



Emirates Driving Company P.J.S.C.

Management Discussion and Analysis Report
31 March 2025

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Executive Summary and Overview



Established in 2000, Emirates Driving Company PJSC (EDC) is the leading provider of driver education for the emirate of Abu Dhabi.

Since its establishment, EDC created a strategic partnership with Swerod, which was governed by the Swedish Transport Administration from 1983 – 2018, for the initial development and continuous improvement of its curricula according to global standards.

EDC consistently delivers the highest standards of training, producing well-qualified drivers to support safe and secure road mobility in the emirate amid rapid population growth and urban development.

The company has formed a joint quality committee with the Abu Dhabi Mobility (formerly ITC) aimed at ensuring its training programs and methodologies align with the Emirate's laws. Moreover, EDC is the primary contributor to the Abu Dhabi Road Safety Education Committee and regularly provides technical input to the Abu Dhabi Mobility.

EDC is now working closely with Abu Dhabi Mobility to launch a new joint strategy, driven from the UAE plan and with the aim of creating safer roads by means of various studies and initiatives. The strategy is founded on the following key topics:

- AI in the field of training development and examination.
- Sustainability in providing education and training services to reduce carbon footprint.
- Modern training techniques.
- Professional competency framework and training qualifications for instructors and driving schools.
- Traffic awareness and education.
- Linking training and traffic engineering regarding drivers' behavior on the road and traffic violations.
- Soft mobility.

Financial Performance for Q1-2025



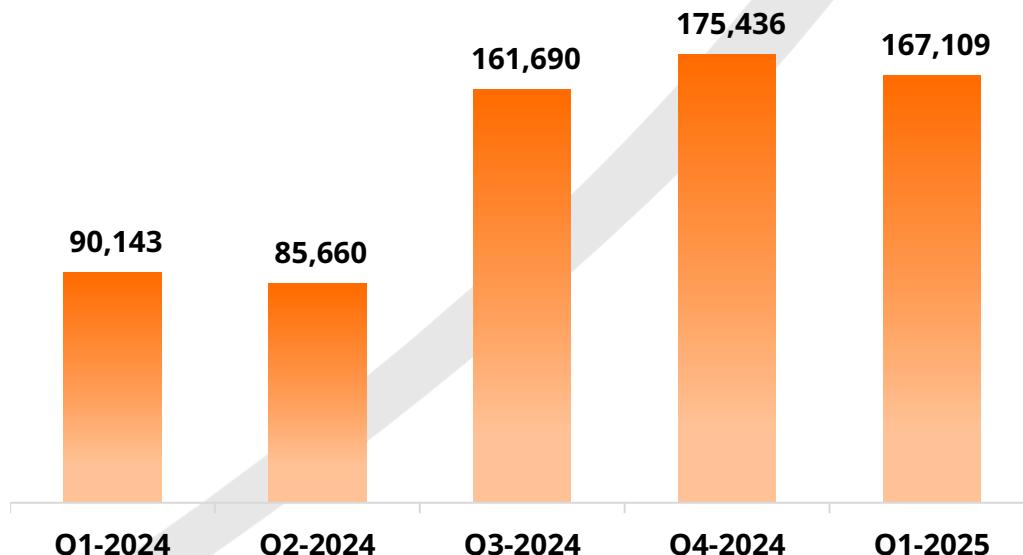
Summary for Statement of Profit or Loss

AED (in Thousand)	31-Mar-2025	31-Mar-2024	Absolute Growth	% Growth
Revenue	167,109	90,143	76,966	85%
Direct expenses	(61,307)	(18,879)	(42,428)	225%
GROSS PROFIT	105,802	71,264	34,538	48%
General and administrative expenses	(34,658)	(17,008)	(17,650)	104%
Operational Profit	71,144	54,256	16,888	31%
EBITDA	349,628	288,196	61,433	21%
PROFIT BEFORE TAX	79,654	70,151	9,503	14%
PROFIT FOR THE PERIOD	68,802	63,974	4,828	8%
<i>GROSS PROFIT MARGIN</i>	<i>63%</i>	<i>79%</i>	<i>-16%</i>	
<i>OPERATIONAL PROFIT MARGIN</i>	<i>43%</i>	<i>60%</i>	<i>-18%</i>	
<i>EBITDA MARGIN</i>	<i>209%</i>	<i>320%</i>	<i>-110%</i>	
<i>NET PROFIT MARGIN</i>	<i>41%</i>	<i>71%</i>	<i>-30%</i>	
<i>EARNINGS PER SHARE</i>	<i>0.06</i>	<i>0.06</i>	<i>0.00</i>	

1. Revenue Growth

The Group's revenue grew by 85% year-on-year in Q1 2025 compared to Q1 2024. This strong performance was driven by the acquisition of a new subsidiary, geographic expansion, a higher number of enrolled students, and operational efficiency improvements.

Revenue (AED Thousand)



Financial Performance for Q1-2025



2. Total Cost

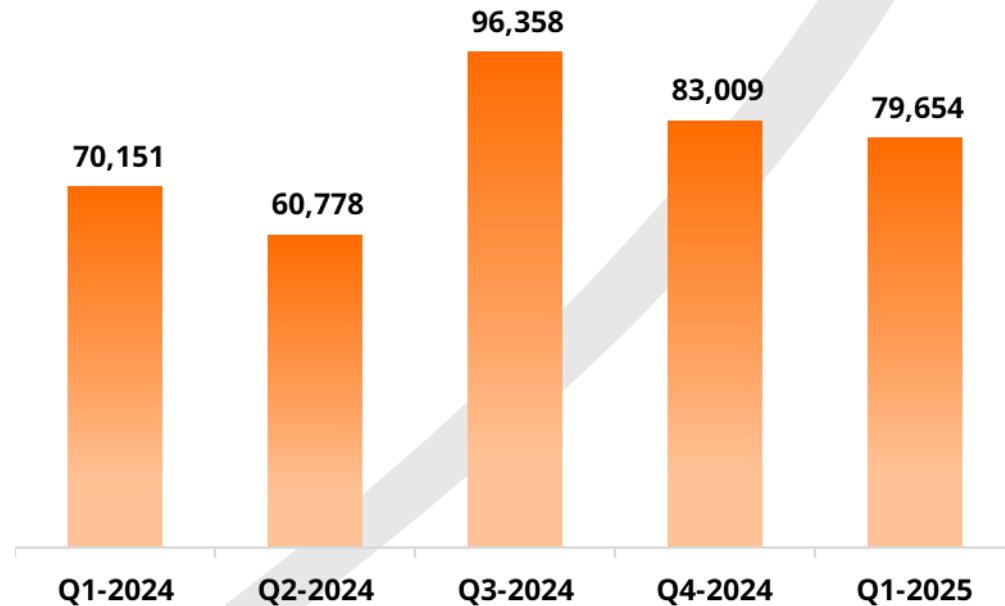
Direct expenses increased by AED 42,428 thousand in Q1 2025 compared to Q1 2024, while General and Administrative (G&A) expenses rose by AED 17,650 thousand over the same period.

These increases were primarily driven by the expansion in operational scale and the acquisition of a new subsidiary.

3. Profitability

The Group reported a 14% increase in Profit Before Tax reaching AED 79,654 thousand in Q1-25 compared to AED 70,151 thousand in Q1-24. During Q1-25, the Group recorded AED 9,992 thousand from Net gain from financial assets FVPL, Dividend income from financial assets FVOCI, Rental Income (Net), Interest income and other income.

Profit Before Tax (AED Thousand)



Financial Performance for Q1-2025



Summary for Statement of Financial Position

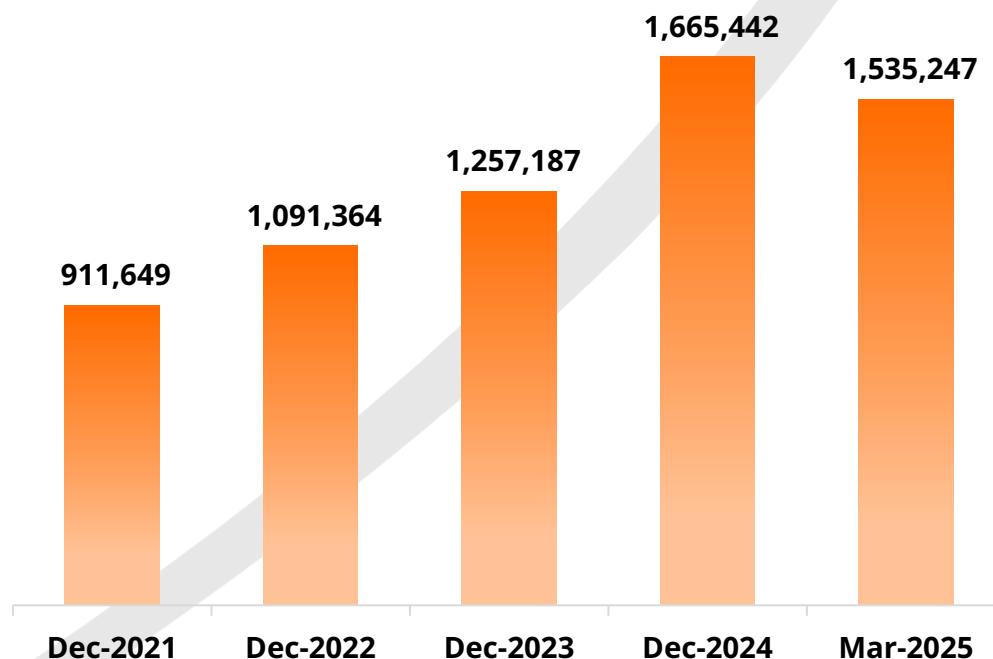
AED (in Thousand)	31-Mar-2025	31-Dec-2024	Absolute Growth	% Growth
Non-current assets	650,650	647,660	2,990	0%
Current assets	884,597	1,017,782	(133,185)	-13%
TOTAL ASSETS	1,535,247	1,665,442	(130,195)	-8%
Equity	1,232,438	1,351,210	(118,772)	-9%
Non-current liability	159,259	160,987	(1,728)	-1%
Current liabilities	143,550	153,245	(9,695)	-6%
TOTAL EQUITY AND LIABILITIES	1,535,247	1,665,442	(130,195)	-8%
<i>Cash and bank balances</i>	<i>613,178</i>	<i>721,727</i>	<i>(108,549)</i>	<i>-15%</i>

1. Total Assets

Total assets decreased by 8%, reaching AED 1,535,247 thousand as of Q1 2025, down from AED 1,665,442 thousand at year-end 2024.

Cash and cash equivalents stood at AED 613,178 thousand, compared to AED 721,727 thousand at YE 2024. The decline is primarily attributed to dividend payments totalling AED 183,164 thousand, resulting in an indicative dividend yield of 6.8% as of 31 March 2025.

Total Assets (AED Thousand)



Financial Performance for Q1-2025



2. Total Liabilities

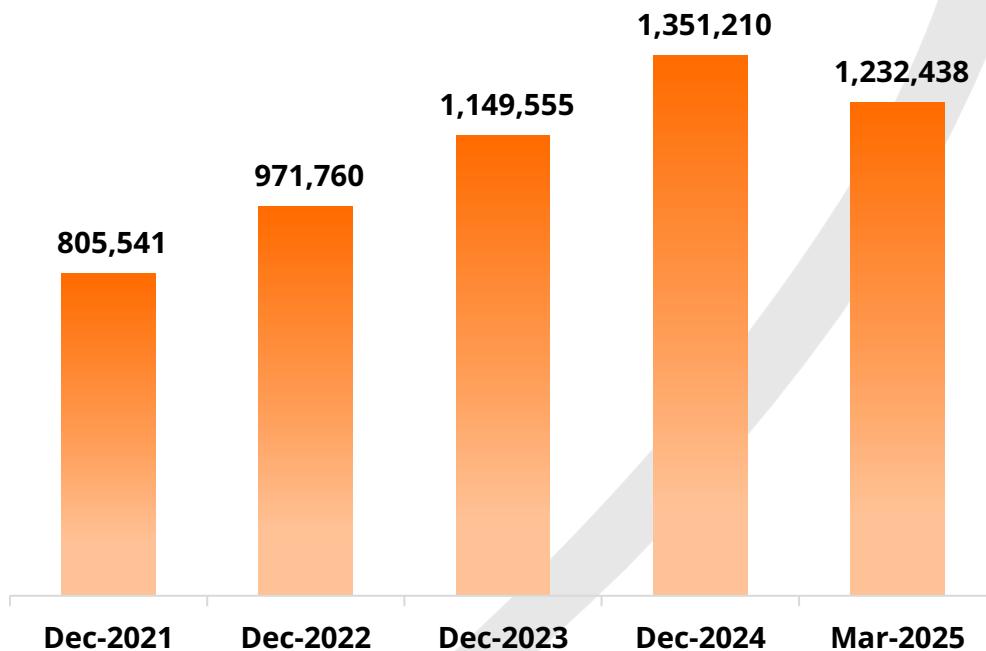
Total Liabilities reached AED 302,809 thousand as of Q1-25, compared to AED 314,232 thousand as of YE-24.

3. Total Equity

Total equity declined by 9% to AED 1,232,438 thousand as of Q1 2025 (YE 2024: AED 1,351,210 thousand), primarily due to dividend payments, while still reflecting a 53% growth over five years.

Equity attributable to owners decreased to AED 1,118,995 thousand (YE 2024: AED 1,235,512 thousand), and non-controlling interests stood at AED 113,444 thousand (YE 2024: AED 115,698 thousand).

Total Equity (AED Thousand)

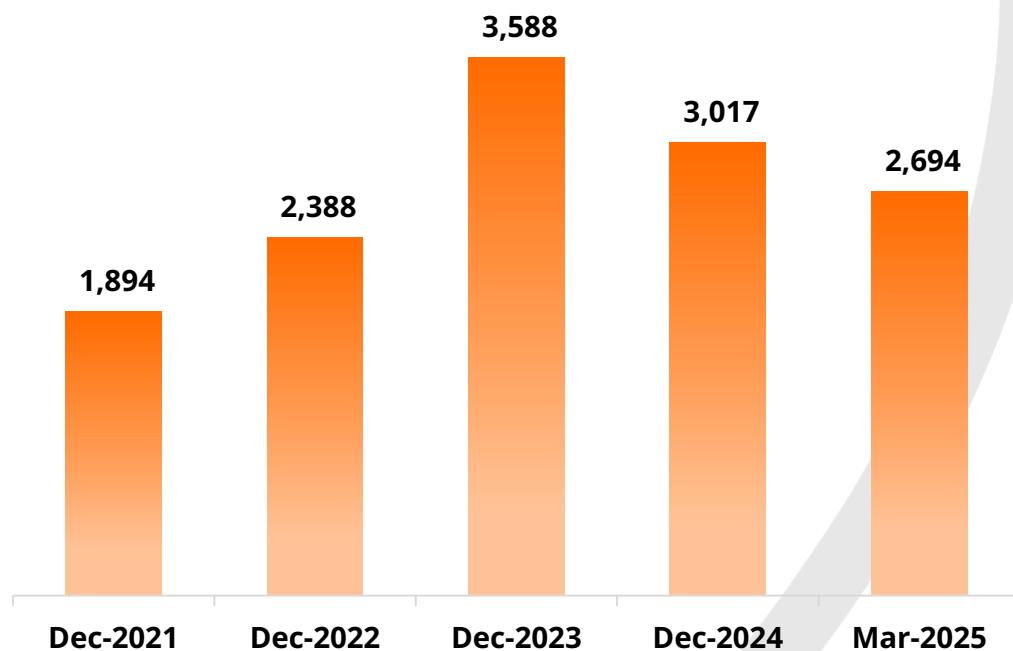


Market Capitalization



Market capitalization stood at AED 2,694 million as of Q1 2025, slightly down from AED 3,017 million at YE 2024. Despite this marginal decline, total market capitalization has increased by a solid 42% over the past five years, reflecting sustained investor confidence and long-term value appreciation.

Market Capitalization (AED Million)



Khaled Mohammad Al Shemeili
Chief Executive Officer