve out financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the carve-out financial statements but disclosed when an inflow of economic benefits is probable.

4.17 Current versus non-current classification

The Company presents assets and liabilities in the carve out 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.

4.18 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. Historically, the Company's performance was monitored and managed as part of the Transport and Roads Agency which formed part of RTA.

5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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 Judgements - 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) Corporate allocations

The carve-out financial statements include allocations for certain expenses historically maintained by RTA or TRA. Such items have been allocated to the Company and included in the carve-out financial statements based on the most relevant allocation method, primarily relative percentage of headcount or revenue. Management believes that this basis for allocation of expenses is reasonable. Actual results may differ from these estimates. A 1% increase or decrease change in allocation percentages would result in approximately AED 1.1 million, AED 930 thousand, and AED 1.0 million change in expense allocated to the Company for the years ended December 31, 2021, 2020 and 2019, respectively.

(b) 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 of 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 customer's 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 1.8 million, AED 1.2 million, and AED 1.5 million as at and for the years ended 31 December 31, 2021, 2020, and 2019, respectively. If the average customer useful life was six years, the carrying amount of contract liabilities would increase and revenue recognized would decrease by AED 1.2 million, AED 800 thousand, and AED 1.0 million as at and for the years ended 31 December 31, 2021, 2020, and 2019, respectively.

(c) Fine and penalty violation 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 with 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 707 thousand change or AED 1.3 million change in revenue recognized for the years ended December 31, 2021 and 2020, respectively.

(d) 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/ 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/ amortisation charge would be adjusted where the management believes the useful lives differ from previous estimates.

5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(e) 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 will calibrate 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 ECLs 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 violations 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 and penalties, 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 beginning January 1, 2017 as management estimates the average customer useful life is five years.

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 the carve-out financial statements.

(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) Impairment of financial assets

The Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and when the financial asset is no longer subject to enforcement activity.

(h) 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.

(i) Impact of Covid-19

Covid-19, an infectious disease caused by a new virus, was declared a world-wide pandemic by the World Health Organisation ("WHO") on 11 March 2020. The measures taken by various Governments across the world to slow the spread of Covid-19 have had a significant impact on the global economy and companies. Whilst the existing and anticipated effects of the outbreak of Covid-19 on the economies and companies are expected to evolve in an uncertain manner, we are cautiously optimistic that the pandemic would be brought under control with the numerous vaccines being deployed, and a semblance of 'new normality' expected to arise thereafter.

The Company has taken various measures, amongst others, in a proactive manner to ensure safety and wellbeing of its employees, strategic review of Company plans, organisational changes, monitoring of cash flows including evaluation of financing required from related parties and costs rationalisation measures.

6 REVENUE

Set out below is the disaggregation of the Company's revenue for the years ended 31 December:

	2021	*2020*	*2019*
	AED'000	*AED'000*	*AED'000*
Tolling fees	**1,502,070**	1,226,121	1,768,419
Fines and penalties	**184,294**	157,243	202,307
Inactive balance write-off	**5,369**	4,619	4,027
Miscellaneous	**1,474**	701	507
	1,693,207	1,388,684	1,975,260

Included in tolling fees revenue is the recognition of tag activation fees over the estimated customer life in the amounts of AED 29.6 million, AED 23.8 million, and AED 35.5 million for the years ended 31 December 2019, 2020, and 2021, respectively.

7 COST OF TAGS AND RECHARGE CARDS

	2021	*2020*	*2019*
	AED'000	*AED'000*	*AED'000*
Inventories expensed – Salik Tags	21,374	14,236	16,085
Inventories expensed – Salik Recharge Cards	392	680	314
	21,766	14,916	16,399

8 TOLL OPERATION AND MAINTENANCE EXPENSE

	2021	*2020*	*2019*
	AED'000	*AED'000*	*AED'000*
Operating expenses	62,626	60,032	63,961
Maintenance expenses	23,233	21,629	21,292
	85,859	81,661	85,253

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

9 EMPLOYEE BENEFITS EXPENSE

	2021	*2020*	*2019*
	AED'000	*AED'000*	*AED'000*
Salaries and wages	8,588	10,570	9,833
Other benefits and allowances	637	1,233	1,549
End of service benefits	326	370	284
	9,551	12,173	11,666

10 OTHER EXPENSES

	2021	*2020*	*2019*
	AED'000	*AED'000*	*AED'000*
Service provider expense – Other Emirates Commissions	10,020	8,945	10,822
Commission on card sale	10,546	8,464	15,289
Service provider expense – Bank Commissions	6,616	5,241	7,103
Professional fees	6,248	5,055	3,771
Commission on tag sale	3,410	2,296	2,861
Other expenses	1,912	3,410	1,077
Wireless communication for Salik RFID tags	1,377	156	1,416
	40,129	33,567	42,339

11 PROPERTY AND EQUIPMENT

2021:

	Buildings *AED'000*	*Infrastructure Assets* *AED'000*	*Tolling Equipment* *AED'000*	*Office equipment & Furniture* *AED'000*	*Capital Work-In-Progress* *AED'000*	*Total* *AED'000*
Cost:						
At 1 January 2021	2,438	128,718	49,438	1,657	26,471	208,722
Additions	-	-	-	-	1,209	1,209
At 31 December 2021	2,438	128,718	49,438	1,657	27,680	209,931
Accumulated depreciation:						
At 1 January 2021	1,050	45,993	47,900	1,651	-	96,594
Depreciation charge for the year	103	5,149	746	2	-	6,000
At 31 December 2021	1,153	51,142	48,646	1,653	-	102,594
Net carrying amount:						
At 31 December 2021	**1,285**	**77,576**	**792**	**4**	**27,680**	**107,337**

Property and equipment except for office and furnitures represents assets that are dedicated for Salik's operation, however, the title of these rests with RTA. Salik PJSC is in the process of entering into a concession agreement with RTA wherein, rights will be provided to Salik PJSC to use these assets against a concession fee. Accordingly, these assets will not be included in the future financial statements of Salik PJSC.

11 PROPERTY AND EQUIPMENT (CONTINUED)

2020:

	Buildings AED'000	*Infrastructure Assets AED'000*	*Tolling Equipment AED'000*	*Office equipment & Furniture AED'000*	*Capital Work-In-Progress AED'000*	*Total AED'000*
Cost:						
At 1 January 2020	2,438	139,656	49,135	1,657	23,921	216,807
Additions	-	-	-	-	2,853	2,853
Disposal	-	(10,938)	-	-	-	(10,938)
At 31 December 2020	2,438	128,718	49,135	1,657	26,774	208,722
Accumulated depreciation:						
At 1 January 2020	947	46,496	47,179	1,649	-	96,271
Additions	-	-	36	-	-	36
Disposal	-	(6,017)	-	-	-	(6,017)
Depreciation charge for the year	103	5,514	685	2	-	6,304
At 31 December 2020	1,050	45,993	47,900	1,651	-	96,594
Net carrying amount:						
At 31 December 2020	1,388	82,725	1,235	6	26,774	112,128

11 PROPERTY AND EQUIPMENT (CONTINUED)

2019:

	Buildings AED'000	*Infrastructure Assets AED'000*	*Tolling Equipment AED'000*	*Office equipment & Furniture AED'000*	*Capital Work-In-Progress AED'000*	*Total AED'000*
Cost:						
At 1 January 2019	2,438	139,656	49,135	1,657	22,578	215,464
Additions	-	-	-	-	1,343	1,343
At 31 December 2019	2,438	139,656	49,135	1,657	23,921	216,807
Accumulated depreciation:						
At 1 January 2019	844	40,910	46,241	1,647	-	89,642
Depreciation charge for the year	103	5,586	938	2	-	6,629
At 31 December 2019	947	46,496	47,179	1,649	-	96,271
Net carrying amount:						
At 31 December 2019	1,491	93,160	1,956	8	23,921	120,536

12 INTANGIBLE ASSETS

Intangible assets consists of internally developed software for Dubai Tolling Collection System. The cost of AED 63.4 million was capitalised in 2007 which was amortised over a useful life of 4 years. The carrying value of the asset as of 31 December 2021, 2020 and 2019 is nil.

The expenditures incurred during the years ended 31 December 2019, 2020 and 2021 towards enhancements of the software did not meet capitalisation criteria and have been expensed in the year in which the expense was incurred. Expenses incurred related to software development was AED 14.0 million, AED 12.5 million, and AED 10.0 million during the years ended 31 December 2019, 2020, and 2021, respectively.

Management did not identify any indicators of impairment for intangible assets in 2019, 2020 or 2021.

13 INVENTORIES

The composition of inventory is as follows as at December 31:

	31-Dec 2021 AED'000	*31-Dec 2020 AED'000*	*31-Dec 2019 AED'000*	*1-Jan 2019 AED'000*
Salik recharge scratch cards	78	40	173	65
Salik Tags	15,966	19,488	8,459	16,999
	16,044	19,528	8,632	17,064

All inventories are in the form of finished goods. The amount of inventories recognised as expense during the year is included in Direct Costs on the carve-out statement of profit 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 for the years ended 31 December 2021, 2020 and 2019. There have been no write-off of inventory for the years ended 31 December 2021 and 2019. For the year ended 31 December 2020, there has been a write-off of inventory due to damage for AED 1,730 thousand which is included in Other Expenses [Note 10].

14 TRADE AND OTHER RECEIVABLES

The composition of trade and other receivables is as follows as at December 31:

	31-Dec 2021 AED'000	*31-Dec 2020 AED'000*	*31-Dec 2019 AED'000*	*1-Jan 2019 AED'000*
Fines and penalties	**292,541**	240,594	236,864	180,285
Other Emirates	**21,263**	9,535	27,518	28,512
Taxi	**20,807**	6,392	11,232	8,769
Gas Stations	**15,105**	-	14,891	28,925
Telecom	**2,882**	6,415	6,747	4,116
Banks	**1,831**	1,173	1,400	1,472
Other	**771**	405	205	479
Less: loss allowance on fines and penalties	**(196,680)**	(170,401)	(145,231)	(95,318)
	158,520	94,113	153,626	157,240

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. There is no allowance for expected credit losses or impairment incurred for trade and other receivables from other Emirates, taxi, gas stations, telecom, banks and other.

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

Receivables from fines and penalties are not secured, are non-interest bearing, and customers are generally required to pay the violation 12 months from the issuance date. The movement of loss allowance on receivable relating to fines and penalties for the years ended 31 December were as follows:

	2021	*2020*	*2019*
	AED'000	*AED'000*	*AED'000*
Balance at beginning of the year, 1 January:	**170,401**	145,231	95,318
Provision for expected credit losses	**26,279**	25,170	49,913
Balance at the end of the year, 31 December:	**196,680**	170,401	145,231

The provision for impairment of receivables has been included in "Impairment loss on receivables" in the carve-out statement of profit and other comprehensive income. Information about credit exposures are disclosed in Note 19. 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.

15 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties comprise the DOF, the Parent and the Parent's fellow agencies, the Parent's fully owned subsidiary Dubai Taxi Corporation, the Parent's 50% controlled joint venture RTA Careem LLC (Hala Taxi), and the Directors of the Parent. The Company, in the normal course of business, receives services from related parties. These transactions comprise the purchase and sale of goods and services in the normal course of business at terms determined by the management. All related party transactions are managed at the Parent level related to the Agency and are routed through the bank account managed and recorded in the books of Parent.

The Company has availed the exemption as per para 25 of IAS 24 Related Party Disclosure and consider the entities controlled by Government of Dubai as non-related except for Emirates NBD Bank PJSC (ENBD) and Emirates National Oil Company (ENOC). Transactions with ENBD relate to commissions earned and amount to AED 2.3 million, AED 1.9 million, and AED 2.5 million for the years ended 31 December 2021, 2020 and 2019. Transactions, gross of commission earned, with ENOC relate to the sale of Salik tag and recharge cards and amount to AED 144 million, AED 117 million, and AED 169.5 million for the years ended 31 December 2021, 2020, and 2019. The Company does not have any other significant transactions with the entities controlled, jointly controlled or significantly influenced by the Government of Dubai.

Land and buildings – Tollgates and buildings are constructed on land owned by the Government of Dubai. The land and buildings are used by the Parent and the Company free of charge. Further, property and equipment except for office and furnitures represents assets that are dedicated for Salik's operation, however, the title of these rests with RTA. Salik PJSC is in the process of entering into a concession agreement with RTA wherein, rights will be provided to Salik PJSC to use these assets against a concession fee. Accordingly, these assets will not be included in the future financial statements of Salik PJSC.

Tolling fees collected by Dubai Taxi Corporation and Hala Taxi – Tolling fees collected by Dubai Taxi Corporation and Hala Taxi represent toll fee collection by taxis operated by the related parties 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 Dubai Taxi Corporatition are AED 68.2 million, AED 31.8 million, and AED 48.3 million for the years ended 31 December 2019, 2020 and 2021, respectively. Tolling fees collected by Hala Taxi is AED 2.1 million for the year ended 31 December 2019. Historically, collections made by Dubai Taxi Corporation and Hala Taxi are settled directly with Government of Dubai's Department of Finance. The total effect of the settlement of the tolling fee portion of these transactions is reflected in the carve-out statements of cash flows as a financing activity and in the carve-out statement of financial position as Net parent investment.

Corporate Costs Allocation – The Company has been allocated expenses from the Parent in the amounts of AED 102.4 million, AED 92.9 million, and AED 113.1 million for the years ended December 31, 2019, 2020, and 2021, respectively. These costs are derived from multiple levels of the organization including shared RTA corporate expenses and shared agency expenses. The allocated corporate costs include, but are not limited to, executive oversight, legal, finance, human resources, audit, strategic planning, and IT governance and are allocated to the Company to represent the cost of providing these services. Further, Parent's Director compensation is included in these amounts. The amounts allocated to the Company are intended to represent the costs of providing these services, and management believes the allocation methods are reasonable.

15 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

Corporate Costs Allocation (continued)

However, the actual cost of obtaining these individual services, if the Company had operated as a stand-alone company, could have been materially different. The cost of the services provided by RTA and TRA were determined by the most relevant allocation method, primarily the relative percentage of headcount or revenue. These costs are recorded as corporate allocation expenses in the carve-out statement of profit and comprehensive income.

Cash pooling - The Company utilises the Parent's centralised processes and systems for cash management. As a result, substantially all cash received related to the tolling business is deposited and comingled with Parent's general corporate funds. The Company does not have legal right to deposit or withdraw funds autonomously. Substantially all cash received by the Company was deposited in and commingled with RTA's general corporate funds and is not specifically allocated to the Company. The total net effect of the settlement of these transactions is reflected in the carve-out statements of cash flows as a financing activity and in the carve-out statement of changes in equity as net distribution to parent.

	2021	*2020*	*2019*
	AED'000	*AED'000*	*AED'000*
Cash pooling and general activities	**(1,222,255)**	(1,225,998)	(1,768,930)
Receivables from Parent	**(123,560)**	(46,071)	(54,526)
Corporate allocations	**113,076**	92,873	102,439
Net decrease in parent company investment	**(1,232,739)**	(1,179,196)	(1,721,017)

16 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the carve-out statement of financial position are as follows:

	2021	*2020*	*2019*
	AED'000	*AED'000*	*AED'000*
As at 1 January	**2,114**	1,832	1,603
Charge for the year	**263**	282	229
Payments during the year	**-**	-	-
As at 31 December	**2,377**	2,114	1,832

17 TRADE AND OTHER PAYABLES

The composition of trade and other payables is as follows as at 31 December:

	31-Dec	*31-Dec*	*31-Dec*	*1-Jan*
	2021	*2020*	*2019*	*2019*
	AED'000	*AED'000*	*AED'000*	*AED'000*
Trade payables to O&M service provider	-	84,491	60,767	13,443
Trade payables to others	22	49	19	50
Other payables	6,211	19,212	2,741	3,882
Fine refunds payable	3,219	3,237	3,283	3,180
	9,452	106,989	66,810	20,555

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.

18 CONTRACT LIABILITIES

As of December 31, 2019, 2020 and 2021, current contract liabilities of AED 285.9 million, AED 256.7 million, and AED 276.6 million, respectively, and non-current contract liabilities of AED 36.7 million, AED 32.6 million, and AED 36.7 million, respectively, 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.

18 CONTRACT LIABILITIES (CONTINUED)

As of December 31, 2021, contract liabilities of AED 60.8 million, arising from tag activation fees will be recognized as revenue as follows:

Year ended 31 December:	*AED'000*
2022	24,100
2023	17,776
2024	11,856
2025	7,090
Total	60,822

Movements in contract liabilities for the years ended 31 December are as follows:

	2021 ***AED'000***	*2020* *AED'000*	*2019* *AED'000*
Beginning balance, as at 1 January	**289,199**	322,677	321,385
Add: Recharges during the year	**1,491,141**	1,179,058	1,745,329
Add: Tag activation fees	**35,451**	23,832	29,597
Less: Revenue recognised during the year – tolling fees	**(1,466,619)**	(1,202,289)	(1,738,822)
Less: Revenue recognized during the year - tag sales	**(30,458)**	(29,460)	(30,785)
Less: Inactive balance write-off during the year	**(5,369)**	(4,619)	(4,027)
Ending balance, as at 31 December	**313,345**	289,199	322,677

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise trade payables and other payables. The Company's principal financial assets comprise trade and other receivables. These financial assets and liabilities arise directly from Company's operations.

The Company's activities expose it to a variety of financial risks including the effects of changes in market risk (including foreign exchange risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise 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 carve-out financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

Interest rate risk
Interest rate risk is the risk that the value of financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have interest bearing assets or liabilities.

Price risk
Price risk is the 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.

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 receivables and other receivables. 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 and penalties. 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 financial assets disclosed in Note 14.

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Trade receivables from violations

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables from violations as low, as there are thousands of customers and the maximum fine levied on a customer is AED 10 thousand.

Set out below is the information about the credit risk exposure on the Company's trade receivables from violations using a provision matrix:

As at 31 December 2021:	**Expected credit loss**	**Gross carrying amount**	**Loss allowance**
	%	***AED'000***	***AED'000***
Current	41%	106,132	43,693
1-90 days	60-62%	13,026	7,797
91-180 days	64%-66%	12,392	8,079
180-365 days	69%-79%	32,046	24,542
365+ days	87%	128,945	112,569
Total		**292,541**	**196,680**

As at 31 December 2020:	**Expected credit loss**	**Gross carrying amount**	**Adjusted Loss allowance**
	%	*AED'000*	*AED'000*
Current	47%	88,468	41,637
1-90 days	65%-70%	17,982	12,125
91-180 days	72%-74%	11,933	8,712
180-365 days	76%-84%	27,008	21,925
365+ days	90%	95,203	86,002
Total		**240,594**	**170,401**

As at 31 December 2019:	**Expected credit loss**	**Gross carrying amount**	**Adjusted Loss allowance**
	%	*AED'000*	*AED'000*
Current	44%	128,130	56,806
1-90 days	66%-71%	17,926	12,276
91-180 days	73%-76%	12,669	9,401
180-365 days	77%-82%	29,505	23,683
365+ days	89%	48,634	43,065
Total		**236,864**	**145,231**

As at 1 January 2019:	**Expected credit loss**	**Gross carrying amount**	**Adjusted Loss allowance**
	%	*AED'000*	*AED'000*
Current	42%	121,898	51,663
1-90 days	64%-70%	16,217	10,838
91-180 days	71%-75%	13,912	10,199
180-365 days	77%-82%	28,258	22,618
Total		**180,285**	**95,318**

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 and flexibility through efficient cash management. In the historical period, the Parent limited its liquidity risk by ensuring adequate funds from operations and Government of Dubai are available.

Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risks mainly arise from sales or purchase by operating unit in foreign currencies other than the unit's functional currency.

The Company is currently not exposed to foreign exchange risk as majority of all the Company's transactions are denominated in AED.

20 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. The Company's financial assets consist of trade and other receivables. The Company's financial liabilities consist of trade and other payables. The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of the above financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and due to the value at which the instrument could be exchanged in a current transaction.

21 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

As at 1 January 2019 and 31 December 2019, 2020, and 2021, the Company had outstanding trade receivable balances with gas stations related to the purchases of Salik tag and recharge cards in the amounts of AED 28.9 million, AED 14.9 million, nil, and AED 15.1 million, respectively. These financial assets are offset by the commission payable by the Company to the gas stations in the amounts of AED 1.5 million, AED 784 thousand, nil, and AED 800 thousand, respectively. The net amount is reported in the carve-out statement of financial position. The Company has an enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis.

22 SUBSEQUENT EVENTS

The United Arab Emirates Ministry of Finance announced on 31 January 2022 that it will introduce a federal corporate tax regime for the first time in the UAE. A federal corporate tax law is expected to be issued soon along with executive regulations. It is expected that the corporate tax will come into effect on or after 1 June 2023 and will apply to profits generated during financial years starting on or after 1 June 2023. The financial impact of this event is unknown at this time.

23 APPROVAL OF THE CARVE-OUT FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors of Roads and Transport Authority on 24 June 2022 and signed on its behalf by His Excellency Mattar Al Tayer, Director - General and Chairman of the Board of Executive Directors and Youssef Ahmed Al Reda, CEO-Corporate Administrative Support Services

SALIK COMPANY P.J.S.C.

CONDENSED INTERIM CARVE-OUT FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY 2022 - 1 JULY 2022

CONDENSED INTERIM CARVE-OUT FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2022 TO 1 JULY 2022

Report on review of condensed interim carve-out financial statements to the Board of Directors of Roads and Transport Authority

Introduction

We have reviewed the accompanying condensed interim carve-out statement of financial position of Salik Company P.J.S.C. (the 'Company' or 'Salik') as at 1 July 2022 and the related condensed interim carve-out statements of profit or loss and comprehensive income, changes in equity and cash flows for the period 1 January 2022 to 1 July 2022 (the 'period') and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these condensed interim carve-out financial statements in accordance with International Accounting Standard 34 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim carve-out financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial statements performed by the independent auditor of the entity'. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim carve-out financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

Emphases of matter

We draw attention to Note 2 to the condensed interim carve-out financial statements, which describes the basis of accounting. In addition, we draw attention to the fact that, Salik Company P.J.S.C. has not operated as a separate entity for the period from 1 January 2022 to 30 June 2022, the date of transfer of the Salik Tolling Business into the Company. These condensed interim carve-out financial statements are, therefore, not necessarily indicative of results that would have occurred if Salik had been a separate stand alone entity during the period presented or of future results of Salik Company P.J.S.C.

The condensed interim carve-out financial statements are prepared by the management of Salik Company P.J.S.C. in connection with the listing of Salik on the Dubai Financial Market in the United Arab Emirates. As a result, the condensed interim carve-out financial statements may not be suitable for another purpose.

Our conclusion is not modified in respect of these matters.

Report on review of condensed interim carve-out financial statements to the Board of Directors of Roads and Transport Authority (continued)

Other matter

The comparative information for the condensed interim carve-out statements of profit or loss and comprehensive income, changes in equity and cash flows, and related explanatory notes, for the period 1 January 2021 to 1 July 2021 has not been audited or reviewed. The comparative information for the condensed interim carve-out statement of financial position is based on the audited carve-out financial statements as at 31 December 2021.

PricewaterhouseCoopers Dubai
22 August 2022

Murad Alnsour
Registered Auditor Number 1301
Dubai, United Arab Emirates

CONDENSED INTERIM CARVE-OUT STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
For the period 1 January 2022 – 1 July 2022

	Notes	***1 July 2022*** ***(unaudited)*** ***AED'000***	*1 July 2021* *(unaudited and not reviewed)* *AED'000*
Revenue	6	**944,905**	792,968
Cost of tags and recharge cards	7	**(10,931)**	(9,067)
Toll operation and maintenance expense	8	**(47,593)**	(42,193)
Employee benefits expense	9	**(4,888)**	(5,225)
Depreciation expense	13	**(3,317)**	(3,000)
Other expense	10	**(20,045)**	(17,724)
Corporate allocation expense	18	**(40,521)**	(45,273)
Software enhancement expense	14	**(8,334)**	(7,025)
Impairment loss on receivables	16	**(12,528)**	(29,051)
PROFIT FOR THE PERIOD		**796,748**	634,410
OTHER COMPREHENSIVE INCOME		**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**796,748**	634,410
Earnings per share – basic and diluted, profit for the period attributable to ordinary equity holders of the Company (AED)	25	0.106	0.085

The attached notes 1 to 31 form part of these condensed interim carve-out financial statements.

SALIK COMPANY P.J.S.C.

CONDENSED INTERIM CARVE-OUT STATEMENT OF FINANCIAL POSITION
As at 1 July 2022

	Notes	***1 July 2022 (unaudited) AED'000***	*31 December 2021 (audited) AED'000*
ASSETS			
Non-current assets			
Intangibles	11	4,000,000	-
Property and equipment	13	3	107,337
Other asset	19	640	-
		4,000,643	107,337
Current assets			
Inventories	15	5,233	16,044
Trade and other receivables	16	167,381	158,520
Advance to supplier		27,638	33,416
VAT receivable		202,723	-
Other asset	19	160	-
Cash and cash equivalent	17	4,205,000	-
		4,608,135	207,980
TOTAL ASSETS		8,608,778	315,317
LIABILITIES			
Non-current liabilities			
Long-term borrowings	19	3,983,970	-
Employees' end of service benefits	20	1,779	2,377
Contract liabilities	22	40,079	36,723
		4,025,828	39,100
Current liabilities			
Short-term borrowings	19	17,766	-
Due to RTA	18	4,200,000	
Trade and other payables	21	30,011	9,674
Contract liabilities	22	276,653	276,623
		4,524,430	286,297
TOTAL LIABILITIES		8,550,258	325,397
EQUITY			
Share capital	23	75,000	-
Reorganisation reserve	24	(16,480)	-
Net parent investment		-	(10,080)
TOTAL EQUITY		58,520	(10,080)
TOTAL LIABILITIES AND EQUITY		8,608,778	315,317

To the best of our knowledge, the condensed interim carve-out financial statements are prepared, in all material respects, in accordance with IAS 34. The condensed interim carve-out financial statements were approved by the Board of Directors on 22 August 2022 and were signed on its behalf by:

Chief Executive Officer

Chairman of the Board of Directors

The attached notes 1 to 31 form part of these condensed interim carve-out financial statements.

CONDENSED INTERIM CARVE-OUT STATEMENT OF CASH FLOWS
For the period 1st January 2022 – 1st July 2022

	Notes	***1 July 2022 (unaudited) AED'000***	*1 July 2021 (unaudited and not reviewed) AED'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		796,748	634,410
Adjustments for:			
Depreciation of property and equipment	13	3,317	3,000
Provision for employees' end-of-service benefits, net		143	126
Provision for impairment losses on trade receivables	16	12,528	29,051
Operating cash flows before movement in working capital:			
Inventories		10,811	7,277
Trade and other receivables excluding impact of impairment loss		(21,389)	(55,016)
Advance to supplier		5,778	8,903
VAT receivable		(2,723)	-
Other asset		(800)	-
Trade and other payables		20,337	(26,583)
Contract liabilities		3,386	13,571
Net cash flows generated from operating activities		828,136	614,739
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment	13	(3,161)	(400)
Net cash used in investing activities		(3,161)	(400)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net distributions to parent	18	(826,711)	(614,339)
Proceeds from borrowings obtained during the period	19	4,001,736	-
Proceeds from issuance of share capital	23	75,000	-
Capital contribution received	24	130,000	-
Net cash generated from / (used in) financing activities		3,380,025	(614,339)
Cash, beginning of period		-	-
CASH, END OF PERIOD		4,205,000	-
SUPPLEMENTAL NON-CASH INFORMATION			
Intangibles	12	4,000,000	-
VAT receivable		200,000	-
Due to RTA	12	4,200,000	-
Property and equipment not transferred to the Company	13	107,178	-
End of service benefit liability of employees not transferred to the Company	20	741	-

The attached notes 1 to 31 form part of these condensed interim carve-out financial statements.

CONDENSED INTERIM CARVE-OUT STATEMENT OF CHANGES IN EQUITY
For the period 1st January 2022 – 1st July 2022

	Share capital	Reorganisation reserve	Net parent investment	Total equity
	AED'000	*AED'000*	*AED'000*	*AED'000*
Balance at 1 January 2021	-	-	(157,916)	(157,916)
Total comprehensive income during the period	-	-	634,410	634,410
Net distribution to parent (Note 18)	-	-	(614,339)	(614,339)
Balance at 1 July 2021	-	-	(137,845)	(137,845)
Balance at 1 January 2022	-	-	(10,080)	(10,080)
Issuance of share capital (Note 23)	75,000	-	-	75,000
Capital contribution (Note 24)	-	130,000	-	130,000
Total comprehensive income during the period	-	-	796,748	796,748
Net distribution to parent (Note 18)	-	-	(826,711)	(826,711)
Property and equipment not transferred to the Company (Note 13)	-	-	(107,178)	(107,178)
End of service benefit liability of employees not transferred to the Company (Note 20)	-	-	741	741
Transfer during the period (Note 24)	-	(146,480)	146,480	-
Balance at 1 July 2022	**75,000**	**(16,480)**	**-**	**58,520**

1 DESCRIPTION OF BUSINESS AND PRINCIPAL ACTIVITIES

Roads and Transport Authority ("RTA") was incorporated in the Emirate of Dubai, United Arab Emirates (UAE) under decree no. 17/2005 issued by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, the Ruler of Dubai, on 1 November 2005. RTA was formed to develop solutions for Dubai's transportation needs and encompasses within its fold the roads and traffic systems, which includes the Salik Tolling Business. Additionally, RTA encompasses public buses and taxis, marine transport, metro railway and licensing system. RTA is fully owned by the Government of Dubai.

The Traffic and Roads Agency ("the Agency") is not a separate legal entity and is a division of RTA. The principal activities of the Agency include construction of roads and related network systems, administration of Salik toll system, parking fees and penalties.

In November 2021, based on the Dubai Government's direction and RTA's senior management decision, RTA announced their intention to undertake an exercise to separate and list RTA's Tolling Business on the Dubai Financial Market ("DFM") stock exchange in Dubai, UAE. 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. Salik Company P.J.S.C. will carry out, on behalf of RTA, the operations and maintenance of existing tollgates and construction of new toll gates throughout Dubai.

The registered address of the Company is Floor 1, Block C, RTA Headquarter, Al-Garhoud, Marrakech Street, Dubai.

Dubai Department of Finance ("DoF" or the "Parent"), on behalf of Government of Dubai, owns Salik Company P.J.S.C. The Company is ultimately owned and controlled by the Government of Dubai. Salik Company P.J.S.C. is anticipated to sell upto certain percentage of their existing shares through an Initial Public Offering ("IPO") on the DFM stock exchange (the "Transaction").

The principal activities of the Company are the operations and maintenance of the existing tollgates 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. Salik is a free-flowing automated system, so motorists do not need to stop their car at any point on a Dubai highway subject to toll. To use Dubai's highways, subject to tolls, motorists need to attach a Salik tag to their vehicle windshield. Salik's software, Dubai Tolling Collection System ("DTCS"), uses Radio Frequency Identification (RFID) technology which detects the customer's vehicle and scans the Salik sticker tag, which is automatically linked to the motorist's Salik customer account. Customers are required to carry a prepaid balance in their individual customer accounts, and toll fees are automatically deducted from the account once the vehicle passes through the tollgate.

The condensed interim carve-out financial statements are prepared by the management of RTA for the purpose of identifying the financial position of Salik as at 1 July 2022 and its financial performance for the period 1 January 2022 to 1 July 2022 as the Company became operational as on this date. The accompanying condensed interim carve-out financial statements has been prepared for inclusion in the Company's Initial Public Offering document to be filed in connection with the listing of Salik Company P.J.S.C. on the Dubai Financial Market in the United Arab Emirates.

These condensed interim carve-out financial statements are the first set of financial statements of Salik Company P.J.S.C. since its incorporation on 30 June 2022. These condensed interim carve-out financial statements have been reviewed, not audited. The comparative information for the condensed interim carve-out statement of financial position is based on the audited RTA – Salik Tolling Business carve-out financial statements as at 31 December 2021. The comparative information for the condensed interim carve-out statements of comprehensive income, changes in equity and cash flows, and related explanatory notes, for the period from 1 January 2021 to 1 July 2021 has not been audited or reviewed as it is the first time the Company has prepared condensed interim carve-out financial statements.

2 BASIS OF PREPARATION

These condensed interim carve-out financial statements for the period 1 January 2022 to 1 July 2022 have been prepared in accordance with International Accounting Standard (IAS): 34 *Interim Financial Reporting*. The condensed interim carve-out financial statements does not include all information and disclosures required in the annual carve-out financial statements and should be read in conjunction with the Roads and Transport Authority (RTA) – Salik Tolling Business carve-out financial statements for the years ended 31 December 2021, 2020 and 2019.

The condensed interim carve-out financial statements are presented at historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets, unless otherwise disclosed.

2 BASIS OF PREPARATION (CONTINUED)

The preparation of condensed interim carve-out financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of complexity, or areas where assumptions and estimates are significant to the condensed interim carve-out financial statements are disclosed in Note 5. These have been applied consistently for all periods presented

The transfer of the RTA – Salik Tolling Business to Salik Company P.J.S.C. represents a transfer of business under common control, whereby the condensed interim carve-out financial statements of the Company are presented as a continuation of RTA – Salik Tolling Business. The financial information for the period from 1 January 2022 to 1 July 2022 presented in these condensed interim carve-out financial statements represent the financial results of Salik before the incorporation date of the Company as if the Company had historically operated as a standalone entity. Therefore, the transfer represents the predecessor method of accounting and retrospective presentation is used. As Salik was not a standalone legal entity for the period 1 January 2022 to 30 June 2022, the Company's results and financial performance has been carved-out from the accounting records of RTA and reflect the revenues and expenses of Salik Tolling Business as if these had always been a part of the Company. The condensed interim carve-out statement of financial position reflects all the assets and liabilities transferred from RTA to the Company on the day of its incorporation at their predecessor carrying values and fair value measurement is not required. Further, it also reflects transactions entered into by the Company post incorporation of the Company.

Upon formation, Salik Company P.J.S.C. received capital contribution in the form of cash from DoF and net assets from RTA (refer Note 24).

As part of formation of Salik Company P.J.S.C., the Company entered into a Service Concession Agreement ("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 11 and 12).

The Company also entered into a transitional services agreement with RTA effective 1 July 2022 wherein RTA shall provide services to Salik for performance of the tolling operations and back-office functions such as finance, Information technology (IT), Human Resources, Administration, Marketing and Communication in accordance with the tolling Concession Agreement.

Salik Company P.J.S.C. entered into a five-year financing arrangement with Emirates NBD Bank PJSC for a term loan of AED 4 billion and a revolving credit facility of AED 200 million for the purpose of making an upfront payment to RTA under the tolling Concession Agreement and for general corporate purposes (refer Note 19).

Financial results and cash flows for the period ended 1 July 2021

Consistent with the Company's audited annual carve-out financial statements for the years ended 31 December 2021, 2020 and 2019, financial results and cash flows for the period ended 1 July 2021 represent historical operations of Salik and have been prepared from the accounting records of RTA wherein revenues, expenses, assets, and liabilities of the Salik tolling business were separately maintained in the RTA books except for corporate shared overheads. During the period presented, the Company functioned as part of the Transport and Roads Agency ("TRA)" which is one of four agencies forming part of RTA. Accordingly, both RTA and TRA have historically performed certain corporate overhead functions for Salik. These include, but are not limited to, executive oversight, legal, finance, human resources, and financial reporting. The costs of such services have been allocated to the Company based on the most relevant allocation method to the service provided. Management believes such allocations are reasonable; however, they may not be indicative of the actual expense that would have been incurred had the Company been operating as a separate entity apart from RTA. The cost allocated for these functions is included in corporate allocation expense in the condensed interim carve-out statement of profit or loss and comprehensive income for the periods presented. A complete discussion of the Company's relationship with RTA, together with the cost allocations, is included in Note 18 to the condensed interim carve-out financial statements.

Because Salik is not a standalone legal entity in the historical periods presented, Parent's net investment is shown which represents the cumulative net investment by RTA in the Company through that date. The impact of transactions between the Company and RTA that were not historically settled in cash are also included in Parent's net investment.

The condensed interim carve-out 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 AS ADOPTED BY THE COMPANY

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

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

Amendments to IFRS 3: *References to Conceptual Framework in IFRS Standards*
Amendments to IAS 37: *Onerous contracts – Cost of fulfilling a contract*
Amendments to IAS 16: *Property, Plant and Equipment- Proceeds before Intended Use*
Amendments to IFRS 1: *First-time Adoption of International Financial Reporting Standards – subsidiary as a first-time adopter.*
Amendments to IFRS 9: *Financial Instruments- fees in the '10 per cent' test for derecognition of financial liabilities*

New standards, interpretations and amendments issued but not yet effective

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

IFRS 17*: Insurance contracts*
Amendments to IAS 1*: Classification of liabilities as current or non-current*
Amendments to IAS 1: and IFRS Practice Statement 2*: Disclosure of accounting policies*
Amendments to IAS 8*: Definition of accounting estimates*
Amendments to IAS 12*: Deferred tax related to assets and liabilities arising from single transaction*
Amendments to IFRS 10 and IAS 28*: Sale or contribution of assets between an investor and its associate or joint venture*

The Company has not early adopted any standards, interpretation or amendment that has been issued but is not yet effective.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these condensed interim carve-out financial statements are consistent with those followed in the preparation of annual carve-out financial statements for the years ended 31 December 2021, 2020 and 2019, unless otherwise stated.

4.1 Accounting policies

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.

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 amortization 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 condensed interim carve-out statement of profit or loss.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Accounting policies (continued)

Service Concession Agreements

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 as opposed to being a standard 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 (i.e., regulations) for price revision are set at the start 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:

a. 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
b. 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 amortization of cost. 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 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 amortisation and accumulated impairment loss, if any.

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

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Accounting policies (continued)

Borrowings

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 if 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.

Borrowing costs

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 consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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.

Cash and cash equivalent

For the purpose of condensed interim carve-out statement of cashflows, cash and cash equivalent comprise of cash held in bank.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the condensed interim carve-out financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

In preparing these condensed interim carve-out financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were same as those that were applied to the annual carve-out financial statements for the years ended 31 December 2021, 2020 and 2019, unless otherwise stated.

(a) 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.

6 REVENUE

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

	1 July 2022 ***(unaudited)*** ***AED'000***	*1 July 2021 (unaudited and not reviewed) AED'000*
Tolling fees	837,471	702,098
Fines and penalties	104,455	87,901
Inactive balance write-off	2,864	2,665
Miscellaneous	115	304
	944,905	792,968

Increase in traffic and tag sales due to upliftment of COVID-19 lockdown restrictions and due to Expo 2020 event which happened during the period 1 January 2022 to 31 March 2022, has resulted in an increase in revenue during the current period as compared to prior period. Included in tolling fees revenue is the recognition of tag activation fees over the estimated customer life amounting to AED 16.13 million for the period ended 1 July 2022 (AED 13.35 million for the period ended 1 July 2021).

7 COST OF TAGS AND RECHARGE CARDS

Set out below is the breakup of cost of tags and recharge cards:

	1 July 2022 ***(unaudited)*** ***AED'000***	*1 July 2021 (unaudited and not reviewed) AED'000*
Inventories expensed – Salik Tags	10,818	8,931
Inventories expensed – Salik Recharge Cards	113	136
	10,931	9,067

8 TOLL OPERATION AND MAINTENANCE EXPENSE

Set out below is the breakup of toll operation and maintenance expense:

	1 July 2022 ***(unaudited)*** ***AED'000***	*1 July 2021 (unaudited and not reviewed) AED'000*
Operating expenses	32,233	31,091
Maintenance expenses	15,360	11,102
	47,593	42,193

The operations and maintenance of the tolling 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 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.

9 EMPLOYEE BENEFITS EXPENSE

Set out below is the breakup of employee benefits expense:

	1 July 2022 ***(unaudited) AED'000***	*1 July 2021 (unaudited and not reviewed) AED'000*
Salaries and wages	4,401	4,735
Other benefits and allowances	344	364
End of service benefits	143	126
	4,888	5,225

10 OTHER EXPENSES

Set out below is the breakup of other expenses expense:

	1 July 2022 ***(unaudited) AED'000***	*1 July 2021 (unaudited and not reviewed) AED'000*
Service provider expense – Other Emirates Commissions	5,355	4,490
Commission on card sale	4,475	5,254
Service provider expense – Bank Commissions	3,478	3,115
Professional fees	2,407	2,783
Commission on tag sale	1,971	1,609
Other expenses	1,958	83
Wireless communication for Salik RFID tags	52	-
Utilities	349	390
	20,045	17,724

11 INTANGIBLES

This represents the Company's right under the service concession agreement (refer note 12), an upfront concession fee of AED 4 billion (31 December 2021: Nil) to RTA under the service concession agreement between RTA and the Company.

12 SERVICE CONCESSION ARRANGEMENTS

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") will make an upfront concession payment of AED 4 billion plus VAT of AED 200 million to RTA ("Grantor") for existing toll gates and an amount as agreed upon as and when new toll gates are constructed.

Additionaly, a variable concession fee of 25% of toll revenue earned excluding tag activation fees, violations revenue, inactive balance write-off or any other miscellaneous revenue is payable by Salik to RTA for each quarter period. The agreement term is for a period of 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 is no decommissioning obligations at the end of the contractual period and therefore, no liability has been recorded as of 1 July 2022.

12 SERVICE CONCESSION ARRANGEMENTS (CONTINUED)

Key elements of concession agreement

Tolling Operations, Tolling Systems, Tolling Assets: The Company shall 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 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 the right to increase the toll fees up to a maximum authorized limit and subject to the approval of RTA. The allowed escalation is a function of the existing toll rate adjusted for inflation rates. In case the revision in toll rate is not approved by RTA, the Company, at the discretion of RTA, may be compensated for such non approval, like for instance, by reduction in the variable concession fee charged by RTA.

New toll gates: The Company has exclusive right to undertake any tolling works 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 valuation of the new toll gate. In addition to the fee determined, 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.

Replacement of 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 or 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 or 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: On end of the agreement, Operator shall, without consideration, transfer to Grantor all rights, title and interest of assets, intellectual property rights used in Dubai tolling operations.

13 PROPERTY AND EQUIPMENT

For the period 1st January 2022 to 1st July 2022:

	Buildings AED'000	*Infrastructure assets AED'000*	*Tolling equipment AED'000*	*Office & furniture AED'000*	*Capital Work-In-Progress (CWIP) AED'000*	*Total AED'000*
Cost:						
At 1 January 2022	2,438	128,718	49,438	1,657	27,680	209,931
Additions	-	-	109	-	3,052	3,161
Transfers*	-	-	2,259	-	(2,259)	-
Retirements**	-	-	(4,758)	(1,069)	-	(5,827)
Property and equipment not transferred to Salik***	(2,438)	(128,718)	(47,048)	-	(28,473)	(206,677)
At 1 July 2022	**-**	**-**	**-**	**588**	**-**	**588**
Accumulated depreciation:						
At 1 January 2022	1,153	51,142	48,646	1,653	-	102,594
Retirements			(4,758)	(1,069)		(5,827)
Depreciation charge for the period	52	2,573	691	1	-	3,317
Property and equipment not transferred to Salik***	(1,205)	(53,715)	(44,579)	-	-	(99,499)
At 1 July 2022	**-**	**-**	**-**	**585**	**-**	**585**
Net carrying amount						
At 1 July 2022	**-**	**-**	**-**	**3**	**-**	**3**

*This represents transfers of Information technology (IT) assets from CWIP to tolling equipment during the period.

**Retirements relate to certain fully depreciated Information technology (IT) assets under tolling equipment category and telecommunication assets under office & furniture category.

***The property and equipment i.e., building, infrastructure assets and tolling equipment used by the Company till 30 June 2022 in its operations but are legally owned by RTA and are not transferred to Salik Company P.J.S.C. on formation of the legal entity. However, as part of the service concession agreement (refer Note 12) entered into between by the Company and RTA these assets will be used by Salik to provide operation, maintenance, and management of Tolling business in Dubai.

13 PROPERTY AND EQUIPMENT (CONTINUED)

For the year ended 31 December 2021:

	Buildings AED'000	*Infrastructure assets AED'000*	*Tolling equipment AED'000*	*Office & furniture AED'000*	*Capital Work-In-Progress AED'000*	*Total AED'000*
Cost:						
At 1 January 2021	2,438	128,718	49,438	1,657	26,471	208,722
Additions	-	-	-	-	1,209	1,209
At 31 December 2021	2,438	128,718	49,438	1,657	27,680	209,931
Accumulated depreciation:						
At 1 January 2021	1,050	45,993	47,900	1,651	-	96,594
Depreciation charge for the year	103	5,149	746	2	-	6,000
At 31 December 2021	1,153	51,142	48,646	1,653	-	102,594
Net carrying amount:						
At 31 December 2021	1,285	77,576	792	4	27,680	107,337

13 PROPERTY AND EQUIPMENT (CONTINUED)

For the period 1st January 2021 to 1st July 2021:

	Buildings AED'000	*Infrastructure assets AED'000*	*Tolling equipment AED'000*	*Office & furniture AED'000*	*Capital Work-In-Progress AED'000*	*Total AED'000*
Cost:						
At 1 January 2021	2,438	128,718	49,438	1,657	26,471	208,722
Additions	-	-	-	-	400	400
At 1 July 2021	2,438	128,718	49,438	1,657	26,871	209,122
Accumulated depreciation:						
At 1 January 2021	1,050	45,993	47,900	1,651	-	96,594
Depreciation charge for the period	52	2,574	373	1	-	3,000
At 1 July 2021	1,102	48,567	48,273	1,652	-	99,594
Net carrying amount:						
At 1 July 2021	1,336	80,151	1,165	5	26,871	109,528

14 SOFTWARE ENHANCEMENT EXPENSE

The expenditures incurred towards enhancements of the software did not meet capitalisation criteria and have been expensed in the period in which the expense was incurred. Expenses incurred related to software development was AED 8.33 million and AED 7.03 million during the period 1 January 2022 to 1 July 2022 and 1 January 2021 to 1 July 2021 respectively.

15 INVENTORIES

The composition of inventory is as follows:

	As at 1 July 2022 (unaudited) AED'000	*As at 31 December 2021 (audited) AED'000*
Salik recharge scratch cards	84	78
Salik Tags	5,149	15,966
	5,233	16,044

All inventories are in the form of finished goods. The cost of inventories recognised as expense during the period is included in 'Cost of tags and recharge cards ' on the condensed interim carve-out 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 have been no write-off of inventory in the period / year presented. The decrease in inventory is due to increased tag and recharge card sales on account of increase in traffic post COVID-19 lockdown and due to Expo 2020 event which happened during the period 1 October 2021 to 31 March 2022.

16 TRADE AND OTHER RECEIVABLES

The composition of trade and other receivables is as follows:

	As at 1 July 2022 (unaudited) AED'000	*As at 31 December 2021 (audited) AED'000*
Fines and penalties	293,543	292,541
Taxi	31,367	20,807
Other Emirates	12,285	21,263
Gas Stations	10,664	15,105
Telecom	5,258	2,882
Banks	2,281	1,831
Other	1	771
Less: loss allowance on fines and penalties	(188,018)	(196,680)
Total	167,381	158,520

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 other is considered to be not material.

16 TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	As at 1 July 2022 (unaudited) AED'000	*As at 31 December 2021 (audited) AED'000*	*As at 1 July 2021 (unaudited and not reviewed) AED'000*
Balance at beginning of the period / year / period	196,680	170,401	170,401
Provision for expected credit losses	12,528	26,279	29,051
Write offs during the period / year / period	(21,190)	-	-
Balance at the end of the period / year / period	188,018	196,680	199,452

The impairment of receivables has been included in "Impairment loss on receivables" in the condensed interim carve-out statement of profit or loss and other 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 violations using a provision matrix:

1 July 2022 (unaudited)	**Expected credit loss %**	**Gross carrying amount *AED'000***	**Loss allowance *AED'000***
Current	39%	114,277	43,642
1-90 days	54%-60%	12,404	7,093
91-180 days	62%-64%	12,903	8,103
180 – 365 days	67%-77%	22,306	16,122
365+ days	86%	131,653	113,058
Total		**293,543**	**188,018**

31 December 2021 (audited)	**Expected credit loss %**	**Gross carrying amount *AED'000***	**Loss allowance *AED'000***
Current	41%	106,132	43,693
1-90 days	60%-62%	13,026	7,797
91-180 days	64%-66%	12,392	8,079
180 – 365 days	69%-79%	32,046	24,542
365+ days	87%	128,945	112,569
Total		**292,541**	**196,680**

1 July 2021 (unaudited)	**Expected credit loss %**	**Gross carrying amount *AED'000***	**Loss allowance *AED'000***
Current	47%	106,652	50,205
1-90 days	65%-70%	8,631	5,793
91-180 days	72%-74%	28,499	20,824
180 – 365 days	77%-84%	24,461	19,606
365+ days	90%	114,046	103,024
Total		**282,289**	**199,452**

17 CASH AND CASH EQUIVALENT

	As at 1 July 2022 (unaudited) AED'000	*As at 31 December 2021 (audited) AED'000*
Cash at bank	4,205,000	-
	4,205,000	-

Bank balance represent amounts held in current accounts maintained with Emirates NBD operating in the UAE.

18 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties include the ultimate controlling party, the shareholder, 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 as per para 25 of IAS 24 Related Party Disclosure and consider the entities controlled by Government of Dubai as non-related except for RTA, Emirates NBD Bank PJSC (ENBD) and Emirates National Oil Company (ENOC).

The Company, in the normal course of business, receives services from and provide services to related parties. These transactions comprise the purchase and sale of goods and services in the normal course of business at terms determined by the management. Additionally, the Company entered into a Service Concession Agreement with RTA (refer Note 12), Transitional Services agreement with RTA (refer Note 1) and debt agreement with Emirates NDB Bank PJSC (refer Note 19).

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

	Notes	**As at 1 July 2022 *AED'000***
Balances with entities under common control of the Government of Dubai		
Due to RTA	12	4,200,000
Borrowings - Emirates NBD Bank PJSC	19	4,001,736
Cash at bank - Emirates NBD Bank PJSC	17	4,205,000

Transactions with ENBD relate to commissions earned and amount to AED 1.16 million and AED 1.07 million for the period ended 1 July 2022 and 1 July 2021 respectively. Transactions, gross of commission earned, with ENOC relate to the sale of Salik tag and recharge cards and amount to AED 57.5 million and AED 66 million for the period ended 1 July 2022 and 1 July 2021 respectively. The Company does not have any other significant transactions with the entities controlled, jointly controlled, or significantly influenced by the Government of Dubai.

Tolling fees collected by Dubai Taxi Corporation

It represents toll fee collection by taxis operated by the related parties 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 Dubai Taxi Corporation are AED 31.9 million for the period ended 1 July 2022 and AED 20.33 million for the period ended 1 July 2021. Historically, collections made by Dubai Taxi Corporation are settled directly with Government of Dubai's Department of Finance. The total effect of the settlement of the tolling fee portion of these transactions is reflected in the condensed interim carve-out statements of cash flows as a financing activity and in the condensed interim carve-out statement of changes in equity as net distribution to parent. Effective from 1 July 2022, the amounts are collected by RTA on behalf of the Company and will be transferred to the Company in accordance with the terms of agreement with the Company.

Corporate costs allocation

The Company has been allocated expenses of AED 40.5 million and AED 45.3 million for the period 1 January 2022 to 30 June 2022 and 1 January 2021 to 1 July 2021 respectively from RTA. These costs are derived from multiple levels of the organization including shared RTA corporate expenses and shared agency expenses. The allocated corporate costs include, but are not limited to, executive oversight, legal, finance, human resources, audit, strategic planning, and IT governance and are allocated to the Company to represent the cost of providing these services.

18 RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

Corporate costs allocation (continued)

Further, RTA's Director compensation is included in these amounts. The amounts allocated to the Company are intended to represent the costs of providing these services, and management believes the allocation methods are reasonable. However, the actual cost of obtaining these individual services, if the Company were a stand-alone company, could be materially different. The cost of the services provided by RTA and TRA were determined by the most relevant allocation method, primarily relative percentage of headcount or revenue. These costs are recorded as corporate allocation expenses in the condensed interim carve-out statement of profit or loss and comprehensive income. Effective 1 July 2022, the Company entered into a transitional services agreement ('TSA') with RTA wherein RTA shall provide services to Salik for performance of the tolling operations and back office functions such as finance, Information technology (IT), Human Resources, Administration, Marketing and Communication in accordance with the tolling Concession Agreement. Thus, from the effective date of the TSA no such cost will be allocated to the Company rather costs as per TSA will be incurred for above mentioned services.

Cash pooling

The Company utilises the RTA's centralised processes and systems for cash management. As a result, substantially all cash received related to the tolling business is deposited and comingled with RTA's general corporate funds. The Company does not have legal right to deposit or withdraw funds autonomously. Substantially all cash received by the Company was deposited in and commingled with RTA's general corporate funds and is not specifically allocated to the Company. The total net effect of the settlement of these transactions is reflected in the condensed interim carve-out statements of cash flows as a financing activity and in the condensed interim carve-out statement of changes in equity as net distribution to parent.

	As at 1 July 2022 (unaudited) AED'000	*As at 31 December 2021 (audited) AED'000*	*As at 1 July 2021 (unaudited and not reviewed) AED'000*
Cash pooling and general activities	(415,936)	(1,222,255)	(561,206)
Receivables from RTA	(451,296)	(123,560)	(98,406)
Corporate allocations	40,521	113,076	45,273
Net decrease in parent company investment	(826,711)	(1,232,739)	(614,339)

Effective from 1 July 2022, the Company has its own bank account and ceased to use the centralized cash pooling process and systems of RTA. Accordingly, all the transactions will be settled directly with the bank account of the Company from this date.

19 BORROWINGS

On 30 June 2022, the Company and Emirates NBD Bank entered into an agreement to underwrite a 5 year, AED 4,200 million unsecured 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. The purpose of the facility is firstly, towards making an upfront payment as per requirements under the Concession Agreement; and secondly, for general corporate purposes including fees and expenses in relation to the Facilities.

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 commitment fee on 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 capitalized and will be amortized on a straight-line basis over the term of the agreement and the same have been disclosed as '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.

19 BORROWINGS (CONTINUED)

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 financial covenant, leverage (Net Debt to EBITDA): 5x or lower tested semi-annually with testing commencing from June 2023.

As of 1st July 2022, the amount of AED 3,984 million disclosed in the condensed interim carve-out statement of financial position in respect of "Long term financing" reflects proceeds from the drawdown amounting to AED 4,000 million, net of transaction costs amounting to AED 16.03 million. The amount of AED17.8 million disclosed in the condensed interim carve-out statement of financial position in respect of "Short-term finance" reflects the amount utilized from the revolving credit facility.

As of 1st July 2022, unutilized amount from the revolving credit facility is AED 182.2 million, VAT paid on upfront fee in the amount of AED 0.845 million is disclosed as VAT Receivable in the condensed interim carve-out statement of financial position.

20 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the condensed interim carve-out statement of financial position is as follows:

	As at 1 July 2022 (unaudited) AED'000	*As at 31 December 2021 (audited) AED'000*
As at 1 January	2,377	2,114
Charge for the period / year	143	263
Liability of employees not transferred to the Company	(741)	-
As at end of period / year	1,779	2,377

21 TRADE AND OTHER PAYABLES

The composition of trade and other payables is as follows:

	As at 1 July 2022 (unaudited) AED'000	*As at 31 December 2021 (audited) AED'000*
Trade payables to O&M service provider	15,085	-
Fine refunds payable	2,767	3,219
Employee benefits	1,050	222
Trade payables to others	18	22
Other payables	11,091	6,211
	30,011	9,674

Trade and other payables short-term in nature and are non-interest bearing. These are measured at amortised cost using the effective interest method.

22 CONTRACT LIABILITIES

As of 1 July 2022, current contract liabilities of AED 276.7 million (31 December 2021: AED 276.6 million), and non-current contract liabilities of AED 40.1 million (31 December 2021: AED 36.7 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.

22 CONTRACT LIABILITIES (CONTINUED)

As of 1 July 2022, contract liabilities of AED 65.1 million, arising from tag activation fees will be recognized as revenue as follows:

Year ended	*AED'000*
2022 (Q3 to Q4)	12,050
2023	21,857
2024	15,938
2025	11,172
2026	4,081
Total	**65,098**

Movements in contract liabilities is as follows:

	As at 1 July 2022 (unaudited) AED'000	*As at 31 December 2021 (audited) AED'000*	*As at 1 July 2021 (unaudited and not reviewed) AED'000*
Beginning balance	313,345	289,199	289,199
Add: Recharges during the period / year / period	823,315	1,491,141	701,687
Add: Tag activation fees	20,407	35,451	16,648
Less: Revenue recognised during the period / year / period – tolling fees	(821,340)	(1,466,619)	(688,749)
Less: Revenue recognised during the period / year / period – tag sales	(16,131)	(30,458)	(13,349)
Less: Inactive balance write-off during the period / year / period	(2,864)	(5,369)	(2,665)
Ending balance	316,732	313,345	302,771

23 SHARE CAPITAL

At 1 July 2022, the share capital of the Company comprised of 7,500,000,000 (31 December 2021: NIL) shares of AED 0.01 each. All shares are authorised, issued and fully paid up.

24 REORGANISATION RESERVE

The reorganisation reserve is related to the capital reorganisation wherein the Salik Tolling Business was transferred from RTA to Salik Company P.J.S.C. during the period 1 January 2022 to 1 July 2022. It represents the difference between the capital contributed by the Parent (DoF) and the net parent investment resulting from the transfer of tolling business of RTA to Salik Company P.J.S.C.

During the period 1 January 2022 to 1 July 2022 the movement in Net parent investment includes the impact of property and equipment not transferred to the Company (Note 13), impact of employees end of service benefits liability not transferred to the Company (Note 20), the net distribution to the parent (Note 18) and the total comprehensive income for the period.

At the date of incorporation of the Company i.e., 30 June 2022, the Parent has contributed an amount of AED 205 million in the Company comprising of share capital of AED 75 million (Note 23) and remaining AED 130 million of additional capital which is not intended to be recalled by the Parent.

At 30 June 2022, the resulting Net parent investment of AED 146.5 million is offsetted by the additional capital contributed by the Parent and included in the reorganisation reserve.

As Salik did not comprise a separate legal entity for the period ended 1 July 2021 and year ended 31 December 2021, therefore, paid-up capital or an analysis of reserves or components of other comprehensive income, which is separately identifiable have not been presented in the condensed interim carve-out statement of changes in equity. Net parent investment in the comparative period represents the cumulative net investment by RTA in the Company through that date.

25 EARNINGS PER SHARE

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

	1 July 2022 (unaudited)	*1 July 2021 (unaudited and not reviewed)*
Profit attributable to ordinary equity holders of the Company (AED '000)	796,748	634,410
Weighted average number of ordinary shares for basic and diluted EPS (number '000)	7,500,000	7,500,000
Earnings per share – basic and diluted, profit for the period attributable to ordinary equity holders of the Company (AED)	0.106	0.085

There were no instruments or any other items which could cause a dilutive effect on the earnings per share calculation.

Salik did not exist as a standalone legal entity in the historical periods presented. Therefore, for the purpose of comparative earnings per share we have considered the carved out profit for the prior period attributable to the ordinary equity holders of the Company and the weighted average number of ordinary shares for the current period.

26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual carve-out financial statements for the years ended 31 December 2021, 2020 and 2019, unless otherwise stated.

Credit risk

In addition to policy disclosed in annual carve-out financial statement of the Salik Tolling Business for the years ended 31 December 2021, 2020, and 2019 the Company is also exposed to credit risk in relation to cash and cash equivalent. However, the risk is considered to be minimal as the Company maintain its bank account with bank in UAE having sound credit rating.

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 shareholder 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 amounts AED '000	***Less than 1 year AED '000***	***Between 2-5 years AED '000***	***Total AED '000***
As at 1 July 2022				
Borrowings (Note 19)	4,001,736	17,766	4,000,000	4,017,766
Due to RTA (Note 18)	4,200,000	4,200,000	-	4,200,000
Trade and other payables (Note 21)	30,011	30,011	-	30,011
	8,231,747	4,247,777	4,000,000	8,247,777
At 31 December 2021				
Trade and other payables (Note 21)	9,674	9,674	-	9,674

26 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 is ungeared as at 1 July 2022 (2021: NIL) as cash and cash equivalents are greater than total borrowings.

27 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. The Company's financial assets consist of trade and other receivables and cash and cash equivalents. The Company's financial liabilities consist of trade and other payables, borrowings (current and non-current) and due to RTA. The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of the above financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and due to the value at which the instrument could be exchanged in a current transaction.

28 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

As at 1 July 2022 and 31 December 2021, the Company had outstanding trade receivable balances with gas stations related to the purchases of Salik tag and recharge cards in the amounts of AED 10.7 million and AED 15.1 million, respectively. These financial assets are offset by the commission payable by the Company to the gas stations in the amounts of AED 561.25 thousand and AED 800 thousand respectively. The net amount is reported in the condensed interim carve-out statement of financial position. The Company has an enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis.

29 IMPACT OF SEASONALITY ON THE BUSINESS

The nature of the Company's business is such that the income and expenditure are incurred in a manner, which is not impacted by any forms of seasonality

30 SUBSEQUENT EVENTS

The United Arab Emirates Ministry of Finance announced on 31 January 2022 that it will introduce a federal corporate tax regime for the first time in the UAE. A federal corporate tax law is expected to be issued soon along with executive regulations. It is expected that the corporate tax will come into effect on or after 1 June 2023 and will apply to profits generated during financial years starting on or after 1 June 2023. The financial impact of this event is unknown at this time.

31 APPROVAL OF THE CONDENSED INTERIM CARVE-OUT FINANCIAL STATEMENTS

The condensed interim carve-out financial statements were approved by the Board of Directors of Salik Company P.J.S.C. on 22 August 2022 and signed on its behalf by His Excellency Mattar Al Tayer, Director - General and Chairman of the Board of Executive Directors and Ibrahim Al Haddad, Chief Executive Officer.