

Announcement Concerning Listing the Shares of Dubai Taxi Company PJSC (the “Company”) on the Dubai Financial Market

Name of the Company																		
Dubai Taxi Company PJSC																		
Commercial Register details																		
License number: 1261974																		
Share Capital																		
<ul style="list-style-type: none"> Company's share capital: The share capital of the Company as at the date of Listing has been set at AED 100,000,000 (one hundred million) UAE Dirhams, divided into 2,500,000,000 (two billion and five hundred million) Shares, with the nominal value of each Share being AED 0.04 (four fils), all of which are paid in full. all of which are ordinary shares. 																		
Statement of Changes in the Company's Share Capital																		
Company's share capital structure																		
<p>The capital of the Company has been fixed at AED 100,000,000 (one hundred million), divided into 2,500,000,000 (two billion and five hundred million) Shares with a nominal value of AED 0.04 (four fils) each. All Shares are equal in respect of all rights.</p> <p>The following table illustrates the Company's ownership structure after the completion of the Offering:</p>																		
<table border="1"> <thead> <tr> <th>Name</th> <th>Nationality</th> <th>Type of Shares</th> <th>Number of Shares owned</th> <th>Total value of Shares owned*</th> <th>Ownership proportion</th> </tr> </thead> <tbody> <tr> <td>Department of Finance representing the Government of Dubai</td> <td>UAE</td> <td>ordinary</td> <td>1,875,250,000 (one billion eight hundred seventy five million two hundred fifty thousand) Shares</td> <td>AED 75,010,000</td> <td>75.01%</td> </tr> <tr> <td>New shareholders</td> <td>Various</td> <td>ordinary</td> <td>624,750,000 (six hundred twenty four million seven hundred fifty thousand) Shares</td> <td>AED 24,990,000</td> <td>24.99%</td> </tr> </tbody> </table>	Name	Nationality	Type of Shares	Number of Shares owned	Total value of Shares owned*	Ownership proportion	Department of Finance representing the Government of Dubai	UAE	ordinary	1,875,250,000 (one billion eight hundred seventy five million two hundred fifty thousand) Shares	AED 75,010,000	75.01%	New shareholders	Various	ordinary	624,750,000 (six hundred twenty four million seven hundred fifty thousand) Shares	AED 24,990,000	24.99%
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* Based on the nominal value

Statement of Major Shareholders of the Company

Name	Nationality	Type of Shares	Number of Shares owned	Total value of Shares owned*	Ownership percentage
Department of Finance representing the Government of Dubai	UAE	ordinary	1,875,250,000 (one billion eight hundred seventy five million two hundred fifty thousand) Shares	AED 75,010,000	75.01%

* Based on the nominal value

Company Overview

The Company is a leading provider of comprehensive mobility solutions in Dubai. With an approximately 44% market share (by size of taxi fleet) as at 30 June 2023 according to the Industry Consultant, it is currently the number one taxi operator in Dubai, with its next largest taxi competitor having only a 22% market share. Having been established as a taxi company in 1994, with operations starting in 1995 with only 81 taxi cars, the Company has since expanded to other mobility businesses by leveraging its dominant leadership in the taxi sector and operational strength. It offers an extensive range of transportation solutions across its four key business lines, including taxi services through its large, eco-friendly fleet; VIP limousine services made up of chauffeur-driven vehicles for luxury service; its bus services; and its last mile delivery bike services. Between 1 July 2022 and 30 June 2023, the Company's taxis and limousines made 44 million trips, 42 million of which were taxi trips. Across its business lines, as at 30 June 2023, the Company operated more than 7,000 vehicles (of which 5,216 were taxis) and managed a workforce of more than 14,000 driver partners.

Company Background and History

DTC was established on 28 June 1994 by the Emiri decree of His Highness the Ruler of Dubai Sheikh Maktoum bin Rashid Al Maktoum in order to operate a fleet of taxis in Dubai.

Having been established as a taxi company in 1994, with operations starting in 1995 with only 81 taxi cars, DTC grew to an average of 221 taxi cars completing about one million trips during that year. In 1996, DTC opened its first training centre for its drivers as well as a vehicle maintenance workshop for its fleet. The following year, DTC began providing high-quality transport services, including taxi services, at the Dubai International Airport on an exclusive basis with designated pick-up points at the airport for DTC. DTC began providing similar offerings at Al Maktoum International Airport in 2010. By 2000, DTC's operations had grown to provide approximately 14 million trips during that year. In 2007, DTC began to transform its existing taxi fleet by launching its hybrid car programme in an effort to reduce the overall fuel consumption of its operations. The programme is still underway and as at 30 June 2023, approximately 80% of the Company's taxis were hybrid and approximately 77% of its limousines were hybrid or electric. In 2008, DTC began operating as a subsidiary of the then-newly established RTA, which was established in Dubai under decree no. 17/2005 issued by His Highness the Ruler of Dubai Sheikh Maktoum bin Rashid Al Maktoum on 1 November 2005, in order to develop solutions for Dubai's transportation needs, including taxi services, and regulate the Emirates' roads and traffic systems.

In 2015, the Company began to expand its service offerings and began offering bus transport services. Later in 2017, DTC continued its fleet transformation by launching the Tesla electric vehicle programme for its limousines, in addition to continuing to increase its hybrid taxi and limousine numbers. By the end of this same year, DTC achieved a significant milestone as it had transported approximately one billion passengers since its establishment in 1994.

In response to the growing penetration of digital platforms for transportation services, DTC launched its in-house developed smart application for its limousine services (the "DTC App"), in 2019. During the same year, within its taxi business, DTC agreed to a partnership with Hala, a joint venture between the RTA and Careem, a Dubai-based smart-app, aimed at transforming and enhancing transportation services in Dubai.

On 9 November 2023, in preparation for the Offering and based on the Dubai Government's direction, RTA transferred all its shares in DTC to the Dubai Department of Finance, who became the sole shareholder in the Company on 9 November 2023.

Primary Objects of the Company

The objectives of the Company pursuant to its articles of association are as follows:

- 1- Carrying out specialized transportation activities through taxi cars according to the applicable regulations in the Emirate of Dubai, whether through transit, communication, electronic media, or smart applications.
- 2- Carrying out specialized transportation activities through autonomous vehicles and aerial vehicles inside and outside the Emirate in accordance with the applicable legislations.
- 3- Renting vehicles, whether with or without a driver, and providing services for the procurement, supply and outsourcing of drivers.
- 4- Carrying out the necessary studies and research related to the Company's purposes and providing consultation services in the field of specialized transportation.
- 5- Establishing, managing, and operating a system for vehicle rental and transportation via taxi cars and school transportation and specialized transportation, according to the applicable laws of the Emirate of Dubai.
- 6- Carrying out the activity of renting bicycles to goods transport companies.
- 7- Carrying out the activity of vehicle maintenance, and establishing, owning, renting and leasing workshops necessary for the maintenance and repair of its vehicles.
- 8- Establishing gas and electricity stations for their vehicles, and supplying them with fuel or energy, in accordance with the applicable legislations in the Emirate of Dubai.
- 9- Carrying out the activity of technical inspection of its vehicles in accordance with the applicable legislations in the Emirate of Dubai.
- 10- Any other purposes specified by in the Company's articles of association.

Company's Branches

Company head office: Al Muhaishnah 4, Dubai, UAE. P.O. Box 2647.

The Company has no branches.

Company's Subsidiaries

None.

Board of Directors

Name	Year of Birth	Nationality	Capacity
Abdul Muhsen Ibrahim Kalbat	1967	UAE	Chairman
Ahmed Ali Al Kaabi	1971	UAE	Vice-Chairman
Shehab Hamad Abdullah Hamad Bu Shehab	1971	UAE	Director
Abdulla Mohammed Abdulla Bin Damithan Al Qemzi	1978	UAE	Director
Essa Abdulla Khamis Bin Natoof Al Falasi	1979	UAE	Director
Yousuf Ahmad Ali Saeed Bin Ghulaita Almheiri	1968	UAE	Director
Dr. Hanan Sulaiman Mohamed Khalifa Al Suwaidi	1980	UAE	Director

Senior Management

Name	Position
Mansoor Rahma Juma Abdulla Alfalasi	Chief Executive Officer
Amit Khandelwal	Chief Financial Officer

Summary of the Company's General Assembly Resolutions for the Two Years Preceding the Listing

Not applicable.

Summary of the Significant Contracts Entered into By the Company

Material events and agreements 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 and Material Contracts

The discussion of the Company's related party transactions as of and for the years ended 31 December 2020, 2021 and 2022, and as of and for the six months ended 30 June 2022 and 2023, should be read in conjunction with the Financial Statements and the information relating to the Company's business included elsewhere in the Prospectus. Selected financial information in this section has been derived from the Financial Statements, in each case without material adjustment, unless otherwise stated. Investors should read the whole of the Prospectus and not just rely upon summarised information.

Certain differences exist in the presentation and accounting treatment in the Audited Financial Statements for the years ended 31 December 2020, 2021 and 2022 and in the Interim Financial Statements which make certain financial information less comparable across the different financial periods. See "Presentation of Financial and Other Information—Financial Statements" for further information.

The Company has elected to apply the exemption in relation to government related entities under IAS 24 'Related Parties' to only disclose transactions and balances with government related entities which are individually or collectively significant as of the reporting date. To determine significance, the Company considers various qualitative and quantitative factors including whether transactions with related parties are based on approved terms and conditions by management. Due to this methodology, the Company might not report the amounts from the same transactions reported in the current period compared to the prior periods if the amounts are insignificant. Similarly, the Company may have had transactions with the related party reported in the current period which are not reported in its Financial Statements for the prior period if they were insignificant in those periods. The most significant of the Company's related party transactions are described below.

The following is an overview of the Company's transactions with related parties for the periods and as at the dates indicated below. The Company's financial information set forth herein has, unless otherwise indicated, been extracted without material adjustment from the Financial Statements. Please refer to Note 21 to the Audited Financial Statements and Note 13 to the June 2023 Interim Financial Statements included elsewhere in the Prospectus.

Related Party Transactions

Balances Due from Related Parties

The following table sets out the balances the Company is owed from related parties as at the dates indicated.

	As of 31 December			As of 30 June
	2020	2021	2022	2023
				AED 000' (Unaudited)
			AED 000'	

Public Transport Agency ⁽¹⁾	203.4	203.4	203.4	-
Allowance for doubtful debts	(203.4)	(203.4)	(203.4)	-

(1) Represents advertisement charges receivable from PTA.

Balances Due to Related Parties

The payables to related parties are unsecured and interest free and are repayable on demand. The following table sets out the balances the Company owed related parties as at the dates indicated.

	As of 31 December			As of 30 June
	2020	2021	2022	2023
	AED 000'	AED 000'	AED 000'	AED 000'
Roads and Transport Authority	662,028.5	634,621.5	822,258.9	1,030,005.9
Salik PJSC Company	N/A	N/A	-(⁽¹⁾)	11,385.5

(1) In the June 2023 Interim Financial Statements the Company reclassified AED 5,659.8 million as the payables due to related parties as at 31 December 2022.

The balances due to the RTA represent the Company's taxis and limousines franchise fees, plate capex for taxis and net profits due to RTA from its time as the shareholder but which have not yet been distributed as a dividend. On 28 September 2023, the Company repaid AED 997 million in connection with these payables through the proceeds from its Facilities entered into on 28 September 2023 and AED 131 million of these payables from its cash and cash equivalents, for a total repayment to the RTA of AED 1,128 million. The total amount paid represented the AED 1,030 million balance payable to the RTA as at 30 June 2023 and the payables due to the RTA from July and August 2023.

Related party transactions

The tables below present other significant transactions with related parties in the normal course of the business for the periods indicated, carried out on terms and conditions agreed between the parties:

	For the year ended 31 December			For the six months ended 30 June
	2020	2021	2022	2022
	AED 000'	AED 000'	AED 000'	AED 000'
				(Unaudited)

Roads and Transport Authority:

Plate and licence fees ⁽¹⁾	221,174.5	242,536.0	318,504.2	155,510.4	155,660.4
Salik charges ⁽²⁾	31,846.4	48,303.5	31,858.7	31,858.7	34,547.5
Traffic fine ⁽³⁾	10,201.8	14,714.8	9,552.2	5,003.3	4,403.4
Rent income ⁽⁴⁾	7,200.0	7,200.0	7,200.0	3,780.0	3,780.0
Total	270,422.7	312,754.3	367,115.1	196,152.4	198,391.3

- (1) Plate and licence fees pertain to the monthly amount charged by the RTA (AED 5,000 per taxi vehicle per month, AED 3,600 per airport or ladies and family taxi vehicle per month and AED 1,200 per limousine vehicle per month) depending upon the nature of the vehicle.
- (2) These represent electronic toll charges incurred on the DTC fleet which are due to Salik. These charges are recovered from taxi customers and become payable to Salik in the case of the Company's taxi operations, while the Salik fee is factored in the Company's limousine pricing.
- (3) Traffic fines represent charges incurred by the drivers as a result of traffic violations which are paid by the Company to RTA during the ordinary course of business.
- (4) Rent income pertains to a lease agreement between the Company and the RTA for the use of office space at the Company's headquarters.

Description of the Company's Loans and Banking Facilities

The Company has no loans/financing, credit facilities and indebtedness in place save for the term and revolving murabaha facilities disclosed in the section "Material events and agreements concluded by the Company (including related party agreements)" of the Prospectus.

Commercial Terms Agreement for term and revolving murabaha facilities

Pursuant to commercial terms agreement dated 28 September 2023 (the "**CTA**"), AED 1.2 billion of term and revolving commodity murabaha facilities (the "**Facilities**") were made available to the Company by Emirates NBD Bank (P.J.S.C), consisting of an AED 1.0 billion term murabaha facility and an AED 200 million revolving commodity murabaha facility. The Company paid an arrangement fee of 0.25% on the Facilities. The AED 200 million revolving commodity murabaha facility also carries an agency fee of 0.22% per annum calculated on the daily unutilized and available commitments. The financing was provided on an unsecured basis principally for the purposes of settling amounts owed by the Company to the RTA and for general corporate purposes.

The maturity date of the Facilities is 28 September 2028 at which time the full amount of the Facilities utilised must be repaid.

Under the CTA, the rate of profit on each utilised amount for an applicable term is the percentage rate per annum equal to the aggregate 3-month EIBOR and 0.80% per annum for the term murabaha facility and 1/3/6 month EIBOR and 0.80% per annum for revolving commodity murabaha facility, with the payment of the outstanding amount due at the end of five years.

Mandatory Prepayments

The CTA includes a change of control mandatory prepayment 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 CTA also contains standard mandatory prepayments for a facility of this nature, including in the event of an illegality or in relation to the proceeds of certain disposals (subject to certain exceptions and baskets).

Financial Covenant

The CTA includes a 4x leverage covenant, representing the Net Debt to EBITDA ratio, which is required to be tested on an annual basis.

Undertakings

The CTA also contains a set of relatively limited customary undertakings (including a restriction on granting certain security interests).

Events of default

The CTA also contains certain customary events of default including non-payment, breach of a financial covenant or other undertaking and cross default in respect of other financial indebtedness of the Company. The occurrence of an event of default would allow the financiers to take acceleration action and cancel the financing.

Financial Statements of the Company

Please refer to the financial statements published on the website of the Dubai Financial Market.

Actual or Potential Legal Actions, Claims or Disputes Against the Company

The Company is not currently a party to any material legal proceedings. However, the nature of the Company's business exposes it to the ongoing ordinary course claims and litigation related to personal injury, business contract or employment.

Description of Any Bankruptcy or Inability to Pay Debts in the Last Two Years Preceding the Listing Application Date

Not applicable.

All defined terms in this announcement have the same meaning as set out in the Prospectus published **13 November 2023** unless otherwise indicated.