Dubai Taxi Company
Annual Report 2023

DTC

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INTRODUCTION TO DTC'S FIRST ANNUAL REPORT

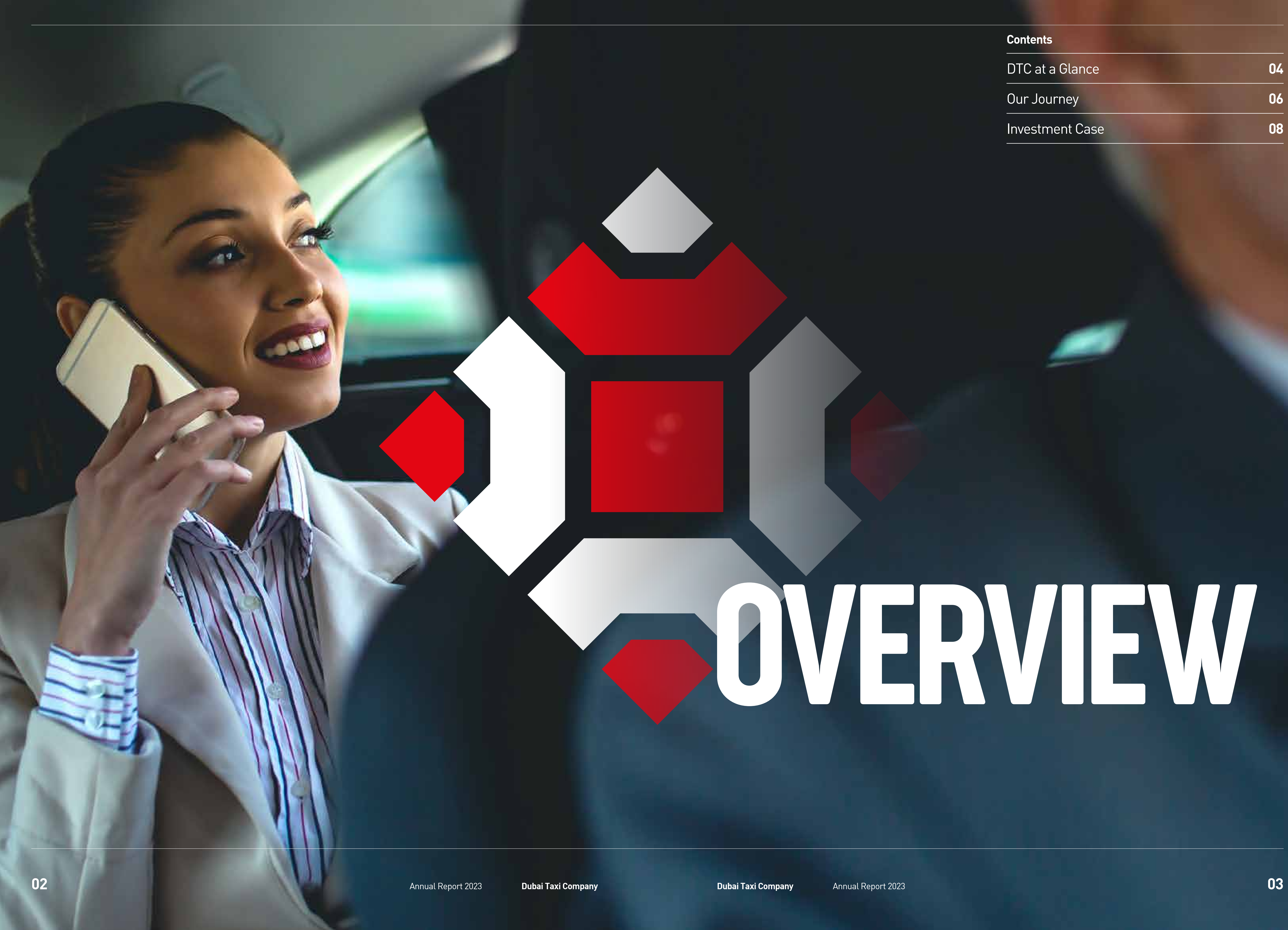
It is with great pleasure that we present to you the Annual Report of Dubai Taxi Company PJSC (formerly named Dubai Taxi Corporation), referred to hereafter as "DTC" for the year ended 31 December 2023.

DTC was formed on 28 June 1994 in accordance with the provisions of Law No. (5) of 1994 decreed by H.H. The Ruler of Dubai in order to operate a fleet of taxis in the Emirate of Dubai and to the other Emirates.

In accordance with Law No. (20) of 2008, the Company was wholly owned by the Roads and Transport Authority (RTA). On 9 November 2023, the provisions of Law No. (21) of 2023 concerning the Dubai Taxi Company decreed by H.H. The Ruler of Dubai was issued pursuant to which RTA's ownership in DTC was transferred to the Department of Finance (DoF) for the Government of Dubai, who became the sole shareholder in the Company. DoF later transferred its shares in DTC to the newly formed Dubai Investment Fund in accordance with Law No. (25) of 2023.

On 13 November 2023, DTC announced its intention to float 24.99% of its total issued share capital on the Dubai Financial Market (DFM) and was officially listed on the DFM on 7 December 2023.

This Integrated Report includes the Corporate Governance Report, Sustainability Report and Financial Statements for the fiscal year 2023.



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OVERVIEW

DTC at a Glance

Leading provider of comprehensive mobility solutions in Dubai

Dubai Taxi Company PJSC was established as a taxi company in 1994 and has since expanded to other mobility segments by leveraging our dominant market leadership and operational strengths. We offer an extensive range of transportation solutions across four key business lines, including:

- Taxi services through our large, eco-friendly fleet;
- VIP limousine services made up of chauffeur-driven vehicles for luxury service;
- Bus services; and
- Last mile delivery bike services.

Given the size of DTC's fleet, coupled with its exclusivity in key locations, DTC's red-roofed taxis are near ubiquitous in key areas across Dubai.

With dominant market share in Dubai by taxi fleet size and significant ongoing investments in technology and efficiency, DTC is well positioned to benefit from the robust ongoing growth and ambition of Dubai and the UAE.

Taxi

5,216 Taxis

87% of Revenue

VIP Limousine

387 Limousines

6% of Revenue

Bus

1,127 Buses

5% of Revenue

Delivery Bike

752 Bikes

1% of Revenue

% of FY23 Revenue

AED 1,954 million
2023 revenue

7,482
Fleet size[1]

25%
2023 EBITDA margin

14,915
Total drivers[1]

18%
2023 net profit margin

46 million
Number of trips in 2023[2]

[1] Across all business segments as at 31 December 2023
[2] Includes taxis and limousines only

Our Journey

"DTC'S JOURNEY IN DRIVING DUBAI'S MOBILITY VISION"

1994

Established by a decree to operate a fleet of taxis in Dubai

1996

Opened training centre and vehicles maintenance workshop

1997

Commenced Dubai International Airport trips on exclusivity basis

2007

Launched Hybrid car programme

2012

Started Limousine services

2015

Started School Buses transport

2017

Reached 1bn Passengers

Launched Tesla electric cars programme

2019

Establishment of Hala JV
Launch of DTC App

2022

Started Delivery Bikes unit

2023

IPO – 130 times oversubscribed

Ongoing fleet operation automation – Smart Taxi

DTC was established in 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. Operations started in 1995 with only 221 taxi cars.

In 1996, DTC opened its first training centre for its drivers as well as a vehicle maintenance workshop for its fleet.

The following year, in 1997, 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.

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 31 December 2023, 77% of DTC's taxis were hybrid and 79% of its limousines were hybrid or electric.

In 2008, DTC began operating as a subsidiary of the then-newly established RTA.

In 2015, DTC 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, in 2019. During the same year, within its taxi business, DTC agreed to a partnership with Hala, a joint venture with Careem, a Dubai-based smart-app, aimed at transforming and enhancing transportation services in Dubai.

Following the COVID-19 pandemic and the increasing demand for online shopping and other delivery services, DTC entered the market for last mile delivery services by launching its own delivery bikes service in 2022.

In 2023, DTC increased investment in AI, automation, big data and integration into Dubai's smart-city initiatives that will be commanded at its Operations Control Centre.

On 9 November 2023 and ahead of the Initial Public Offering (IPO), the Roads and Transport Authority's ownership in DTC was transferred to the Department of Finance for the Government of Dubai, which was later transferred to the newly formed Dubai Investment Fund. On 7 December 2023 DTC shares began trading on the Dubai Financial Market under ticker symbol DTC. The IPO was 130 times oversubscribed.

Investment Case

DTC's investment case goes beyond numbers, offering a comprehensive understanding of why investing in DTC represents an opportunity aligned with a vision for enduring success

"DTC'S SCALE HAS ALLOWED THE CREATION OF ITS OWN OPERATING CONTROL CENTRE"

Operating in an attractive market with strong macroeconomic tailwinds.

DTC is currently Dubai's main taxi operator and is also active in other mobility business lines. DTC is thereby well placed to benefit from operating in the wider mobility market, which is strategically positioned to benefit from Dubai's growing economy and favourable demographics.

The taxi and e-hailing market in Dubai is expected to grow in part as a result of an approximately 3% projected CAGR in Dubai's population from 2023 to 2040 coupled with a forecast approximately 20% CAGR growth in tourism in Dubai from 2022 to 2025. These expected population and tourism trends are supported by government strategic plans, including the Dubai Economic Agenda D33, which aims to double the size of Dubai's economy over the next decade and position Dubai among the top three global cities, the Dubai 2040 Urban Master Plan on urban sustainability, the creation of several visa and residency schemes, social and legal reforms and programmes to attract talent and foreign direct investment to the region. Further supporting this expected growth, the UAE Tourism Strategy 2031 includes 25 separate initiatives and policies to support the UAE tourism sector.

In Dubai, the RTA has developed an efficient and connected public transport network. The primary metro line runs the length of the city and is complemented by taxis, limousines, trams and buses. As Dubai continues expanding with the creation of new urban centres and clusters, the demand for agile modes of transportation and for interconnected and efficient transportation is also expected to grow.

Largest taxi operator in Dubai with a dominant market share

DTC is the largest taxi operator in Dubai and has built this dominant position in the industry over the years mainly thanks to its pioneering role in the UAE taxi industry, its consistent investment in its own systems and its people. Today, DTC has accumulated almost three decades of experience and the size of its operations provides DTC with significant economies of scale and negotiating leverage for its payment terms with car and parts suppliers, fuel providers and other vendors.

Further supporting DTC's market position is its ability to win key commercial contracts on an exclusive basis and at prime sought-after locations. DTC is the sole taxi franchise to provide its pick-up services from the Dubai Airports from which it also provides limousine services. DTC also provides limousine services on an exclusive pick-up basis from landmark points of interest in Dubai, typically located in high density areas such as the Dubai Mall, Atlantis Hotel, Dubai World Trade Centre and the Global Village. In addition, DTC is the exclusive provider of taxi and limousine services at pick-up points in Port Rashid, the Middle East's leading cruise tourist destination.

DTC's scale has allowed the creation of its own operating control centre (OCC) with in-house analytics (including predictive analysis through heatmaps) that enables DTC to dispatch vehicles, monitor live traffic and congestion, and allocate drivers accordingly.

The scale of its fleet, integrated model and exclusivity at high-traffic locations positions DTC as the preferred choice for customers and partners alike.

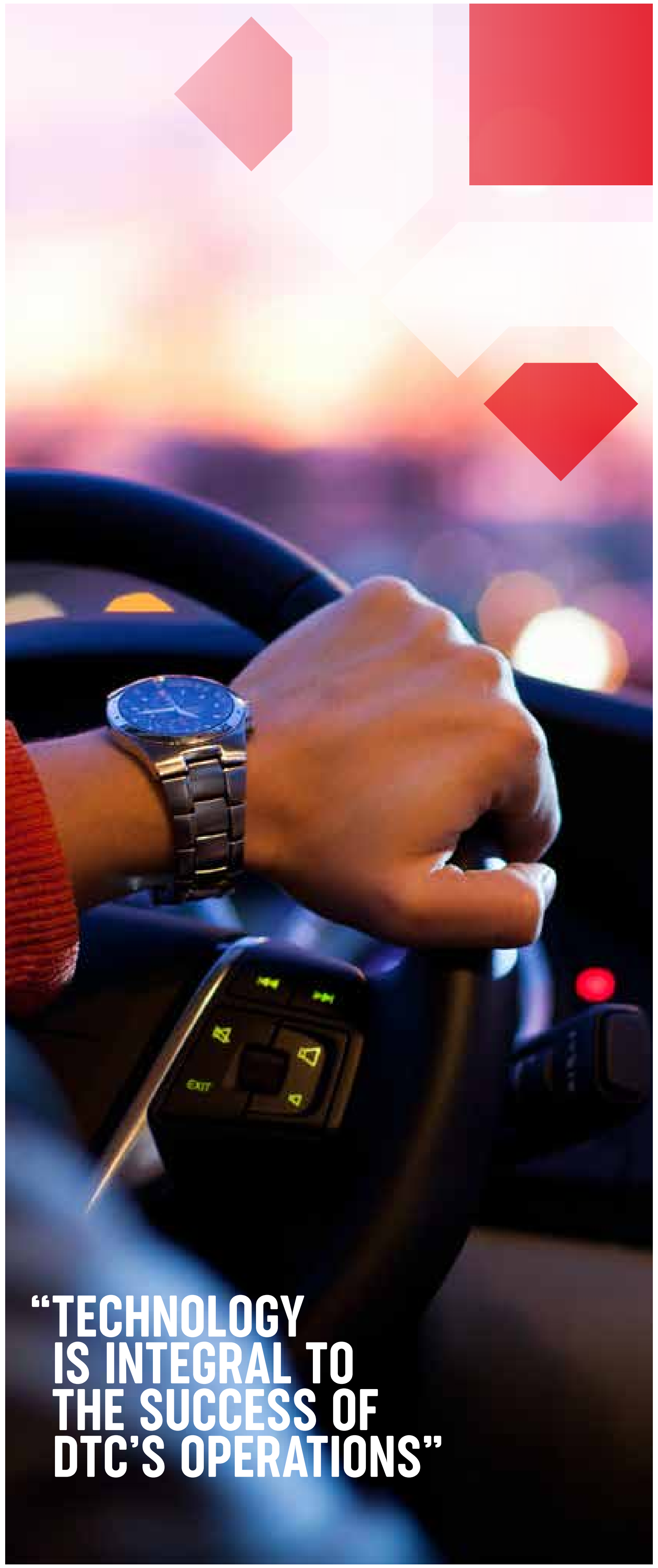
Investment Case
Continued

Favourable taxi regulatory framework, creating high barriers to entry

The RTA, as the sole regulator for the Dubai taxi industry, ensures a controlled supply, regulatory safeguarding and stable market dynamics, by closely managing the creation and issuance of new license plates, which are issued through an auction process, and thus controlling the introduction of new taxis into the market. The RTA carefully balances the issuance of new license plates against forecast market demand for taxis. Every RTA auction is open to the existing five taxi franchisees operating under franchise agreements with the RTA. Any other bidders would need to go through the RTA's extensive pre-authorisation process before being able to bid.

In addition to the auction process, the RTA has established a robust and defensive pricing system that provides a certain level of protection from competition and from volatility in the franchisees' costs. The RTA requires all franchisees to charge passengers a fixed tariff based on a formula that accounts for fuel volatility. The RTA's fixed-tariff model is regularly adjusted every two months for fuel prices. Periodic inflation adjustments are at the discretion of the RTA, subject to the recommendation of each franchisee.

For limousines, the RTA mandates that customer tariffs be at least a 30% premium over taxi customer tariffs through mandatory licensing requirements for limousine drivers. While other geographic markets often allow new entrants into the market through e-hailing apps, the Dubai taxi and limousine market is regulated by the RTA. In Dubai, the RTA oversees a robust licensing process, which directly allows it to closely govern the taxi sector, and indirectly govern the limousine and e-hailing mobility sectors. Such mandates provide a key point of value and security for DTC taxis given the impact and displacement e-hailing services have had in other geographic markets in competing with local taxis.



Leading comprehensive UAE mobility company with focused workforce management

DTC is a diverse and dynamic company operating other mobility segments aside from its taxi franchise therefore offering a comprehensive portfolio of transportation services. DTC is present in the luxury mobility segment, since 2012, via its VIP limousine services.

In its bus business line, which commenced operations in 2015, DTC has experienced significant recent growth by successfully winning strategic contracts and rapidly deploying new buses following the COVID-19 pandemic. DTC has secured key contracts with private and public partners and notably with the UAE Ministry of Education for transportation in Dubai and Ajman. DTC is well-positioned to capture the growth opportunities in the UAE education sector.

Following the COVID-19 pandemic and the increasing demand for online shopping and other delivery services, DTC entered the market for last mile delivery services by launching its own delivery bikes service in 2022. Beyond DTC's core services in this business line, DTC is strongly positioned to gain a sizeable share of the growing online delivery services market.

To support its operations, DTC has put in place a focused workforce management programme and it believes that its drivers are a core element in its current success and future prospects as the leading comprehensive UAE mobility services provider. Once recruited, drivers go through a robust five-level training programme at the DTC training centre to ensure they are equipped to deliver the highest standards of safety, service and professionalism. DTC ensures drivers are well-supported, a performance-based commission slab that ensures consistent recognition and reward for drivers throughout the year based on transparent set criteria and benefits which include health insurance, awards through various programmes, like its Shukran programme, and a variety of services and facilities at DTC's main depot, including driver counselling services by an in-house psychologist.

Integrated business model, leveraging superior technology solutions

Technology is integral to the success of DTC's operations and its ability to capitalise on further opportunities in the future. As such, it has invested significant resources in developing its current technology infrastructure that can be scaled in the future, providing DTC with multiple avenues of growth.

DTC was one of the first companies to participate in the e-hailing business and to enter into a partnership with Hala in 2019 to cater for the very nascent e-hailing market in Dubai. The growing e-hailing sector is beneficial to the overall customer experience and operational efficiencies.

In parallel to partnering with Hala, DTC launched its own proprietary application to cater for e-hailing: the DTC App. Currently the DTC App is only providing VIP limousines services to customers throughout Dubai and from Dubai to neighbouring Emirates. Furthermore, DTC launched its own app for its bus business line. The DTC School Bus App is a DTC-proprietary smart-app that connects families with school bus drivers and the operations team that aims to ensure children travel safely and on time to and from their schools.

DTC's integrated business model also relies on innovative solutions such as the RTA's "Taxi eHail Automated Management Systems" ("TEAMS") architecture which is key to creating connections that ensure drivers, customers and operators benefit. In order to combine these systems and applications, DTC relies on its own advanced OCC where it is able to live track its operations, utilise and manage the fleet, its employees and drivers, monitor key performance indicators and command any changes necessary to ensure operations are being executed in an efficient and timely manner. The Company has made, and intends to make further, investments in AI, automation, big data and integration into Dubai's smart-city initiatives that will be commanded at its OCC.

Looking ahead, and following the liberalisation of e-hailing from April 2024 by the RTA and the expiration of DTC's exclusivity agreement with Hala (the joint venture between RTA and Careem) at the end of 2024, DTC may broaden its e-hailing approach and explore partnerships with other international e-hailing apps outside of Hala and other local apps (which regulations and other taxi franchisees have allowed for since July 2023). Due to its scale, know-how and technological capabilities, DTC is well positioned to partner with other smart-app companies that may enter the market. DTC also intends to potentially scale up its own DTC App to its other business lines.

Investment Case
Continued

Leading ESG partner with strong focus on urban sustainability

Central to DTC's mobility vision are the tenets of ESG and urban sustainability which further align with Dubai and the larger UAE's mobility vision and Dubai's sustainability goals. The UAE was the first GCC country to commit to net zero emissions by 2050 and Dubai has set ambitious targets to become a sustainable metropolis and green mobility champion in line with these commitments.

Since the launch of its hybrid car programme in 2007, DTC has targeted green mobility, having been a pioneer in helping Dubai set up the necessary infrastructure, and now having the largest fleet of environmentally-friendly vehicles in Dubai of which 77% of its taxis were hybrid and 79% of its limousines are hybrid or electric as of 31 December 2023. DTC has targets in place to reach 100% hybrid or electric vehicles well ahead of the RTA's target of 2027 for all taxis and limousines in Dubai. DTC is prioritising its fleet transformation as this green initiative will also enable DTC to improve its profitability by reducing fuel costs.

In addition, DTC plays an active role in social initiatives offered within the Company and throughout the community, including providing over 45 awareness campaigns to educate its drivers and other drivers across Dubai in various fields of work in partnership with certain third parties, including Civil Defence, Dubai Police, Dubai Health Authority, Dubai Culture and Arts Authority and Noor Dubai Corporation, ensuring its service offerings are able to accommodate all persons, including people of determination, and providing any additional security, privacy or comfort that women, children or families may require.

Across all of DTC's stakeholder groups, DTC is fully transparent, providing full clarity on both customer tariffs and criteria for allotment of taxis and has committees who oversee key aspects of operations and report to the Board. Combining these factors, DTC believes its commitment to people and good governance contributes to high customer satisfaction.

Robust financials demonstrating profitability, cash flow and favourable return on capital employed

DTC has a robust financial model which demonstrated resilience during COVID-19 and recovery from 2021. In 2023, total revenue saw growth of 11% compared to the prior year and above the level recorded prior to the pandemic in the year ended 31 December 2019. DTC continues to expand on its utilisation of e-hailing and increase the number of trips it provides, whilst managing its cost structure (including through a reduction of fuel prices due to the increase in hybrid vehicles). EBITDA margin grew to 25% in 2023 compared to 18% in the prior period, which is also significantly above the 21% EBITDA margin achieved prior to the pandemic in the year ended 31 December 2019.

Net profit margin for DTC was 18% in 2023, having increased from 13% in the prior period.

Despite increases in capital expenditure seen in 2023 due to DTC's decision to delay capital expenditures as a result of the COVID-19 pandemic, DTC continues to hold a strong free cash flow of AED 129 million.

In 2023, DTC had a favourable return on capital employed (ROCE) of 26% and a record return on equity (ROE) of 112%.

Well positioned to benefit from additional growth levers

With the flexibility afforded by its operations and financial performance, DTC is well positioned to drive its future growth as it invests in expanding in the following levers:

- **consistently improving operational efficiency** by increasing fleet utilisation and the average number of trips per day;
- **capitalising on the growth of e-hailing penetration** which currently accounts for approximately a third of all taxi rides in Dubai with the Dubai Government targeting e-hailing to reach 80%;
- **scaling-up other verticals,** with the next phase of DTC's expansion focused on growing its bus and delivery bike business lines;
- **expanding its taxi fleet** with the number of new licence plates to be awarded by the RTA expected to be in line with DTC's current market share;
- **ongoing investment in digital** across AI, big data, security and process automation, while also continuing to develop the capabilities of DTC app;
- **introduction of surge pricing customer tariffs** for taxis (where approved by the RTA) and limousine trips during peak times of demand, including for taxis booked through e-hailing platforms;
- **expanding operations beyond Dubai,** with DTC already present in Ajman through the DTC bus business line; and
- **through inorganic expansion** where DTC is well positioned to absorb smaller competitors in a scale-driven industry.

STRATEGIC REVIEW

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Chairman's Statement

With our successful IPO completed, Dubai Taxi Company moves confidently towards an ethically robust, technology-driven future

"STRATEGIC INVESTMENTS AND PARTNERSHIPS HAVE BEEN CORNERSTONES OF OUR SUCCESS IN 2023. THESE ALLIANCES NOT ONLY EXPANDED OUR SERVICE PORTFOLIO BUT ALSO REINFORCED OUR MARKET LEADERSHIP"

This year has marked a pivotal chapter in our story – transitioning from our status as a successful and highly regarded division of RTA into a robust, independent entity listed on the Dubai Financial Market. This bold stride forward was underpinned by the valuable support of Dubai's visionary leadership and the diligent efforts of our own, dedicated team.

Our successful Initial Public Offering (IPO), which established the newly formed Dubai Investment Fund as our largest shareholder, constituted a major landmark on our journey, heralding a new era of growth and opportunity, and aligning us with Dubai's dynamic economic landscape.

DTC's evolution during 2023 is a testament to our enduring commitment to excellence and innovation in the UAE's transport sector. The formation of our new Board of Directors signifies a new era of strategic governance and foresight. Our market dominance was further solidified by the UAE's favourable taxi regulatory framework, which creates high barriers to entry and so supports us in maintaining and sharpening our competitive edge.

Our growth trajectory was bolstered during the year by Dubai's flourishing tourism, burgeoning population, and the rising demand for eco-friendly e-hailing options. Our 80% hybrid fleet, an industry-leading initiative, not only exemplifies our environmental stewardship but also resonates with our commitment to sustainable urban mobility. The expansion of our services into new Emirates, while maintaining a leading market share in taxis, underscored our strategic agility and customer-centric approach.

The financial highlights of 2023 reflect our robust business model and strategic acumen, reporting significant growth in revenue, profit and EBITDA margin.

"WE TAKE GREAT PRIDE IN OUR DIVERSE WORKFORCE OF 14,000 DRIVERS"

Our progressive results are attributable to our strategic partnerships, innovative service offerings and operational efficiency, and are a clear indication of the trust our customers and partners place in us and our ability to adapt and thrive in a dynamic economic landscape. We are poised to distribute a dividend of AED 71 million for the fourth quarter of 2023 to our valued shareholders in April, subject to approval at the General Assembly meeting, underscoring our commitment to delivering shareholder value.

Strategic investments and partnerships have been cornerstones of our success in 2023. Our collaboration with the Ministry of Education, encompassing long-term contracts for school buses in Dubai and Ajman, and our partnerships with Noon and Etisalat Smiles for last-mile delivery services, are prime examples of our diversified business strategy. These alliances not only expanded our service portfolio but also reinforced our market leadership. Furthermore, the oversubscription of our IPO by more than 130 times is a strong affirmation of the confidence the market places in our vision and strategy. This year also saw significant strides in the enhancement of our digital capabilities, further solidifying our position as a leader in the transportation sector.

Sustainability and ESG principles reside at the heart of DTC's strategic focus. Our transition towards a 100% hybrid and electric fleet is a significant step in reducing CO_2 emissions, with substantial savings in tons of CO_2 already achieved. Alongside this, we have partnered with renowned international companies in areas such as AI enablement and optimisation of fleet, including design and development of customised environmentally friendly and autonomous vehicles.

Our commitment to sustainability extends beyond our fleet, however, encompassing all aspects of our operations and ensuring that we contribute positively to the environmental and social fabric of the UAE.

We place great importance on our diverse workforce of 14,000 drivers. We are equally focused on our socially-driven product offers, which include important initiatives for people of determination, as well as for lady and family transportation. Each of these advancements has underscored our commitment to inclusivity and social responsibility, bringing us into alignment with the UAE's strategic plans, including the Dubai 2040 Urban Masterplan, Dubai Economic Agenda D33 and the UAE Tourism Strategy 2031.

Looking ahead to 2024, I am optimistic about our market prospects. Our goal to become a fully hybrid taxi service aligns us with both the RTA's inspiring vision and Dubai's progressive environmental goals.

In closing, I extend thanks to Dubai's leadership, His Highness Sheikh Mohammed bin Rashid Al Maktoum, to our shareholders, and to every member of the DTC family for their support and dedication. Together, we are poised to achieve further success and to contribute significantly to Dubai's continuing dynamic growth story.

Abdul Muhsen Ibrahim Kalbat
Chairman of the Board of Directors

CEO's Message

With a successful IPO behind us, DTC is now ideally positioned both to improve performance and expand operations

"OUR ACHIEVEMENTS IN 2023 HAVE BEEN RECOGNISED WITH PRESTIGIOUS AWARDS. THESE ARE NOT JUST HONOURS, BUT A VALIDATION OF OUR COMMITMENT TO EXCELLENCE AND INNOVATION IN THE TRANSPORTATION SECTOR"

By any standards, 2023 must be regarded as a landmark year for Dubai Taxi Company. Not only did we navigate the complexities of a challenging global landscape, we also made remarkable strides in growth, innovation and sustainability.

Our journey was marked most significantly by the triumph of our IPO; this was enthusiastically received, being oversubscribed by an astounding 130 times. This resounding reception was a powerful endorsement of our vision and strategy, reflecting the unwavering confidence of the global investment community in DTC's potential and direction.

Financially, I am pleased to report that DTC showed exceptional resilience and robust growth in the year, recovering strongly in the post-Covid era. We have seen a significant uptick in both revenue and profit margins, which is a clear indicator of our operational efficiency and the effectiveness of our strategic initiatives.

Revenue increased by 11% year-on-year to AED 1,954 million. Our EBITDA margin reached a solid 25% in 2023, an increase of 7% against the prior year, which was largely due to enhanced operational utilisation of vehicles as a result of a higher driver-to-taxi ratio. Our net profit in 2023 climbed to AED 345 million, a 54% increase year-on-year, resulting in an 18% net profit margin. Operating a highly cash generative business allows us to confidently invest in the future while continuing to fund our capital expenditure and working capital requirements. Our financial achievements are testament to DTC's dedication to excellence and to our ability to adapt and thrive in changing market conditions.

Our commitment to Environmental, Social, and Governance (ESG) initiatives has positioned us as a leading ESG partner, fully aligned with Dubai's ambitious sustainability goals. With the largest fleet of environmentally friendly vehicles in Dubai, predominantly hybrid, we have taken significant steps towards reducing our carbon footprint and promoting sustainable urban mobility. Our partnership with National Bonds, introducing the pioneering Golden Pension Plan, is a forward-thinking initiative that underscores our dedication to the financial well-being of our drivers, enhancing their quality of life and reinforcing our commitment to social responsibility.

Technology and innovation have been pivotal in shaping our growth trajectory this year. Our investment in cutting-edge digital capabilities, including the application of Artificial Intelligence for performance monitoring, has set new standards in the industry. The launch of innovative services on our DTC App demonstrates our commitment to a digital-first approach, ensuring we remain at the forefront of providing safe, efficient and sustainable transportation solutions. Our hi-tech buses, equipped to the highest standards of safety and quality, have elevated the school transportation sector, while our agreement with Tabby to offer flexible payment solutions reflects our determinedly customer-centric approach.

2023 also saw a significant evolution in our organisational structure and business strategy. Transitioning from being a subsidiary of RTA to a publicly listed company has not only changed our corporate dynamics, but has also opened new avenues for growth and development. This strategic shift has enabled us to operate with greater agility and respond more effectively to the demands of the market.

Geographical expansion also constituted a highlight of our year. We extended our services by providing commercial buses in the Emirates of Abu Dhabi and Ras Al Khaimah, in addition to our school bus transportation services in Ajman. This not only diversifies our portfolio, but also strengthens our presence in the region, reinforcing our position as a key player in the UAE's transportation sector.

In terms of operational achievements, each of our business divisions has made commendable progress. In addition to completing a record number of rides, our taxi division maintained a dominant market share in Dubai. Our exclusive contracts at strategic locations such as Dubai Airport, Port Rashid, Dubai Mall, Atlantis, Global Village and World Trade Centre have solidified our position in the market. The bus division has successfully secured vital contracts, reflecting our reliability and excellence in service delivery. The launch of our 'In Safe Hands' service and the commencement of last-mile delivery operations for key strategic partners are remarkable milestones, further diversifying our offering. We are particularly proud of our new service launched for people of determination, a significant step towards inclusivity and accessibility in our services.

Our achievements in 2023 have been recognised with prestigious awards, including the IdeasUK Award in Digital & Technology and People & Wellbeing, the BIZZ Award for Innovative Service Delivery, and accolades for Workspace Transformation and IoT Device Security Solution. These are not merely honours, but a validation of our commitment to excellence and innovation in the transportation sector.

Looking forward to 2024, our ambition is to continue our trajectory of growth and excellence. We aim to further expand each of our four core business divisions – Taxis, VIP Limousines, Buses and Delivery Bikes – both organically and through strategic partnerships.

Consistent improvements in efficiency of fleet utilisation and ongoing and consistent investment in AI, big data, security and systems upgrades, as well as in process automation and the scaling up of the DTC App, will support our aims across all areas of the business.

Expanding our taxi fleet in line with our dominant market share, and encouraging the continuing growth in e-hailing penetration, will support our targets within the taxi business, while buses and delivery bikes will benefit from particular focus in our next phase of expansion. This expansion includes plans to embrace further opportunities outside of Dubai (inspired by the success of DTC Buses' contract in Ajman), as well as to take advantage of opportunities to absorb smaller players in what is, evidently, a scale-driven industry. These initiatives are central for our continuing growth and for maintaining our position as a leader in the transportation industry.

In closing, I extend my profound gratitude to the country's visionary leadership, to the RTA, to our investors, our dedicated staff including our driver partners, our valued customers, and our strategic partners. Your support, commitment and trust have been instrumental in our journey and success during 2023, and will remain so as we move forward together, poised to build on our achievements and drive DTC towards new horizons of success and innovation.

Mansoor Rahma Juma Abdulla Alfalasi
Chief Executive Officer

Overview of the Strategy

DTC has developed a well-defined growth strategy that is focused on capitalising on its strengths

Organic growth across business lines

Taxi fleet expansion on the back of the underlying market demand and growth of Dubai city area, further supported by scaling of up ancillary segments

Investment in digital capabilities and operational excellence

Well-defined strategy to capitalise on rapid rise of e-hailing and new generation technologies to optimise operations and further increase efficiency

Expansion beyond Dubai and inorganic growth

Opportunistically establishing strong presence in other Emirates of the UAE across segments, both organically and inorganically

Organic growth across business lines

The favourable macroeconomic conditions and fundamentals of operating in Dubai translate into unique growth avenues for DTC across each of its business lines. As such, a core aspect of DTC's growth strategy focuses on expanding its fleet while relying on the underlying market demand and growth of the Dubai city area.

With the government's implementation of social and legal reforms and the launch of initiatives that attract foreign talent to Dubai such as the Golden Visas Scheme, virtual working visas, the 'Retire in Dubai' programme and the creation of several other visa and residency schemes, the Dubai resident population is expected to grow from approximately 3.7 million in 2023 to approximately 5.8 million in 2040.

In addition, the tourist population visiting Dubai is set to grow from approximately 17 million in 2023 to approximately 25 million in 2025, a CAGR of 21%. Dubai is a host of major events, which draw visitors from all over the world, with an aim to hold 400 global events per year by 2025.

The government's 'Dubai 2040 Urban Masterplan' is also expected to drive population growth and the number of tourists coming to the city. As part of the Dubai 2040 Urban Masterplan, the city will be developed into five main urban areas and the land area for tourism and hotel activities will increase 134% by 2040. Under the plan, the land area for education and health facilities will also increase 25% by 2040, and built into the plan are sustainable and flexible means for mobility for the city. In turn, the number of taxis needed to meet the city's demands is expected to increase as larger urban areas will lead to longer taxi rides and higher occupancy of taxis, and increases in the density of the city area and urban centres is expected to result in a higher frequency of taxi rides as people move around the city. In addition, disposable income across the UAE is expected to grow, with such growth supported by the absence of personal income tax, capital gains tax and inheritance tax in the UAE, a diverse expatriate workforce earning high salaries and Dubai's strategic position as a global business and investment hub attracting multinational companies and entrepreneurs. As such, DTC's strategy will target organic volume growth across each of its business lines.

Taxis

For its taxi services, DTC will prioritise methodical and systematic expansion of its fleet to meet the increasing demand due to growth in the population of Dubai and tourists, while targeting increased revenue and margins. As part of the growth of its taxi services, DTC plans to maximise its efficiency by focusing on three operational areas: fuel efficiency, utilisation rates and revenue generated from kilometres driven. DTC's fuel efficiency will be driven by a full switch to hybrid vehicles in the short-term; 77% of its taxi fleet was hybrid and 79% of its limousine fleet was hybrid or electric as at 31 December 2023, and in the long-term, switching the fleet to include more electric vehicles. Better fuel efficiency will also be driven by periodic upgrades of its vehicle technology by manufacturers, making them more fuel efficient. The full switch to hybrid will also result in higher utilisation rates as the hybrid vehicles require less maintenance. Higher utilisation rates are also expected to be driven by increases in the driver-to-taxi ratio which will lead to a larger number of drivers and higher fleet occupancy. DTC also plans to utilise e-hailing and other digital capabilities such as predictive analysis, heat maps and automation of driver monitoring technologies to push higher utilisation rates and revenue generating kilometres driven.

Limousines

For its limousine services, DTC's strategy will prioritise a gradual and sustainable fleet expansion following recent optimisation, to meet the increasing demand from riders with high disposable income. With the expected increase in executive-level travellers and high-net worth tourists, growth for DTC's limousine services will aim to capitalise on these tourists as its passengers by exploring the potential for exclusivity agreements with additional venues, apps and events in Dubai.

Buses

For its bus services, DTC will prioritise steady long-term growth in volume, supported by the contractual nature of the business line and the increase in the underlying student population in Dubai, while also capitalising on potential large corporate entities to offer its high-quality bus services in a segmented market with only a few key providers.

Delivery bikes

For its delivery bike services, DTC is targeting robust fleet expansion, which it expects will be driven by the rapid growth in the UAE online food delivery market while capitalising on the potential it has to diversify its partnerships and flexibility to work with a broader base of aggregators.

Overview of the Strategy
Continued

Investment in digital capabilities and operational excellence

The digitisation of the mobility services industry is a clear trend in which DTC will continue to strategically invest to boost its operational excellence. As part of its strategy, DTC relies on its strong e-hailing platform, valuable partnerships in the industry and targeted technology investments to improve its margins, grow its market share, optimise its technical and operational efficiency, increase automation in its operations, and increase customer and driver satisfaction.

Through DTC's in-house e-hailing app, the DTC App, which currently serves only limousine customers, DTC plans to capitalise on the growing e-hailing market by expanding the app's coverage to include taxi services. Currently, through Careem's customer app, DTC has given Hala the exclusive right to provide all e-haling for DTC taxis, which remains in effect through December 2024. The Dubai Government is targeting e-hailing to generate 80% of taxi services in the coming years.

DTC couples its strong e-hailing platform and valuable partnerships with selected technology investments in big data, artificial intelligence and the Dubai smart-city initiatives and automation, system upgrades and smart services. In order to capitalise on the opportunities provided by big data, DTC's strategy invests in better structuring, storage and processing of its large database for smart decision-making of its fleet and the streamlining of the DTC platform into a single platform that is able to host a range of services in one place. To capture the growth opportunities presented by artificial intelligence and the Dubai smart-city initiatives, DTC has invested and will continue to invest in its taxi demand prediction system to enhance the distribution of its vehicles throughout the city and its smart school bus system which enable it to track details of school trips, attendance and departure of students. To increase the satisfaction of its customers and drivers, DTC also invests in automation, system upgrades and smart services such as upgrades to its intelligent driver training system, converting it to a smart driver education system, upgrades to its monitoring systems to avoid server crashes and system upgrades to integrate customer relationship management technology frameworks to promote accuracy and the quality of customer data tracked across DTC's platforms.

Expansion beyond Dubai and through organic and inorganic growth

In addition to offering its services in Dubai, DTC monitors growth opportunities to expand into the broader UAE and supports this potential with well-defined organic and inorganic growth strategies. DTC currently has a presence in Ras Al Khaimah where its limousine services operate and in Ajman where its bus services operate. As such, it has experience in pursuing organic growth opportunities. Given DTC's size, it may also execute its taxi service expansion via inorganic strategies such as an acquisition of a smaller taxi company in Dubai and/or other Emirates.

For its limousine services, DTC's organic growth strategy plans to build on its existing presence and expand to other Emirates while also considering the potential for partnerships with hotel and booking aggregators for exclusivity rights in other Emirates, as is done in Dubai to drive expansion in the business line.

For its bus services, DTC's plans to build on its existing presence in Ajman by catering to a larger number of corporates and schools, capitalising on its high-quality service offering and the extension of the DTC Bus App in Ajman while also leveraging its existing relationship with the Ministry of Education to seek expansion to other Emirates under long-term contracts.

For its delivery bike services, DTC plans to further consolidate opportunities in the market in the long-term given the existence of a number of small-scale operators and the increasing costs to operate in the business line.

Market Overview and Outlook

Positive macroeconomic tailwinds are set to support future organic growth for DTC across all business lines

Dubai economy

Dubai is regarded as a significant commercial and tourist destination and is recognised as a hub for real estate, tourism, and trade. In 2023, Dubai announced a USD 8.7 trillion economic plan to boost trade, investment and global hub status with an aim to increase foreign direct investment to over USD 177 billion over the next decade as commented by Sheikh Mohammed bin Rashid Al Maktoum, ruler of Dubai and Vice President and Prime Minister of the UAE.

Additionally, the UAE continues to implement different social and policy reforms to attract and retain talent in-country and draw in foreign investment. Recent announcements include a variety of visa reforms and the UAE ranking first in the Middle East and 20th globally by the World Citizenship Report 2023 in 'Economic Opportunity Rankings' out of 128 countries offering the most economic opportunities for investors and residents.

The strong and steady growth of Dubai's economy observed in the years prior to the impact of COVID-19, is expected to continue further with real GDP growth anticipated to grow at approximately 3.5% in 2023 and 3.7% in 2024.

Economic innovation has continued with key recent initiatives launched to support growth, innovation and sustainability which include, but are not limited to: Dubai Clean Energy Strategy 2050, Dubai Industrial Strategy 2030, Dubai 2040 Urban Master plan, UAE Tourism Strategy 2031, Dubai Economic Agenda D33 and the launch of initiatives to support family businesses.

In July 2023, Fitch Ratings rated the UAE's federal government AA- with a stable outlook, citing moderate public debt, a strong net external asset position, and high GDP per capita. Earlier in the year, the UAE government was also given an Aa2 creditworthiness rating by Moody's, indicating a stable outlook for its economy.

The aforementioned economic initiatives are expected to stimulate growth and attract additional visitors and residents to Dubai. As a result, Dubai's government expects to reach a population of 5.8 million by 2040 according to their 2040 Master Urban Plan, which would mean an absolute increase of 61% compared to the total population registered in August 2023 (3.6 million).

The UAE boasts a vibrant calendar of annual events, ranging from the prestigious F1 Grand Prix and energy conferences to a multitude of events throughout the year in Abu Dhabi. Further, Dubai is also a major host of events including sports, fashion, food and technology which draw visitors from all over the world with an aim to capture 400 global economic activities annually by 2025.

"THE UAE CONTINUES TO IMPLEMENT DIFFERENT SOCIAL AND POLICY REFORMS TO ATTRACT AND RETAIN TALENT"

Market Overview and Outlook
Continued

Tourism

Dubai has created a strong foundation for itself as a tourist destination with its cutting-edge engineering, varied cultural events, retail and shopping offerings, beaches and entertainment. Dubai's tourism sector is expected to be a major contributor towards Dubai's economy in the next 10 years with the objective of supporting the national strategy to attract AED 100 billion in additional tourism investments and receive 40 million hotel guests in 2031.

Along with the development of hotel infrastructure, occupancy rates have reached an average of 77% in the first six months of 2023 which ranks amongst the highest in the world.

There are already plans for development and policy targets to boost tourism even further in future years. As part of Dubai Tourism Vision 2025, Dubai's Crown Prince announced that the Emirate wanted to increase the number of tourists to 25 million by 2025. The UAE has also announced the UAE Tourism Strategy 2031 which will include 25 initiatives and policies to support the tourism sector.

The Dubai 2040 Urban Master Plan, which aims to increase the total space dedicated to tourism activities by 134% and the length of public beaches by 400% over the next two decades, is also anticipated to transform the city's leisure and tourism infrastructure.

Education

The education sector is a key area of national priority for the UAE. At K-12 level, the UAE provides more than 50 different international curriculums and is considered the third largest international K-12 school market in the world after China and India. Dubai has continued to see an increase in the total number of schools and students, with student numbers at private schools having crossed 300,000 for the first time in 2022 and the pupil population having already risen above 326,000 by November 2022.

If Dubai's population reaches the target of 5.8 million by 2040, then the school population could approach 550,000.

Delivery services

With the pandemic-driven shift to online shopping channels in many countries across the globe, the UAE is no exception. The UAE has a growing online delivery market (ordering of groceries and prepared meals online placed through an application or website).

E-commerce has continued to gain momentum in the UAE with the value of e-commerce sales on the rise. UAE residents are increasingly reducing in-store shopping in favour of shopping online, thus making last-mile delivery an important market.

Online shopping is not limited to food and beverage, but also extends to the delivery of pharmaceutical products and a broader range of retail items.

Roads and infrastructure

Dubai continues to invest in infrastructure, which is fundamental to any city's development and economic growth. Dubai has a highly inter-connected public transport network with ridership across the modes of public transport increasing significantly in recent years.

Dubai's recent and rapid urban growth has facilitated infrastructure planning free from legacy issues and in less densely populated districts. The city's expansive highway network and optimised traffic management have made Dubai significantly more efficient in traffic and vehicle movement. This has consolidated private cars, taxis and, more recently, shared mobility as efficient means of urban transportation.

The expansion of the Metro in Dubai has contributed to the development of a multi-modal urban transportation system, while still integrating highly efficient vehicular transportation and fluid road traffic management. Dubai's multi-modal transportation system has integrated an extensive network of urban expressways, with road-based transportation as one of the key pillars of urban mobility, which ensures long-term demand for cars, taxis and alternatives to taxis such as shared mobility.

Trends in the transportation sector

Urban mobility is undergoing significant transformations worldwide driven by technological advancements, population growth, changes in lifestyle, policies towards a transition towards net-zero emissions, and the overall need for sustainable transportation solutions.

Major trends in the transportation sector

Trends	How does it play out in Dubai?	DTC well positioned to capitalise
Metro Usage	Linear coverage of the city Lacking direct point-to-point routes	Taxis serve the purpose of convenient 'last-mile' operator
Expansion of International E-Hailing Platforms	Ecosystem that provides high protection to taxi companies, while remaining commercially attractive to e-hailing players	Strongly protected, shared mobility ride fares need to be at least 30% higher than taxi fares
Transition to electric, hydrogen or hybrid	RTA's 5-year plan for 2023-2027 seeks to transition the entire taxi fleet in Dubai to environmentally friendly	DTC is expecting to achieve RTA's target by 2024
Data-Driven and Automated Management Systems	Route optimisation and traffic management	DTC consistently invests in cutting-edge technology (e.g. Taxi e-Hail Automated Management System)
Rise of Driverless Transportation	Long-term goal of adding Autonomous Vehicles to the Dubai mobility system	RTA and DTC are working on pilot projects for assessing future incorporation of Autonomous Vehicles, although not in the near future

Market Overview and Outlook
Continued

Competitive positioning, strengths and weaknesses

Segment	Market position Direct competitors	Strengths Opportunities	Weaknesses Threats	DTC mitigation
Taxis				
Street hailing (Non-airport)	Dominant Competitors: Taxi franchises (Arabia, Cars, Metro, National)	Regulatory protection for all taxis: Limousines and e-hailing (non-taxi) fares to be at least 30% higher	Sourcing of drivers is an industry challenge for all taxi franchises, including DTC	Attractive partnership-based commission system, agreements with international recruiting firms, extensive training programmes for drivers
Street hailing (Airport pickups)	Exclusive provider Competitors: None	Exclusivity Agreement with Dubai Airports since 1997, with higher mileage per trip	Risk of non-renewal of airport exclusivity contract upon expiry	Firmly secured, long-term partnership, no tangible risk. Active collaboration with Dubai Airports to enhance performance
E- hailing	Dominant Competitors: Taxi franchises, shared mobility (mainly Uber, Careem), limousines	The increase of e-hailed taxi trips has helped DTC improve utilisation and reduce non revenue kilometres	The expiration of Hala exclusivity over e-hailing taxi services in Dubai (December 2024) will require DTC to explore different options	DTC has developed its own smart App. The opening of the e-hailing market will bring forth new prospects for DTC to leverage its position as market leader and the competitive advantage from already owning its proprietary App

Segment	Market position Direct competitors	Strengths Opportunities	Weaknesses Threats	DTC mitigation
Limousines				
Non-airport	Exclusive provider for 6 pickup points Competitors: None in exclusive locations. Uber, Careem and other limousine providers elsewhere	Exclusivity Agreement with Dubai Malls and other key locations in the city	Risk of non-renewal of exclusivity contract with pickup locations upon expiry	Active management of partnership
Airport	Exclusive provider Competitors: None	Exclusivity Agreement with Dubai Airports Exclusivity Agreements with Uber and Careem for provision of limousines for trips originated at airports via their respective Apps	Risk of non-renewal of airport exclusivity contract upon expiry	Firmly secured, long-term partnership, no tangible risk. Active collaboration with Dubai Airports to enhance performance
Buses				
Buses	For Private Schools: Small market share For Public Schools: Moderate market share, yet firmly secured through strategic collaboration with the Ministry of Education Commercial Buses: Small market share Key competitors: STS Group, Emirates Transport and other providers	Advanced fleet with sophisticated technology Long term contracts averaging 3 to 5 years Opportunities for expansion beyond the Emirate of Dubai	Capital intensive business Lower barrier to entry	DTC is planning to increase the bus fleet by 100 buses per year until 2026, as it is expanding its services to other Emirates, and leveraging its strategic relationship with the Ministry of Education
Delivery bikes				
Delivery bikes	Low, new segment Competitors: Talabat, Deliveroo, and a large number of small players	Flexibility to work with different aggregators in Dubai with substantial market opportunities	Consolidated market dominated by two large players	While competition is intense, DTC expects to position itself within the segment of medium to large-sized enterprises equipped with major partnerships with aggregator companies, utilising our experienced manpower and strong financial capabilities to invest in the fleet

Dividend Policy

DTC operates a highly cash-generative business with ample in-house cash generation to fund stable returns to investors

A first dividend of AED 71 million in respect of the fourth quarter of 2023 is expected to be distributed in April 2024.

For fiscal year 2024 and the years thereafter, DTC expects to pay at least 85% of the annual net profit for the year as dividend, after allocating 10% of the net profits as the legal reserve. This dividend policy is designed to reflect DTC's expectation of cash flow generation and expected long term earnings potential while allowing DTC to retain sufficient capital to fund ongoing operating requirements and continued investment for long term growth.

DTC's ability to pay dividends is dependent on a number of factors, including the availability of distributable reserves, its capital expenditure plans and other cash requirements in future periods, and there is no assurance that DTC will pay dividends or, if a dividend is paid, what the amount of such dividend will be. Any level or payment of dividends will depend on, among other things, future profits and the business plan of DTC, at the discretion of the Board of Directors and General Assembly. Subject to the foregoing, DTC intends to pay dividends twice each fiscal year, in April and October.

This dividend policy is subject to consideration by the Board of Directors on an annual basis of the cash management requirements of DTC's business for operating expenses, finance costs and anticipated capital expenditures and investments. In addition, DTC expects that the Board of Directors will also on an annual basis consider market conditions, the then current operating environment in DTC's markets and the Board of Directors' outlook for DTC's business and growth opportunities.

FINANCIAL REVIEW

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Financial Review

2023 revenue 11% higher than prior year with a 55% increase in EBITDA

Amidst a landscape marked by both challenges and opportunities, our financial resilience, strategic agility and commitment to sustainable growth have been central to our accomplishments. In this financial review we explain the drivers that have propelled us forward in 2023.

This year has been an exceptional year in terms of financial performance, with 11% growth in revenue and 55% growth in EBITDA.

AED million	2023	2022	Change (YoY)
Revenue	1,954	1,760	11%
EBITDA	491	316	55%
EBITDA margin	25%	18%	7%
Net profit	345	224	54%
Net profit margin	18%	13%	5%

Total revenue grew by 11% in 2023 to AED 1,954 million, primarily driven by an increase in revenue from regular taxis and to a lesser extent from higher bus transport services revenue. The increase was partly offset by lower revenue from limousine services. 88% of DTC's revenue was derived from the regular taxis segment in 2023.

DTC delivered an EBITDA margin of 25% in 2023, up from 18% in 2022 driven by strong top-line expansion in the regular taxis segment, a higher driver-to-taxi ratio leading to higher fleet utilisation, and realisation of fuel cost benefits. Operating costs increased by only 3%, with staff and fuel costs contributing to 62% of total operating costs.

Net profit in 2023 amounted to AED 345 million, representing a 54% increase compared to the previous year and resulting in an 18% net profit margin.

AED million	2023	2022	Change (YoY)
Capital expenditure	*358*	*284*	*26%*
Proceeds from vehicle disposals	*34*	*30*	*15%*
Net capital expenditure	324	254	28%

DTC has a recurring and predictable capital expenditure profile, largely consisting of fleet replacement expenditure. In the year ended 31 December 2023, DTC purchased taxis, limousines, buses and bikes resulting in total capital expenditure of AED 341 million. Other capital expenditure of AED 17 million was related to bus transport surveillance equipment, capital work in progress, IT equipment, and furniture and fixtures. 2023 capital expenditure was 26% higher than 2022 mainly related to higher taxi vehicles replacement as well as additional taxis, buses and delivery bikes fleet.

DTC operates a highly cash generative business to fund its capital expenditure and working capital needs. In 2023, DTC generated AED 129 million of free cash flow.

AED million	As at 31 December 2023
Outstanding debt	997
Cash and cash equivalents*	338
Net Debt	659
Net Debt to EBITDA Ratio	*1.3x*

*Includes short-term deposits

The Company ended the year with a cash balance of AED 338 million, resulting in a net debt position of AED 659 million and a net debt to EBITDA ratio of 1.3x.

In 2023, DTC entered into AED 1.2 billion of term and revolving commodity murabaha facilities for a five year period, consisting of an AED 1.0 billion term murabaha facility and an AED 200 million revolving credit murabaha facility. The facilities require a payment of the outstanding amount at the end of the five year period.

In September 2023, the AED 1.0 billion term murabaha facility was fully drawn and used to repay the AED 1.0 billion owed to the RTA. The AED 200 million revolving credit murabaha facility remained undrawn as at 31 December 2023.

Segment performance

Regular taxis

AED million	2023	2022	Change (YoY)
Revenue	1,731	1,536	13%
Gross profit	422	266	59%
Gross profit margin	24%	17%	7%

Revenue for the regular taxi segment in 2023 increased by 13% as compared with 2022, driven by 3.7 million additional trips (representing a 9% increase) and a 3% higher average revenue per trip. The increase in the number of trips can, in part, be attributed to a higher utilisation rate (measured as the average percentage of taxis that are operational and revenue generating for a period of time) in 2023 of 82% compared to 65% in 2022. The higher utilisation rate in 2023 was primarily driven by a 30% increase in the number of driver partners between the start and end of the year. Regular taxi revenue in 2023 includes AED 19 million of revenue relating to the delivery bikes business line, representing an AED 17 million increase from 2022 as this business line, launched in September 2022, continues to scale up.

Financial Review
Continued

The regular taxi segment gross profit margin increased to 24% in 2023 compared to 17% in the prior year, driven in part by the fact that the drivers' commission slabs operate on a progressive scale, thus favouring DTC in a larger driver-to-taxi ratio environment, as was the case in 2023. Another factor contributing to the gross profit margin improvement is the realisation of fuel cost benefits as a result of the transition to hybrid vehicles and tariff increases by the RTA as a result of fuel price rises.

Limousine service

AED million	2023	2022	Change (YoY)
Revenue	115	134	(14%)
Gross profit	15	13	21%
Gross profit margin	13%	9%	4%

Revenue for the limousine segment in 2023 decreased by 14% compared to the previous year, driven by a contraction in the size of the limousine fleet as part of a fleet optimisation initiative as explained in the operational review section of this annual report.

Gross profit increased by 21% due to the impact of the fleet optimisation initiative, as the reduction in fleet resulted in higher utilisation of the remaining fleet and lower operating costs (e.g. insurance and maintenance) and depreciation charges.

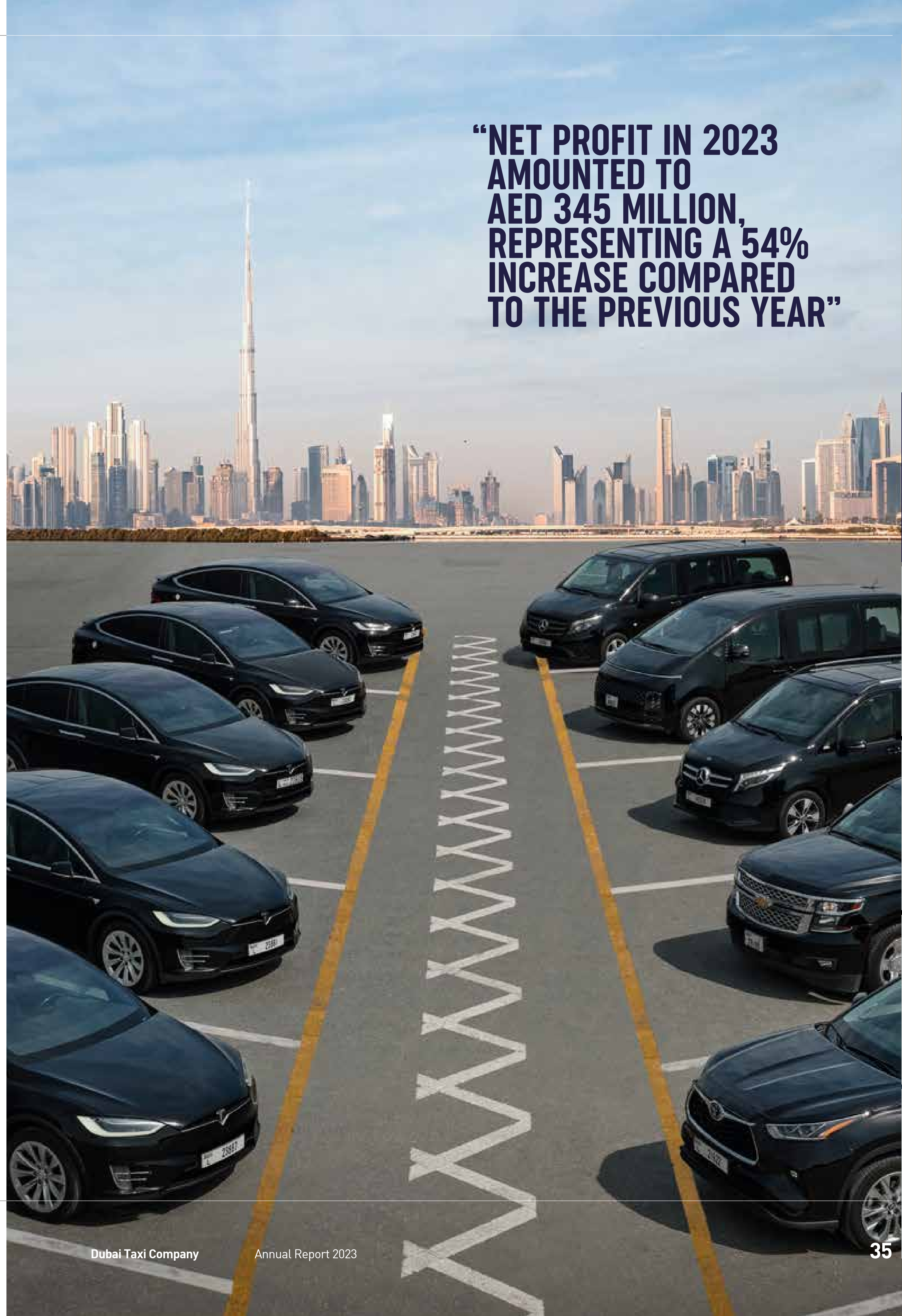
We are confident limousine service revenue will grow in the coming year due to the current status of the fleet optimisation initiative, supported by a strong market outlook.

Bus transport segment

AED million	2023	2022	Change (YoY)
Revenue	107	90	19%
Gross profit	2	(5)	n/a
Gross profit margin	2%	(6%)	n/a

Revenue for the bus transport segment in 2023 increased by 19% year-over-year to AED 107 million, driven by the increase in fleet size from 945 as at 31 December 2022 to 1,127 as at 31 December 2023. The additional buses were mainly deployed under the contract with the Ministry of Education – Emirates Schools Establishment Dubai, as well as a new contract with the Ministry of Education – Emirates Schools Establishment in Ajman.

The bus transport segment delivered a gross profit in 2023 compared to a loss in 2022, representing a gross profit margin of 2%. Whilst this segment is yet to generate positive returns at the net profit level, the significant improvement in performance in 2023 was driven by the top-line expansion and relatively stable cost base, with new bus drivers and conductors employed as each bus is added to the fleet.



"NET PROFIT IN 2023 AMOUNTED TO AED 345 MILLION, REPRESENTING A 54% INCREASE COMPARED TO THE PREVIOUS YEAR"

OPERATIONAL REVIEW

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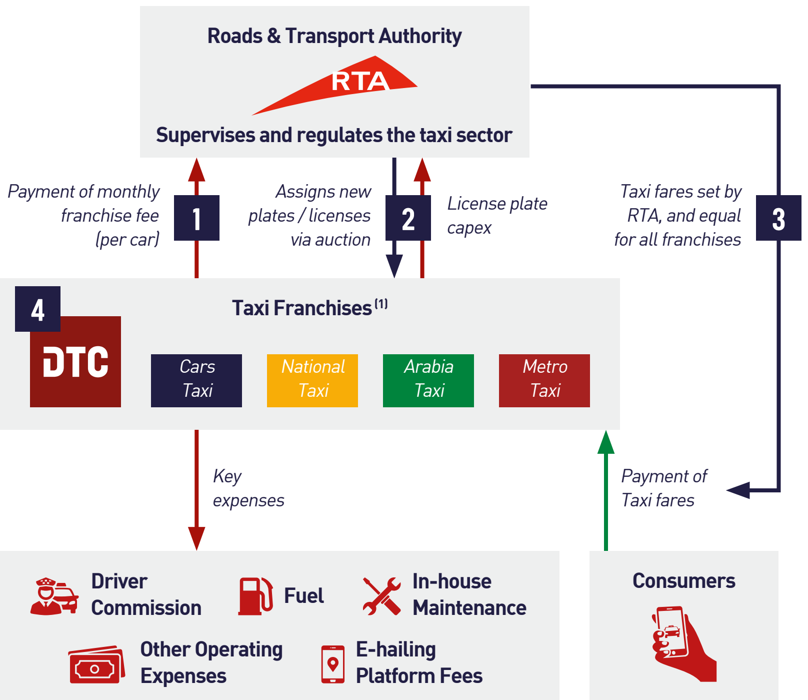
Business Overview

Since establishing its initial taxi fleet in 1994, DTC has expanded its range of operations to provide its customers with comprehensive services, comforts and customer care, adhering to the highest levels of transportation industry quality standards. DTC provides an extensive range of mobility services across four key business lines: taxis, VIP limousines, buses and other services (which includes last-mile delivery bike services).

Overview of DTC's Taxi Business Model



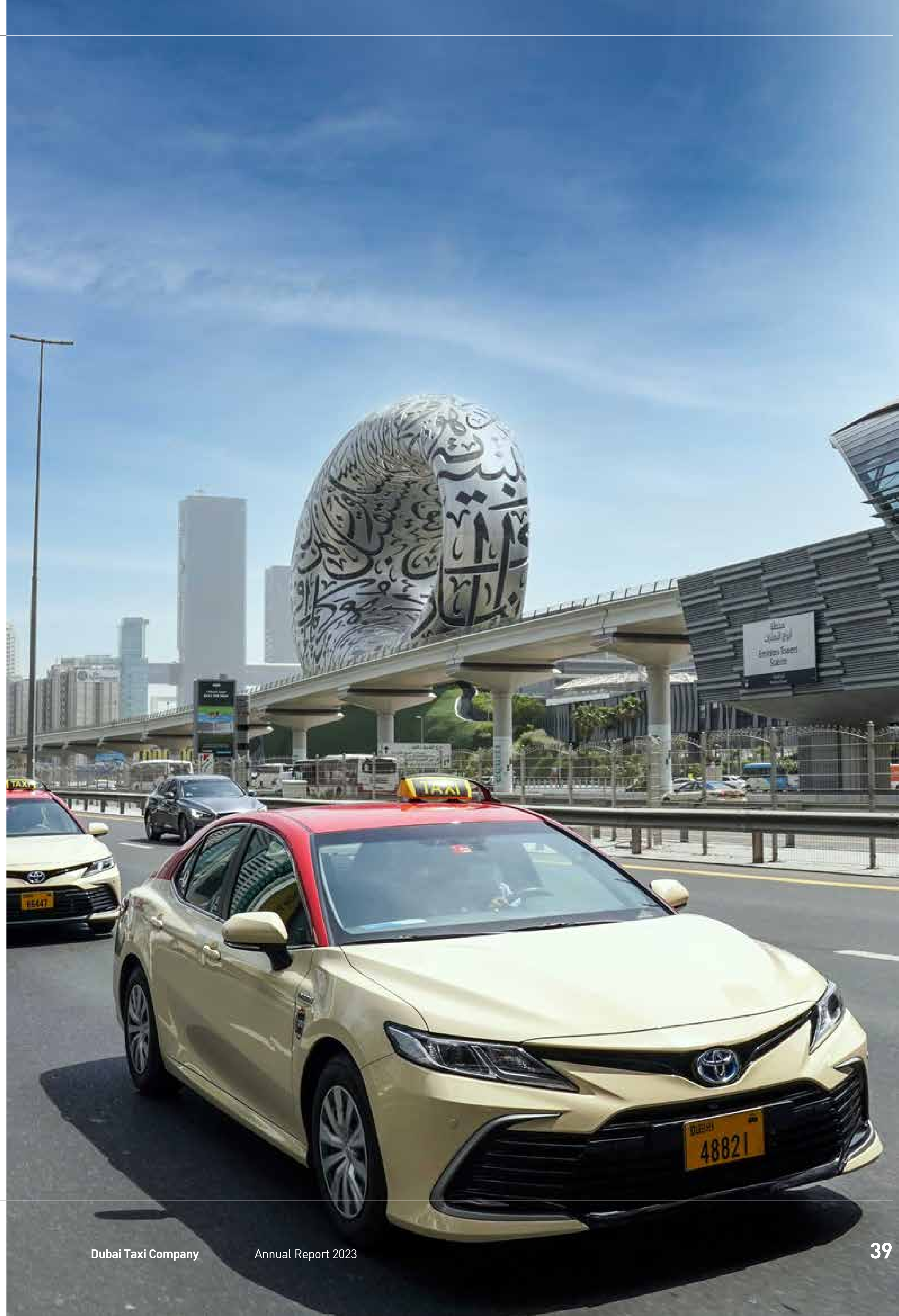
1
- All companies operating pursuant to a **Franchise Agreement with RTA**
- Each operator to pay a **monthly franchise fee**

2
- **New license plates awarded** by RTA to the existing 5 franchise operators via an auction
- License plates **awarded based on financial and technical parameters**

3
- As the regulator, **RTA determines taxi fares for all franchisees**
- **Fares adjusted regularly** to reflect movements in fuel prices, inflation and other costs

4
- **100% cars owned outright**
- **24 x 7 operations**, supported by multiple distribution channels (street hail and e-hail)

Source: Company information.
Note: (1) Market share based on the number of taxis owned by each franchise as % of total taxis in the Dubai market; data as of June 30, 2023.



Business Overview
Continued

Taxis

At the core of DTC's mobility offerings are its taxi services, offered through its large eco-friendly fleet. As at 31 December 2023, DTC holds the largest vehicle fleet in Dubai, owning 5,216 taxis. DTC is generally able to quickly and efficiently procure its taxis from local dealers, and in 2023 it added or replaced 2,227 of its taxi fleet. Out of the 5,216 vehicles in DTC's taxi fleet as at 31 December 2023, 4,029 (77%) are hybrid vehicles.

Through DTC's taxis, customers are offered comfort and quality transportation in regularly maintained vehicles at regulated prices. DTC's taxis are outfitted with cameras for both passenger and driver safety as well as a variety of telematics that provide integration of services for smart-apps and website bookings, record the number of trips and trip locations and revenue generated per trip, each of which is communicated to DTC's Operations and Control Centre.

DTC provides its taxi services through Franchise Agreements with the RTA. DTC, rather than its drivers or the RTA, own all the taxi vehicles used for its services. Under the terms of DTC's Franchise Agreements with the RTA, it typically pays the RTA a monthly franchise fee of AED 5,000 per vehicle. In 2023, DTC was granted the approval to increase its fleet to accommodate for the 5% of vehicles that are typically undergoing maintenance on any given day. DTC is not required to pay the monthly franchise fee for these additional 5% of its license plates.

Regular taxis

Regular taxis are DTC's traditional taxi service, capable of providing customers with transport throughout the Emirates for journeys beginning in Dubai. DTC provides services to key locations such as hospitals, shopping malls and metro stations. While any of the five taxi companies authorised in Dubai typically can pick up passengers throughout Dubai (including locations where DTC or its competitors may have exclusivity agreements in place with the venue for limousine services), DTC is the only taxi company authorised to pick up passengers by taxi at the Dubai Airports and Port Rashid.

Currently, customers are able to request taxi services from DTC and its competitors through the smart app Hala or through traditional street hailing. However, after 31 December 2024, DTC expects its customers will also be able to hail DTC's taxis through its own DTC App and potentially other taxi e-hailing apps.

Airport taxis

These vehicles are exclusive to visitors arriving at Dubai Airports and Port Rashid. The Airport taxi transports customers to any location in Dubai or other Emirates in the country.

People of determination taxis

DTC's people of determination taxis are large, highly sophisticated vehicles, equipped with special features including special lifts for wheelchairs, artificial respiratory systems and seat accommodations for persons with special needs. As at 31 December 2023, 27 of DTC's total taxis in its fleet were dedicated people of determination taxis.

Customers are able to request people of determination taxis through Hala or the DTC Call Centre for pick-ups at the Dubai airports or throughout Dubai.

Ladies and family taxis

Through its ladies and family taxis, DTC provides mobility solutions exclusively to women and family commuters in taxis driven solely by female drivers. As at 31 December 2023, 113 of DTC's total taxis in its fleet were dedicated ladies and family taxis.

Customers are able to request ladies and family taxis via Hala or the DTC Call Centre for pick-ups at the Dubai airports or throughout Dubai.

2023 highlights

	2023	2022	Change (YoY)
Fleet Size (as at 31 December)	5,216	5,216	–
Number of Trips (million)	44.9	41.3	9%
Utilisation Rate	82%	65%	17%
Average Revenue per Trip (AED)	38.1	37.1	2%
Average Number of Daily Trips per Taxi	23.6	21.7	9%

The taxi utilisation rate, the average percentage of its taxis that are operational and revenue generating at a period of time, increased significantly in 2023 driven by the expansion in the number of driver partners during the year.

Business Overview
Continued

Limousines

Through its limousine transportation service, DTC provides luxury chauffeur-driven vehicles for Dubai visitors, business professionals and various clients with competitive rates, convenient booking and 24/7 customer care.

As at 31 December 2023, DTC's owned limousine fleet consisted of 387 luxury vehicles, of which 68% were hybrid and 28% were electric vehicles. DTC also provides two premium limousine options: Ameera limousines and XL limousines, as well as a service targeted towards women, children, students, families and people of determination called "In Safe Hands". Customers are also able to rent limousines for hourly rates.

Through its Ameera limousine services, DTC provides women and families with a premium experience that includes tinted windows, Wi-Fi and phone chargers and a female-chauffeur driver – Dubai's first female-chauffeur service for women. Through its XL limousine services, DTC provides a large vehicle, luxury chauffeured service for group-commute experiences.

DTC has agreements in place to exclusively provide limousine pick-up services at exclusive pick-up points found at the Dubai Airports, Port Rashid, Global Village and the Dubai World Trade Centre, with partial exclusivity at Dubai Mall and the Atlantis (meaning it has the exclusive right to pick up customers at certain pick-up points at the venue but not exclusivity over the entire venue). Customers can also request DTC's limousine services via the DTC App, DTC's call centre or via the Careem limousine or Uber apps or other aggregators.

The number of limousine trips decreased by 27% in 2023 driven by a contraction in the size of the limousine fleet at certain points during the year as part of a fleet optimisation initiative. Certain limousines were replaced with hybrid vehicles in 2023 and there was a delay in between the time the old limousines were sold and new limousines were acquired. While the old limousines were being replaced, the limousine fleet consisted primarily of its electric limousine vehicles, which have a much lower utilisation capacity than DTC's other limousine vehicles due to the non-operational time required to charge their batteries.

As at 31 December 2023, the size of the hybrid fleet was in-line with the fleet replacement plan.

2023 highlights

	2023	2022	Change (YoY)
Fleet Size (as at 31 December)	387	387	-
Number of Trips (million)	1.1	1.5	-27%
Average Revenue per Trip (AED)	108.8	92.7	17%
Average Number of Daily Trips per Limousine	7.7	8.7	-11%

"DTC PROVIDES AN EXTENSIVE RANGE OF MOBILITY SERVICES ACROSS FOUR KEY BUSINESS LINES"

Bus Services

DTC's bus services business line provides transportation for schools and other student requirements, as well as commercial entities with professional and trained drivers and modern and regularly maintained buses, at competitive prices that are not set by regulation. Currently, 86% of DTC's bus services are linked to DTC's contracts with the Ministry of Education.

DTC's buses are outfitted with advanced safety features for passengers (including surveillance systems) and a variety of telematics that provide driver assistance, route optimisation, integration of services for DTC's smart-apps, bus tracking, monitoring of driving behaviour, status updates on the bus (including engine status and performance) and safety features, each of which are communicated to the OCC. Through the DTC School Bus App, parents are able to track their child's bus, receiving notifications of when their child checks in, estimated times of arrivals, location changes and cancellations.

As at 31 December 2023, DTC had 1,127 customised buses used to fulfil long-term contractual agreements in Dubai and Ajman with private schools and the Ministry of Education (31 December 2022: 945). Of DTC's 1,127 buses in its fleet, all but 102 are owned by DTC. DTC is currently sourcing buses to purchase, to replace its leased buses at the time that its lease agreement expires.

DTC also provides bus services to passengers of government and commercial entities such as Global Village, Dubai Police, DP World and Dubai Sports Council on an ad hoc basis. Passengers for government or commercial customers range from employees transiting to work, tourists or event visitors, with DTC's services tailored to the needs of each customer.

Other Services

In addition to its taxi, limousine and bus services, DTC offers delivery bike services and "My Driver" services.

Delivery Bikes

Launched in September 2022, DTC provides a reliable service for customers on motorised delivery bikes. The customers of the delivery bikes service are last-mile delivery companies such as Careem, Noon, Power Lease and Etisalat. As at 31 December 2023, DTC had 752 delivery bikes. Through its delivery bikes service, DTC offers petrol-powered delivery bikes and trained, professional drivers to service the delivery needs of Dubai-based restaurants and food retailers. The delivery bikes and drivers are integrated into the customers' business, with the delivery bikes outfitted in that customer's branding and logos, drivers undergoing additional training as required by customers and being subject to a customer's quality and standard controls. The last-mile delivery bike services' end-customers are then able to use the aggregator's platforms and other delivery channels to order a product while DTC bikes and drivers are dispatched to deliver it.

Although DTC currently has no plans to create its own smart-app for delivery bike services, in the future DTC does intend to expand its delivery bike operations to attract customers who are last-mile delivery providers for groceries and other business lines and plans to electrify its fleet of delivery bikes.

Mashaweer ("My Driver")

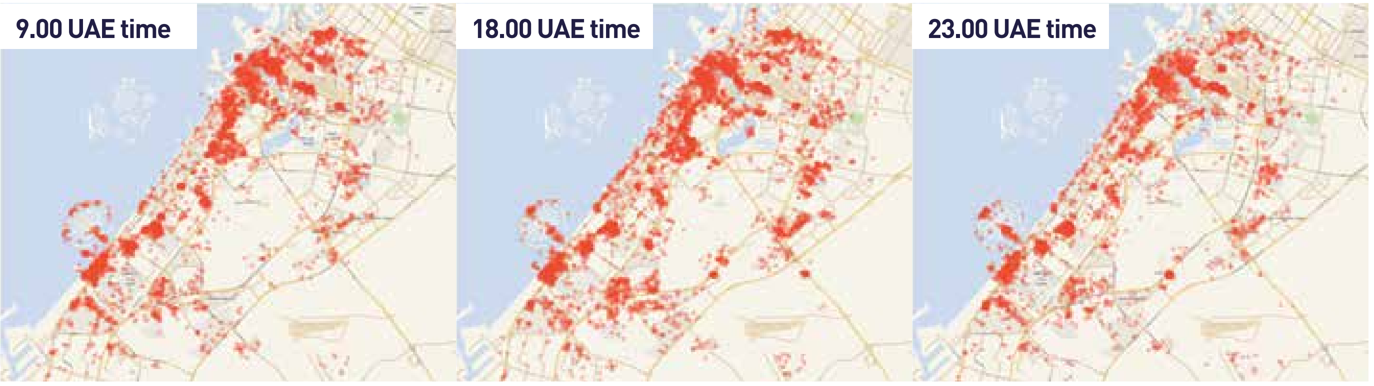
Mashaweer, or My Driver, is a service DTC offers to customers who have their own vehicles. Through Mashaweer, DTC's trained drivers are available to chauffeur customers for a minimum of four hours at an hourly rate or daily, weekly or monthly as the case may be, at an agreed fee, using the customer's provided car, fuel and insurance. The type of services offered by My Driver are not regulated by the RTA.

Overview of Operations

Operations Control Centre

DTC manages a 24/7 advanced OCC that is dedicated to managing all fleet operations and monitoring driver and vehicle performance. From the OCC, DTC can monitor driver behaviour and alert drivers to road conditions, direct vehicles in the fleet to high demand areas, support drivers, coordinate with drivers to move offline or vacant vehicles to various locations, track revenue, analyse fleet and system data and prepare periodic reports. Management utilises data gathered from the OCC, such as predictive analysis and heat maps, to reduce the time required to fulfil the peak demand requirements and thus utilise their mobility assets. The OCC's heatmaps are able to track and depict traffic activity at various times of the day, enabling DTC to manage its operations.

Figure 1. Heatmap of DTC Taxis (as at 31 December 2023)



"DTC MANAGES A 24/7 ADVANCED OCC THAT IS DEDICATED TO MANAGING ALL FLEET OPERATIONS"

"CUSTOMERS ARE ABLE TO USE A VARIETY OF PAYMENT METHODS INCLUDING CASH, CARD OR IN-APP PAYMENTS"

The OCC is integrated with a number of smart-apps that DTC utilises to manage its operations, including the DTC App and DTC School Bus App.

DTC App

DTC's DTC App is its smart application, developed in-house, that enables customers to reserve its limousines in a simple and user-friendly way using their smartphones. The app is integrated with the OCC where the requests are received and then transmitted to relevant drivers to link with customers. Customers are also able to use a variety of payment methods including cash, card or in-app payments. Given the app's integration with the OCC, DTC is able to track a number of key performance indicators for its limousine services through the app including daily revenue, customer engagement, acceptance rates, trips and locations and estimated times of arrivals. The OCC is also able to monitor complaints from customers shared via the app. Similar to Uber and Careem, the DTC App aggregates trips for both DTC's limousine drivers and drivers from external limousine companies.

While currently only offered for hailing DTC's limousines, the DTC App ecosystem has been designed to be able to scale up and expand to DTC's other service offerings in the future. Following the expiration of DTC's exclusivity agreement with Hala at the end of 2024, DTC may adopt a full e-hailing approach and explore partnerships with other e-hailing apps. DTC may also scale up its own DTC application to its other business lines.

DTC School Bus App

DTC's DTC School Bus App is its smart-application, developed in-house, that provides parents and guardians with confidence in their children's safety by utilising the information captured on board DTC's bus telematics systems and data captured from the OCC analytics systems. Once a student is registered via the app, parents are able to track the movement of the buses to and from schools, sending notifications when a student arrives at home or school or in the event of an unexpected delay. Parents are also able to report student absences via the app, enabling bus drivers to proceed on the route without stopping, which increases efficiency.

DTC Partner App

DTC's DTC Partner App is its smart application that provides for internal communications with its drivers and serves as a services portal, which enables them to check their commission breakdown, apply for annual leave and manage their benefits. Since the DTC Partner App provides drivers with certain KPIs that contribute to their commission, it can be used by drivers to help them monitor and manage their efficiency and commission targets.

Overview of Operations
Continued

Key suppliers

Fuel costs

DTC's operations are heavily dependent upon the use of fuel. DTC actively manages its fuel costs through its fuel purchase agreement with ENOC, a state-owned energy group which is wholly owned by the government of Dubai. Under its current agreement with DTC, ENOC provides access to high quality petrol and diesel fuel for DTC's mobility services. DTC's cars are equipped with radio-frequency indication powered fuel tags for purchase of the fuel and ENOC applies a discount to the market price per litre when it bills DTC for such purchases. DTC's current fuel contract expires on 29 February 2024 and can be terminated without cause by ENOC with three months' notice.

DTC also has in place a fuel agreement with the Abu Dhabi National Oil Company ("ADNOC"), the state-owned energy group which is wholly owned by the government of Abu Dhabi, on an undiscounted basis for the fuel of its buses in Abu Dhabi. This agreement runs from 1 July 2023 to 30 July 2025.

In-house maintenance

As part of its competitive advantage, DTC has in-house maintenance capabilities that permit it to maintain and service its non-electric taxis, limousines and delivery bikes at its own maintenance centres, ensuring a 24-hour recovery service for vehicle breakdowns. It has a repair capacity of 400 vehicles per day. This also allows DTC to do predictive maintenance, rather than just corrective maintenance, on its vehicles in order to keep them running more smoothly.

For certain specialist repairs, such as for its electric vehicles and its buses, DTC utilises third party suppliers rather than using in-house maintenance for which, through the scale of its vehicle fleet, DTC is able to negotiate reduced service fees.

DTC's in-house maintenance facilities allow it to service and maintain its fleet (other than buses and electric vehicles) in a cost-effective manner, thus eliminating service fees payable to third party maintenance services providers. In order to maintain these costs, DTC has systems in place so that its vehicles are maintained in accordance with manufacturer recommendations and an established monitoring system that tracks vehicle key performance indicators with the aim of ensuring optimum fleet utilisation. DTC's maintenance analysis also includes a failure analysis by brand or auto manufacturer which DTC integrates into its vehicle replacement and procurement framework.

Vehicle replacement and procurement

As part of the management of its fleet and in line with its contractual obligations with the RTA, DTC typically replaces between 25% to 30% of its taxi and limousine fleet every year, resulting in a complete fleet overhaul approximately every four years for its taxis and non-electric limousines (its electric limousines are replaced approximately every seven years). For its buses, DTC expects a complete fleet overhaul approximately every 15 years. For the bikes, DTC replaces them every 4 years.

DTC primarily relies on Dubai-based car suppliers for the purchase of new vehicles. DTC regularly enters into new agreements with car suppliers to meet its fleet procurement and replacement needs.

"DTC TYPICALLY REPLACES BETWEEN 25% TO 30% OF ITS TAXI AND LIMOUSINE FLEET EVERY YEAR"

Drivers

DTC views its drivers as integral partners in the provision of its mobility services. As DTC's taxi and limousine drivers are compensated through performance-based commission slabs, they are not classified as employees but are sponsored by DTC and work on a commission basis. The drivers in the bus and other services business lines, which includes bus drivers and drivers for My Driver, are classified as employees.

Marketing

At the core of its marketing strategy is DTC's intention to provide innovative, high quality and sustainable digital mobility services in line with global best practices, and in a manner which will contribute to its customers' happiness. To deliver on this goal, DTC relies on its investments in bolstering brand recognition as well as its digital strategy and technology usage, including smart-apps and social media platforms.

Customers

DTC's customers are a diverse and dynamic representation of the communities in which DTC operates. They represent all age groups and backgrounds and various industries or government authorities. DTC customers include:

- passengers utilising DTC's taxis and limousines;
- government authorities or commercial entities contracting DTC's buses to serve students or employees; and
- last-mile delivery services utilising DTC delivery bikes and drivers to meet the needs of their customers.

For each, DTC aims to provide a high-quality mobility solution and management considers customer satisfaction as crucial to being able to do so.

SUSTAINABILITY

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Introduction

Sustainability is crucial to our business and the sector we operate in as it allows cities to address environmental concerns, reduce congestion, provide access to affordable transportation and enhance overall urban livability. At DTC, we define 'sustainability' as relating to our people, including our drivers, employees, customers and communities, and the environment wherein we operate. DTC acknowledges that public transport has the ability to connect communities and increase accessibility which remains a key priority for us

We have the largest fleet of environmentally friendly vehicles in Dubai, predominantly hybrid, and we continue to reduce our carbon footprint. DTC aims to prioritise sustainability through minimising greenhouse gas (GHG) emissions, improving air quality and enhancing accessibility. In support of this, DTC commenced its sustainability journey with RTA and continues to support UAE's sustainability and net zero goals for the public transportation sector by 2050. This is established through the hybridisation and electrification of the public transport fleet in support of Dubai's Mobility Vision, with urban sustainability being a key pillar.

Our sustainable practices are governed by DTC's Sustainability Policy applicable to our operations and personnel. It stipulates how sustainable practices will be incorporated into operations and decision-making. This focuses on promoting responsible use of resources, reducing environmental impact and fostering social and economic development that can be maintained over the long term.

Environmental Overview

DTC has focused on sustainable urban mobility since launching its hybrid car programme in 2007 and in 2023 we continue to make positive strides in our fleet hybridisation. Environmental Management is key to our business and we have implemented ISO 14001 Environmental Management System to establish, implement, maintain and continually improve our environmental performance.

Measuring and monitoring GHG emissions

We understand our regional and global environmental impact and focus on calculating our scope 1, 2 and 3 emissions internally using the GHG Protocol. Through this, we have greater insights into the main sources of our emissions, which guide our planning for emission reduction initiatives. DTC is committed to disclosing transparent information to stakeholders and we are in the process of developing our approach to externally disclose our emissions.

For our scope 1 emissions, we acknowledge that fuel consumption is the most material source of emissions to our business. We aim to further reduce our carbon footprint through electrification and hybridisation of our fleet, with 77% of our taxis and 79% of our limousines being electric or hybrid. For our scope 2 emissions, our electricity consumption continues to be monitored in our operations with saving initiatives being rolled out including changing lighting systems to LED. We plan to re-evaluate this initiative with the latest electricity saving technologies in 2024 to further reduce our electricity consumption. Our scope 3 emissions mainly comprise category 4: upstream transportation and distribution of purchased products and we continue to monitor this closely.

DTC plays a crucial role in reducing carbon emissions and mitigating climate change. Our aim is overall emissions reduction in our business and we will establish critical emissions reduction targets to support our goal and the net zero goals of the UAE and RTA which will be regularly assessed and reported.

Pursuing net zero encourages DTC to explore innovative solutions and collaborate with other stakeholders. In order to fulfil this goal, DTC has already signed a number of memoranda of understanding with various auto dealers to assist in the fleet's electrification and hybridisation. As part of these arrangements, DTC has in place an agreement with KIA to contribute to the specifications of KIA's 100% electric purpose-built vehicle which will suit the Dubai market and environment, with planned development of an autonomous vehicle post-2025. DTC is prioritising its fleet transformation as this green initiative will also enable DTC to improve its profitability by reducing fuel costs.

Water consumption

We understand the water-scarce region we operate in and we find it critical to reduce our total consumed water in our buildings and in our fleet when washing vehicles. To support this, DTC has an initiative focused on using recycled water to wash more than 2,500 taxi cars on a daily basis. This programme started in 2018, with the team completing various upgrades to the system to reach an approximate 85% reduction in water used.

Social Overview

DTC plays an active role in social initiatives offered within the Company and throughout the community. Since public transport drivers are integral members of the communities they serve, they also act as DTC ambassadors and promote our Company values while contributing to a sense of community cohesion. DTC sees its employees, its drivers and the wider community as core to its success and ambitious goals.

The DTC Corporate Social Responsibility policy ensures a balance between the objectives of DTC and those of the community, in order to promote the socio-economic conditions. The policy details our commitment to operating in a responsible manner while considering the interests of our stakeholders and the environment. We offer certain programmes and initiatives to the community and ensure beneficiaries of our programmes have been selected through DTC criteria.

Diversity and Inclusion

We place importance on diversity across the gender, nationality and cultural differences of our employees and drivers. To operationalise our commitments to a diverse workforce, we have developed a DTC Diversity and Inclusion Policy which covers areas of inclusive workforce, diverse Board, culture of equality and equal access to training. We conduct regular diversity and inclusion awareness campaigns focusing on an inclusive workforce, recognising that employees from different genders, cultures and experiences bring value and benefits to our workplace. In 2023, we conducted a number of campaigns where our employees were able to understand our approach to ensuring diversity and inclusion.

One of our key areas of focus is women and families and we have a dedicated service exclusive to ladies and families. We have a total of 113 taxis distinguished by pink roofs and driven by female drivers. These taxis can be reserved via the S'hail App or picked up at Dubai International Airport, various Hospitals and/or shopping malls, subject to availability.

In addition to this, we have established Ameera limousines, the first female-chauffeured service for women in Dubai.

DTC has a specialised Women's Council which provides various initiatives to empower our women. These include participation in International Women's Day activities and engagement in women's sports tournaments. We anticipate growing the number of opportunities available to women in the future, as well as the number of female-driven taxis in our fleet.

We have designed services for women, children and People of Determination (POD) through our ladies and family taxis, In Safe Hands Service and POD taxis. DTC ensures our service offerings are able to accommodate PODs and provide any additional privacy or comfort that they may require. DTC currently has 27 POD taxis to allow for equitable access for all. These taxis have designated wheelchair lifts and are designed to accommodate supporting passengers.

Driver wellbeing

DTC views driver wellbeing as a critical part of the overall success of the Company and of customer satisfaction. Drivers' social wellbeing can significantly impact the customer's journey and if supported and satisfied, they are more likely to engage positively with passengers, provide assistance and maintain a friendly and welcoming atmosphere in the vehicles.

DTC has a total of 14,163 drivers of approximately 52 different nationalities, serving customers across all Emirates. To support our drivers' educational journey, we provided over 45 awareness campaigns across Dubai in various fields of work. These campaigns are run in partnership with third party providers including Civil Defence, Dubai Police, Dubai Health Authority, Dubai Culture and Arts Authority and Noor Dubai Corporation. Drivers are also able to receive instant bonuses for good hospitality, clean vehicles and customer satisfaction through DTC's Shukran programme.

"DTC BELIEVES ITS COMMITMENT TO PEOPLE AND GOOD GOVERNANCE CONTRIBUTES TO HIGH CUSTOMER SATISFACTION"

In collaboration with National Bonds, DTC introduced the ground-breaking Golden Pension Plan, an innovative programme that highlights our commitment to our drivers' financial security, improving their standard of living and reaffirming our social duty.

We understand the importance of our drivers' mental wellbeing and offer all drivers access to an in-house psychologist to support them. This is a critical pillar in our drivers' wellbeing to equip them to be successful and fulfil their duties. Along with this programme, DTC and Dubai Ambulance collaborate to provide first aid training for drivers, guaranteeing that they are knowledgeable about critical first aid for our customers.

We have also signed a memorandum of understanding with Noor Dubai Corporation to provide free eye tests to our drivers, while working with the Dubai Health Authority to allow for various health screenings to all drivers. This ensures drivers stay alert, focused and physically capable of handling the demands of driving.

Customer engagement

Across all of DTC's stakeholder groups, DTC is fully transparent, providing clarity on both customer tariffs and criteria for allotment of taxis and has committees who oversee key aspects of operations and report to the Board. DTC continues to engage with all stakeholders and prioritises customer engagement in order to foster trusted relationships and ensure transparency.

Combining these factors, DTC believes its commitment to people and good governance contributes to high customer satisfaction. Management believes that DTC is often a leading ESG partner for its government authority and commercial entity customers, given its strong focus on sustainability, full alignment with Dubai's ESG goals and commitment to people.

CORPORATE GOVERNANCE

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Governance Overview

At DTC we believe that strong corporate governance is fundamental to our success and essential for building trust among our stakeholders. Our commitment to ethical practices, transparency and accountability remains unwavering in the next chapter in DTC's history

Corporate governance is the system by which the business of DTC is directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in DTC, such as the Board, Executive Management, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs.

DTC is committed to developing effective, transparent and accountable corporate governance practices at the level of the Board of Directors and the Executive Management through a well-established and integrated framework and structure. This includes adopting the relevant set of rules, practices and processes used to direct and control DTC, as well as defining its authority and accountability structure, and decision-making process.

DTC's governance philosophy is to adopt effective practices that are compliant with the local regulatory requirements and leading practices, enabling the Board to have constructive and effective governance oversight. With that in mind, the Board has adopted the following corporate governance principles:

- **Acting in the best interest of DTC and its stakeholders**
- **Accountability**
- **Disclosure and transparency**
- **Effective delegation**
- **Promoting ethical and responsible decision-making**

This section of the Annual Report provides an insight into the key structures and initiatives that define our corporate governance practices.

Governance framework overview

Summary of key policies that form an integral part of our governance framework:

Code of Conduct: DTC's Code of Conduct includes guidelines and principles that outline the expected behaviour, ethical standards and responsibilities for Board members, Executive Management and other employees of DTC. Our Code of Conduct serves as a framework to promote a positive and inclusive environment, ensuring that all members adhere to a common set of values.

Anti-Bribery and Corruption Policy: Our ABC Policy sets out rules and guidelines established by DTC to prevent bribery and corrupt practices. The DTC Board considers our ABC policy crucial for maintaining ethical standards, legal compliance and the reputation of DTC.

Disclosure and Transparency Policy: The DTC disclosure and transparency policy includes rules and guidelines that have been established to ensure that accurate, timely and relevant information is provided to our stakeholders on all material matters regarding DTC, including its financial situation, performance and governance.

Insider Trading Policy: Our insider trading policy sets out rules and guidelines established by DTC to prevent illegal or unethical trading of its securities by individuals with access to non-public, material information to ensure fair and equitable treatment of all DTC investors.

Whistle-blower Policy: The DTC whistle-blower policy includes a set of guidelines and procedures established by DTC to encourage employees and stakeholders to report concerns, unethical behaviour or illegal activities within the organisation without fear of retaliation. The primary goal of this policy is to create a safe and confidential mechanism for individuals to disclose information that may be in the public interest or that could harm DTC.

Conflict of Interest Policy: DTC's conflict of interest policy outlines guidelines and procedures established by DTC to address situations where an individual's personal interests or relationships may conflict with their professional duties and responsibilities within DTC. The primary purpose of this policy is to promote transparency, integrity and the avoidance of situations that could compromise DTC's interests.

Key governance activities completed in 2023:

7 new Board members appointed, ensuring compliance with applicable rules and regulations

Board committees established:
- Audit, Risk and Compliance
- Nomination and Remuneration

Corporate functions set-up:
- Risk Management
- Internal Audit and Compliance

Appointed:
- Board Secretary
- Legal Counsel
- Manager of Investor Relations

Governance framework and key policies developed and adopted

Delegation of authority developed

Board of Directors

At the heart of DTC's strategic guidance, oversight and stewardship stands our esteemed Board of Directors

The DTC Board comprises seven non-executive independent directors, each of whom has been appointed for a term of three years. Composed of accomplished professionals, our Board collectively provides invaluable leadership, vision and expertise, steering the Company through dynamic landscapes and evolving market conditions.

Our Board is dedicated to upholding the highest standards of corporate governance, championing transparency, accountability and ethical practices. Their unwavering commitment to effective governance continues to reinforce DTC's foundation, fostering sustainable growth and driving long-term value creation for our shareholders, employees and stakeholders alike.

The principal duties of the Board are to provide DTC's strategic leadership, to determine the fundamental management policies and to oversee the performance of the business. The Board is the principal decision-making body for all matters that are significant to DTC, 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. Further information regarding the DTC Board can be found in the Corporate Governance Report.

The key responsibilities of the Board include:

- determining the strategy, budget and structure;
- approving the fundamental policies of DTC;
- 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 DTC;
- appointing Executive Management;
- determining the remuneration policies of DTC and ensuring the independence of Directors and that potential conflicts of interest are managed; and
- calling shareholder meetings and ensuring appropriate communication with shareholders.

The DTC Board operates two permanent committees:

Audit, Risk and Compliance Committee	Nomination and Remuneration Committee

Audit, Risk and Compliance Committee

The purpose of the Audit, Risk and Compliance Committee (hereinafter referred to as "ARCC") of DTC is to assist the Board in fulfilling its oversight responsibilities with regard to:

- Enhancing financial transparency – ensures accurate accounting practices and transparent financial reporting;
- Strengthening internal controls – proactive measures to enhance the effectiveness of internal controls and processes;
- Safeguarding Auditor independence – meticulous oversight to guarantee the independence and credibility of external auditors;
- Adapting to regulatory changes – a forward-looking approach to navigating and complying with evolving regulatory standards;
- Integrating Risk Management – strategic incorporation of risk management into decision-making processes; and
- Transparent reporting to the Board – providing the Board with detailed reports for informed decision-making and governance.

The ARCC is also responsible for assisting the Board with the oversight of enterprise-wide risk governance across DTC, such as providing an assessment of enterprise risks and the determination of risk appetite as part of the overall strategy. The ongoing role of the ARCC is to provide independent and objective review and advisory services by providing assurance to DTC over its financial and operational controls. It is designed to manage DTC's risks and achieve its objectives, operate in an efficient, effective and ethical manner, and assist management in improving operational performance.

In performing its duties, the ARCC will maintain effective working relationships with the Board, Executive Management, and with the Internal and External Auditors.

The ultimate responsibility for reviewing and approving the Annual Report and financial statements remains with the Board. The ARCC 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 Board has approved a governance framework that maps out the internal approvals processes and those matters that may be delegated in order to promote effective governance across all of its operations.

Nomination and Remuneration Committee

The purpose of the Nomination and Remuneration Committee (hereinafter referred to as the "NRC") is to assist the Board in fulfilling its oversight responsibilities with regard to, but not limited to:

- Strategic appointments – oversees appointments, ensuring alignment with strategic goals and maintaining Board independence;
- Performance evaluation – conducts regular assessments of leadership, fostering accountability and independent contributions;
- Compensation strategies – formulates fair and competitive packages, aligning with performance and industry benchmarks;
- Succession planning – proactively identifies and develops future leaders, ensuring smooth transitions and Board independence;
- Diversity and Inclusion – integrates diversity principles into appointments, promoting varied perspectives for effective governance; and
- Stakeholder communication – maintains transparent communication on leadership decisions, engaging stakeholders for input and reinforcing Board independence.

In performing its duties, the NRC will maintain effective working relationships with the Board and the Executive Management.

Executive Management

DTC has a seasoned management team with strong execution capabilities

The driving force behind DTC's strategic vision and operational excellence is our esteemed Executive Management team. Comprising seasoned professionals with diverse expertise and a shared commitment to our Company's mission, they steer our organisation towards sustainable growth, innovation and success.

Led by Mansoor Rahma Juma Abdulla Alfalasi, our Executive Management team demonstrates exemplary leadership, guiding the Company with a steadfast focus on delivering value to our stakeholders. Their collective experience, coupled with a culture of transparency and integrity, ensures that governance practices align seamlessly with our corporate values and objectives.

Throughout 2023, our Executive Management team has continued to champion strategic initiatives aimed at driving operational efficiency, fostering innovation and seizing growth opportunities. Their agile decision-making and proactive approach have enabled us to navigate challenges while capitalising on emerging trends in our industry.

In a landscape marked by evolving risks and uncertainties, our Executive Management team remains dedicated to robust risk management practices. Their prudent approach in assessing, mitigating and managing risks has bolstered our Company's resilience, safeguarding our operations and preserving shareholder value.

Our executives prioritise a people-centric approach, recognising that our employees and driver partners are the cornerstone of our success. Their commitment to fostering a diverse, inclusive and empowering workplace culture underscores our dedication to attracting, developing and retaining top talent.

The contributions of our Executive Management team are integral to our continued growth and resilience. Their unwavering dedication, strategic acumen and commitment to excellence position us for sustained success as we navigate an ever-evolving business landscape.

Mansoor Rahma Alfalasi
Chief Executive Officer

Appointment date	December 2020
Skills and experience	• Mansoor Rahma Alfalasi is a highly experienced professional with nearly 20 years of experience in business management within the mobility sector as part of the regulatory body at the RTA, and has been serving as DTC's Chief Executive Officer since 2020 • Since he joined DTC in 2020, he has been focusing on managing the direction and implementation of DTC's strategy by leading a team of nearly 2,500 employees and 13,500 drivers and overseeing a corporate annual budget of approximately AED 1.4 billion • Mr. Alfalasi also plays a crucial role at DTC in overseeing and managing the full spectrum of daily activities, including operations, sales and marketing, business development, budgeting and financial reporting, and compliance with all UAE federal regulations, policies and RTA procedures • Before joining DTC as CEO, Mr. Alfalasi had various management roles at the RTA from 2014 to 2020, including as Director of the Drivers Licensing Department, Director of the Human Resources and Development Department, Director of the Marine Transport Department, and Director of the Administrative Services Department
Education and certifications	• Higher National Diploma in Construction in 1999 and a Bachelor in Construction Engineering in 2004 from Dubai's Men's College – Higher Colleges of Technology • Completed the Mohammed Bin Rashid Leadership Program in 2017 • Mr. Alfalasi also attended courses and obtained certifications from Harvard Business School on Leading with Finance, Organizational Leadership, Specialization in Strategy and Global Business

Executive Management
Continued

Amit Khandelwal
Chief Financial Officer

Appointment date	November 2023
Skills and experience	• Amit Khandelwal is a highly experienced professional with more than 20 years of experience as a senior corporate finance and accounting executive in other leading companies • He has developed expertise across fund raising, liquidity management, budgeting, accounting, liability management, risk management, treasury policy and controls and compliance, as well as developed relationships with financial institutions and investors • From 2010 through 2017, Mr. Khandelwal was with Emaar Properties and his last role was Senior Director – Treasury • From 2017 to 2023, Mr. Khandelwal has been Senior Vice President – Accounts and Finance at Dubai Holding LLC • From 2018 to 2022 he also served as the Chief Financial Officer of Dubai Creek Harbour, a subsidiary of Dubai Holding LLC
Education and certifications	• Bachelor of Engineering in Construction in 1999 from Mumbai University (India) • Master of Management Studies in Finance in 2001 from Mumbai University (India)

Ammar Rashid Al Braiki
Chief Operating Officer

Appointment date	December 2023
Skills and experience	• Ammar Al Braiki is a highly experienced professional with over 20 years of experience with DTC • Prior to assuming his current role, he held the position of Director of Fleet Operations at the Company responsible for overseeing operations of DTC's key mobility segments • Mr. Al Braiki's expertise encompasses managing operations of taxis, limousines, school buses and delivery services, managing more than 14,000 drivers • Previous positions he held at DTC include Director of Shared Services and Director of Commercial and Investment
Education and certifications	• Bachelor of Business Administration degree in International Business • Obtained certifications from Harvard Business School on Financial Management, Strategy and Global Business • Awarded as 'Creative Employee of the Government of Dubai'

Executive Management
Continued

Abdulla Ibrahim Almeer
Chief Business Transformation Officer

Appointment date	December 2023
Skills and experience	• Abdulla Almeer is a highly experienced professional with over 17 years of diverse experience in public private partnerships, operations management, strategic planning and financial expertise • Prior to assuming his current role, he held the position of Director of Digital Transformation and Commercial Development at DTC. In this capacity, he was in charge of the complete commercial and digital overhaul, which prepared DTC for the Initial Public Offering stage • Before joining DTC, Mr. Almeer had various management roles at the RTA from 2013 including Director of Operations and Commercial Affairs and Director of Commercial Activities • From 2006 to 2013, he was Operations Manager at Wasl Group, one of the largest real estate development and management companies in the UAE
Education and certifications	• Higher Diploma in Finance and Bachelor of Science degree in Business Management from Higher College of Technology • Graduated from Sheikh Mohammed bin Rashid Leadership Program in 2010 and certified as a Board Member in 2018

Enterprise Risk Management

At DTC, we recognise the importance of identifying, assessing and managing risks that could impact our business operations, financial performance and strategic objectives.

The Board has ultimate responsibility for the effective management of risk for DTC, including determining its risk appetite and identifying key strategic and emerging risks. The Audit, Risk and Compliance Committee serves as a governance oversight body to review and challenge the risk management processes.

The goal of Enterprise Risk Management ("ERM") is not to eliminate risks only, but also to implement an effective ERM framework to create an environment where risk is embraced and allows the DTC Board and management to make holistic, risk-intelligent, and strategic decisions. ERM is therefore a strategic tool rather than just a compliance tool.

Our approach to risk management encompasses the following key elements:

1 Risk Identification

The risk identification process aims to consider "in an integrated and comprehensive manner" the risks to which DTC may be exposed, and which may affect the achievement of its objectives. In this process, all risks are identified, whether they are under the direct control of the Company or not.

2 Risk Assessment

The risk assessment process aims to get a deeper understanding of the nature of risks, the levels of their impact and the probability of their occurrence in a qualitative and quantitative manner. It also includes comparing the level of risks with the limits of DTC's appetite and tolerance of risks to determine procedures and controls.

3 Risk Treatment

The risk treatment process aims to choose the most appropriate options to change the level of risk, taking into consideration the potential benefits emerging from the proposed actions against the costs and efforts to implement them.

4 Monitoring

The risk monitoring process aims to monitor risks during the life cycle of the risk, that is before, during, and after it is treated. Continuous monitoring supports an integrated understanding of all risks and the effectiveness of DTC's control environment to provide reasonable assurance regarding the management of its risks within acceptable levels.

5 Communication

The risk reporting process will identify the related parties and stakeholders involved in Enterprise Risk Management, the purpose of reporting, the classification of the information and reports required, the mechanism for submitting them, and the periodicity of reporting.

Whilst DTC employs various strategies to mitigate risks, it is important to note that some risks cannot be entirely eliminated. The DTC Board remains committed to regularly reviewing and enhancing our risk management framework to adapt to an ever-evolving business landscape.

The roles and responsibilities of the different components of DTC's ERM structure are as follows:

Board of Directors

Audit, Risk and Compliance Committee

Risk Management department | **Chief Executive Officer (CEO)**

Chief Financial Officer (CFO) | **Chief Operating Officer (COO)** | **Chief Business & Transformation Officer (CBTO)**

Departments

Risk Champions

Corporate Governance Report

Chairman's insight

Elevating Governance at Dubai Taxi Company P.J.S.C. ("DTC")

Dear shareholders, stakeholders, and members of the Dubai Taxi Company P.J.S.C. family,

As Chairman of the Board, I am honoured to convey our collective commitment to governance excellence at Dubai Taxi Company. In the wake of our successful listing on the Dubai Financial Market through record-breaking oversubscription in late 2023, I emphasise our unwavering dedication to ethical conduct, transparency and accountability.

At the core of our success is a steadfast commitment to Governance Principles that build trust, foster innovation and drive sustainable growth. In an era where scrutiny is heightened, strong governance becomes paramount for the resilience of our Company.

Our Board, in collaboration with the management team, is dedicated to exceeding industry standards, shaping a dynamic governance framework that evolves with the business landscape and stakeholder expectations.

Our commitment to governance is ingrained in our decision-making, our risk management and our corporate culture. We aim not only to mitigate risks and enhance shareholder value but to create an environment where every stakeholder feels secure, valued and integral to our shared success.

In this report, I invite you to explore how our commitment to governance is woven into the fabric of Dubai Taxi Company, guiding our journey towards sustained excellence.

Thank you for your trust, partnership and belief in Dubai Taxi's vision. Together, let us continue to build a legacy anchored in strong governance, innovation and enduring success.

Sincerely,

Abdul Muhsen Ibrahim Kalbat
Chairman of the Board

Key appointment and governance structure

On 12 November 2023 His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of the Executive Council of Dubai, issued Resolution No. (92) of 2023 appointing members of the Board of Directors of "Dubai Taxi Company PJSC".

The seven-member Board of Directors at DTC is thoughtfully curated to embody diversity, independence and a rich array of skills and expertise, including valuable female representation. Composed entirely of non-executive independent members, this deliberate structure ensures impartial decision-making and a resilient governance framework aligned with the best interests of our stakeholders.

Operational structure

Dubai Taxi Company upholds a dynamic operational structure for its Board of Directors, specifically tailored to meet the rigorous governance standards expected of public listed companies in the UAE.

The Board operates through two main committees: The Audit, Risk, and Compliance Committee "ARCC" and The Nomination and Remuneration Committee "NRC". This structure is designed to ensure rigorous oversight and strategic direction, integral for sustaining public trust.

DTC Board committees are pivotal for maintaining effective oversight within the regulated environment of public listed companies. Regular committee meetings, stringent reporting structures and adherence to UAE regulatory requirements contribute to the effectiveness of our operational structure.

Dynamic governance evolution

Recognising the importance of adaptability, our Board is committed to continuously evolving its operational structure and committees. This commitment ensures that our governance practices remain not only compliant with UAE regulatory standards but also adaptive to the evolving needs and expectations of our stakeholders. Through the collaborative efforts of these committees, DTC strives to set benchmarks for effective oversight and governance excellence within the context of public listed companies in the UAE.

Corporate Governance Report
Continued

Meet our Board

H.E. Abdul Muhsen Ibrahim Kalbat
Chairman

Appointment date	November 2023
Skills and experience	• H.E. Abdul Muhsen Ibrahim Kalbat has more than 30 years of senior leadership experience in the public sector • He has been a prominent member of the RTA's Board of Directors from its inception in 2005 • 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 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, an agency established under the RTA, since 2015. He has also accomplished significant cost-saving measures of more than AED 25 billion in development and operational costs. At the Rail Agency, he is currently overseeing a number of important and prestigious projects, most prominent of which is the UAE 10.6 billion Route 2020 project
External appointments (PJSC)	• Vice-Chairman of the Board of Directors of the RTA • Vice-Chairman of Salik Company P.J.S.C.
Education and certifications	• Bachelor of Arts in Computer Science from the University of the United Arab Emirates, Al Ain • Graduate of Mohammed Bin Rashid Executive Leadership Development Program
Committee membership	–

Ahmed Ali Mohammad Altheeb Al Kaabi
Vice-Chairman

Appointment date	November 2023
Skills and experience	• Ahmed Ali Mohammad Altheeb Al Kaabi has more than 20 years of senior leadership experience in the public sector • He is the incumbent Executive Director of Finance Department at the RTA, a position he has held since 2015, where he oversees the financial aspects of all the RTA's sectors and agencies and he is responsible for developing financial strategies, legislation and policies to manage and control various financial aspects, including implementing government directives and establishing new companies • Over the course of his career, he has had notable achievements, including winning the Dubai Government Excellence Award in Resources and Property Standard 2017, participating in setting accounting standards for the Dubai Government in 2007, and serving as a mentor in the Model Programme for Developing the Skills of RTA's Young Leaders
External appointments (PJSC)	–
Education and certifications	• Higher Diploma in Accounting from the Higher Colleges of Technology of Dubai in 2000
Committee membership	• Audit, Risk and Compliance Committee (Chairman)

Abdulla Mohammed Abdulla Bin Damithan Al Qemzi
Director

Appointment date	November 2023
Skills and experience	• Abdulla Mohammed Abdulla Bin Damithan Al Qemzi is a recognised professional in the maritime and logistics industry in the Middle East region; with over two decades at DP World, he now manages DP World's portfolio in the GCC region, which includes ports and terminals, economic zones, marine services, logistics and trade solutions • Appointed in July 2023 to oversee the region, Mr. Bin Damithan previously held the position of CEO and Managing Director of DP World UAE as well as various senior leadership roles including Chief Commercial Officer of DP World UAE, where he managed revenue generation and oversaw service delivery across key business segments from ports and terminals to trade enablement
External appointments (PJSC)	–
Education and certifications	• BBA in Business Administration in Marketing from Suffolk University (Boston, USA) in 2001 • Graduate Diploma in Maritime and Port Management from the National University of Singapore in 2004
Committee membership	• Nomination and Remuneration Committee (Chairman)

Dr. Hanan Sulaiman Mohamed Khalifa Al Suwaidi
Director

Appointment date	November 2023
Skills and experience	• Dr. Hanan Sulaiman Mohamed Khalifa Al Suwaidi is a specialist in general practice medicine and currently works as a family physician specialist and the Chief Business Officer at the Dubai Academic Health Corporation, where she oversees business functions, including strategy and governance, marketing and communication, audit, legal affairs and project management • She has also served as a Director of Governance at the Mohammed Bin Rashid University of Health Sciences since 2021 and has also served as Assistant Professor of Family Medicine there since 2019 • From 2018, she has worked as a Medical Coordinator at Teladoc Health • In 2019, Dr. Al Suwaidi served as a flight surgeon for the Mohammed Bin Rashid Space Centre, where she served as the flight surgeon for Mission 1, the UAE's first astronaut mission into space • She worked at the Dubai Health Authority from 2006 to 2018, where she worked initially as the Head of Government Health Insurance Programs and later as the Senior Specialist Registrar. Since 2013, Dr. Al Suwaidi has been a Partner of the United Medical Center
External appointments (PJSC)	–
Education and certifications	• Bachelor of Medicine, Bachelor of Surgery from the Faculty of Medicine and Health Sciences of the UAE University in 2005 • Certification in Family Medicine in 2011 from the Arab Board of Health Specialisations • Master of Science in Public Health: Excellence in Health Care Management from the Hamdan Bin Mohammed Smart University (HBMSU) in 2011 • Member of the Royal College of General Practitioners since 2011
Committee membership	• Audit, Risk and Compliance Committee (Member)

Corporate Governance Report
Continued

Shehab Hamad Abdullah Hamad Bu Shehab
Director

Appointment date	November 2023
Skills and experience	• Shehab Hamad Abdullah Hamad Bu Shehab has over 30 years of experience in the legal industry, and his expertise covers a variety of legal and consulting fields including the police, law practice and legal counseling for civilian government entities • He currently serves as the Executive Director of the Legal Affairs Department at the RTA. His contributions include input on federal and local legislation, developing legal training programmes, workshops and seminars, as well as the publication of research and studies through various media • Mr. Bu Shehab has represented the UAE in many local, federal and regional committees as well as in conferences and as a delegate to many Arab countries, which boosted international cooperation and coordination and contributed to urban and legal developments
External appointments (PJSC)	–
Education and certifications	• Bachelor of Law and a Higher Diploma in Police Studies from the Dubai Police Academy
Committee membership	• Nomination and Remuneration Committee (Member)

Essa Abdulla Khamis Bin Natoof Al Falasi
Director

Appointment date	November 2023
Skills and experience	• Essa Abdulla Khamis Bin Natoof Al Falasi is an experienced professional who has served as Chief Executive Director of the Operations Sector in the Dubai Government Human Resources Department since 2022 • Mr. Bin Natoof has also served as the Director of the Social Security Affairs Department of the Dubai Government Human Resources Department since 2009
External appointments (PJSC)	–
Education and certifications	• Bachelor Degree in Business Administration in 2005 • Higher Diploma in Business Administration in 2002 from the Higher Colleges of Technology of Dubai
Committee membership	• Nomination and Remuneration Committee (Member)

Corporate Governance Report
Continued

Yousuf Ahmad Ali Saeed Bin Ghulaita Almheiri
Director

Appointment date	November 2023
Skills and experience	• Yousuf Ahmad Ali Saeed Bin Ghulaita Almheiri is a highly experienced professional with nearly 30 years of experience in the accounting and administration of public bodies • He has been the Director of Finance and Administration Department of the Dubai Public Prosecution since 2007, where he primarily managed the Public Prosecution's e-government team, developed all business processes for the implementation of Dubai's e-government project, prepared and negotiated the annual Public Prosecution's budget with The Ruler's Office, and helped the team in achieving the goals set by the strategic plan of the Dubai Public Prosecution • From 2005 to 2006, he served as Director of Finance of Dubai Public Prosecution. He was the Head of Cases Accounts Division at the Justices Department of Dubai from 2004 to 2005. Furthermore, he was the Head of the Financial Department at Dubai Public Prosecution from 1994 to 2004
External appointments (PJSC)	–
Education and certifications	• Higher Diploma in Accounting Management from the Higher Colleges of Technology of Dubai in 1992
Committee membership	• Audit, Risk and Compliance Committee (Member)

Our commitment

Dubai Taxi Company places paramount importance on corporate governance as a cornerstone of its operational philosophy. Our commitment extends beyond regulatory requirements, embodying a proactive approach that aligns with international best practices and principles outlined in the SCA's Board Chairman's Decision No. (3/Chairman) of 2020 concerning The Governance Guide for Public Joint-Stock Companies ("The Governance Guide").

To ensure strict adherence, we undertook a comprehensive review of its existing governance practices. This meticulous process involved aligning policies, procedures and decision-making structures with the stipulations of "The Governance Guide". Regular internal audits and assessments are conducted to monitor ongoing compliance and identify areas for improvement, not only to meet but to exceed the expectations of our stakeholders and regulatory authorities.

Main cornerstones of our governance framework

Board oversight: The Board of Directors is the main force that influences our governance structure, ensuring a seamless integration of policies and practices with our strategic objectives. Through regular reviews and strategic planning sessions, the Board not only monitors but actively shapes the direction of the organisation.

Transparency and accountability: Transparency is the bedrock of DTC's commitment to our shareholders and stakeholders. We go beyond the mere provision of information, actively engaging in clear and open communication. This commitment extends to the accurate reporting of financial and non-financial data, fostering an environment of trust and accountability that is vital for the sustainable success of the organisation.

Conflict of interest mitigation: In recognising the complex landscape of business relationships, our governance framework places a high premium on identifying, disclosing and managing conflicts of interest. This comprehensive approach ensures that the decision-making process remains untainted by personal interests, guaranteeing that choices align with the overarching interests of the Company and its diverse stakeholders.

Ethical conduct and integrity: Beyond the formulation of policies, we actively cultivate a culture that upholds ethical conduct and integrity at every level of our organisation. This commitment is ingrained in our business operations, shaping not just how we do business, but how we contribute to the broader societal and environmental context.

Risk management: Our proactive stance on risk management is not just a box-ticking exercise; it is an ongoing, integral part of our governance philosophy. By identifying, assessing and mitigating potential threats, we fortify our resilience in the face of uncertainties, ensuring the safeguarding of organisational objectives and stakeholder interests.

Internal control systems: The implementation of stringent internal control systems is not merely a compliance measure, but a testament to our unwavering dedication to protecting assets and ensuring financial accuracy. Through rigorous audits, we not only uphold the highest standards but also provide stakeholders with tangible evidence of the diligence with which their investments are managed.

Stakeholder engagement: We view stakeholder engagement as a dynamic, ongoing dialogue. Open communication channels are maintained, and stakeholder perspectives and feedback are actively sought and considered in decision-making processes. This approach ensures that he governance framework remains responsive to the ever-evolving expectations of our diverse stakeholders.

Continuous improvement: The dynamism of our governance framework is not just a response to regulatory changes; it is a commitment to continuous improvement. Regular reviews and enhancements are conducted to ensure that our governance practices not only meet but exceed emerging industry standards, keeping us at the forefront of ethical and effective corporate governance.

Our disclosure on ownership and transactions of Board members, their spouses, and their children in the Company's securities during the year 2023

Dubai Taxi is dedicated to ensuring transparency and disclosure regarding the ownership and dealing of securities by our Board members, in compliance with the provisions of The Securities and Commodities Authority's Board of Directors Decision No (3) of 2000 concerning the Regulations of Disclosure and Transparency. This commitment underscores our pledge to align with best practices in corporate governance and to provide stakeholders with a clear understanding of the interests held by those guiding the Company.

Name	Position	No of shares owned as at 31/12/2023	Total sales	Total purchases
Abdul Muhsen Ibrahim Kalbat	Chairman of the Board	0	0	0
Ahmed Ali Mohammad Altheeb Alkaabi	Vice-Chairman of the Board	162,162	0	162,162
Abdulla Mohammed Abdulla Bin Damithan Al Qemzi	Member of the Board	0	0	0
Hanan Sulaiman Mohamed Khalifa Al Suwaidi	Member of the Board	0	0	0
Shehab Hamad Abdullah Hamad Bu Shehab	Member of the Board	162,162	0	162,162
Essa Abdulla Khamis Bin Natoof Al Falasi	Member of the Board	100,000	0	100,000
Yousuf Ahmad Ali Saeed Bin Ghulaita Almheiri	Member of the Board	0	0	0

Our disclosure on Board remuneration

Our commitment to transparency, fairness and alignment with the DTC's Article of Association and the Federal Decree Law No. (32) of 2021 concerning Commercial Companies is fundamental to our approach to Board remuneration as outlined in our Board Remuneration Policy.

Key Pillars

Alignment with shareholders

Remuneration structures are meticulously designed to harmonise Board interests with those of our shareholders, fostering a commitment to long-term value creation.

Legal compliance

Our remuneration practices rigorously adhere to the provisions outlined in the company's Articles of Association, ensuring compliance with the UAE's Commercial Companies Law No. 32 of 2021.

Reporting transparency

We prioritise transparent disclosure, a cornerstone of our governance practices, evident in comprehensive reporting within annual financial statements and regulatory reporting.

As of the date of this report, no proposals regarding Board remuneration for the year 2023 have been submitted. The process for determining Board remuneration involves the Nomination and Remuneration Committee, which is responsible for proposing remuneration packages. These proposals are subsequently reviewed by the Board of Directors and ultimately require approval from the General Assembly. Additionally, no allowances were disbursed to Board committee members during the same period.

Corporate Governance Report
Continued

Our disclosure on Board of Directors meetings FY 2023 (as at 12 November 2023)

In this section, we provide transparent information regarding the dates, times and individual attendance at Board of Directors meetings, offering stakeholders a clear view of the governance practices guiding the Company's strategic direction.

In compliance with SCA Board Chairman's Decision No. (3/Chairman) of 2020 concerning The Governance Guide for Public Joint-Stock Companies Article 11 – "Declaration of Interest", at the beginning of each Board and Board committee meeting, each Board Member declares interests, if any, in addition to the quarterly disclosure. Board members who have a conflict of interest are recused from the meeting or refrain from participating in the discussion or voting on the matter in question.

No	Date	Abdul Muhsen Ibrahim Kalbat	Ahmed Ali Mohammad Altheeb Alkaabi	Abdulla Mohammed Abdulla Bin Damithan Al Qemzi	Hanan Sulaiman Mohamed Khalifa Al Suwaidi	Shehab Hamad Abdullah Hamad Bu Shehab	Essa Abdulla Khamis Bin Natoof Al Falasi	Yousuf Ahmad Ali Saeed Bin Ghulaita Almheiri
1	17/11/2023	P	P	P	P	P	P	P
2	15/12/2023	P	P	P	P	P	P	P
3	22/12/2023	P	P	NP	P	P	P	P
	T.A.	3/3	3/3	2/3	3/3	3/3	3/3	3/3

P (Present); NP (Not Present – with an excuse accepted by the Board); A (Absent – without an excuse accepted by the Board).
Note: No Board resolutions were circulated in 2023.

Our delegation of authorities

At Dubai Taxi we acknowledge the critical importance of effective delegation of authorities within the organisation. This practice is meticulously aligned with industry best practices, contributing to streamlined decision-making and operational efficiency.

By maintaining a well-structured and dynamic delegation of authorities, we not only conform to industry best practices but also establish a resilient framework for decision-making that contributes to the long-term success and sustainability of our organisation. This commitment to effective delegation reinforces our dedication to governance excellence and responsible corporate citizenship.

Key points of our delegation of authorities

Defined delegation framework

- DTC adheres to a clearly defined delegation framework, outlining the levels of authority at different organisational tiers. This framework is regularly reviewed and updated to reflect the evolving needs of the business landscape.

Risk mitigation

- Delegated authorities are structured to mitigate risks, ensuring that decision-making powers are appropriately distributed while maintaining a robust control environment. This strategic approach aligns with industry best practices for risk management.

Responsibility clarity

- Roles and responsibilities are clearly communicated, fostering a culture of accountability and transparency. This ensures that delegated authorities are exercised responsibly and in alignment with organisational objectives.

Regular assessments

- Periodic assessments and audits are conducted to evaluate the effectiveness of the delegation framework. This proactive approach allows for adjustments based on organisational changes, industry trends and emerging best practices.

Training and development

- Continuous training and development initiatives are in place to empower personnel with delegated authorities. This not only enhances their capabilities but also aligns with best practices for talent management and succession planning.

Our related party transactions and disclosure policy

DTC places a paramount importance on maintaining transparency and integrity in all its dealings, particularly those involving related parties. Our approach to related party transactions is underscored by a stringent policy designed to align with best practices and regulatory standards which reflects our dedication to ethical conduct, corporate governance excellence and the protection of the interests of our valued stakeholders.

Key elements of our policy

Definition and identification

- We have a comprehensive definition of related parties that encompasses entities and individuals with close relationships to the Company, including key management personnel, associates and family members.

Approval protocols

- Strict approval protocols are in place to ensure that related party transactions undergo thorough scrutiny. This involves obtaining approval from our independent directors and, when necessary, seeking shareholder approval in adherence to regulatory requirements.

Fair and arms-length basis

- All related party transactions are conducted on a fair and arms-length basis, with terms and conditions comparable to those of transactions with unrelated parties. This practice ensures equitable treatment and prevents potential conflicts of interest.

Disclosure protocols

- Our commitment to transparency extends to the disclosure of related party transactions in financial statements and reports. We adhere to regulatory guidelines, providing stakeholders with a clear understanding of the nature, extent and financial impact of such transactions.

Periodic reviews

- The Company conducts periodic reviews of related party transactions to evaluate their ongoing appropriateness and compliance with established policies. This ensures that any potential risks or conflicts of interest are promptly identified and addressed.

Dubai Taxi Company P.J.S.C. did not engage in related parties transactions for the year 2023.

Our organisational structure

Dubai Taxi Company is committed to a governance-centric organisational structure that aligns with best practices and ensures effective oversight, transparency and accountability. Our governance-focused structure is designed to promote sound decision-making, risk management and ethical conduct throughout the organisation.

Key elements of our governance-oriented organisational structure

Board of Directors

- At the apex of our organisational structure is the Board of Directors, comprising seasoned professionals with diverse expertise. The Board provides strategic direction, oversees management decisions and upholds the highest standards of corporate governance.

Executive leadership

- Reporting to the Board, our executive leadership team, led by the Chief Executive Officer (CEO), is responsible for the day-to-day operations of the Company. This team ensures that corporate strategies are implemented effectively and that operational activities are aligned with the Company's overall governance framework.

Specialised committees

- To enhance governance effectiveness, we have established specialised committees, such as the Audit, Risk and Compliance Committee and the Nomination and Remuneration Committee. These committees operate independently to ensure comprehensive oversight in critical areas, including financial reporting, risk management and executive compensation.

Risk management framework

- Embedded within our organisational structure is a robust risk management framework. This framework identifies, assesses and mitigates risks across all levels of the organisation. The goal is to foster a risk-aware culture that aligns with the Company's strategic objectives and protects the interests of stakeholders.

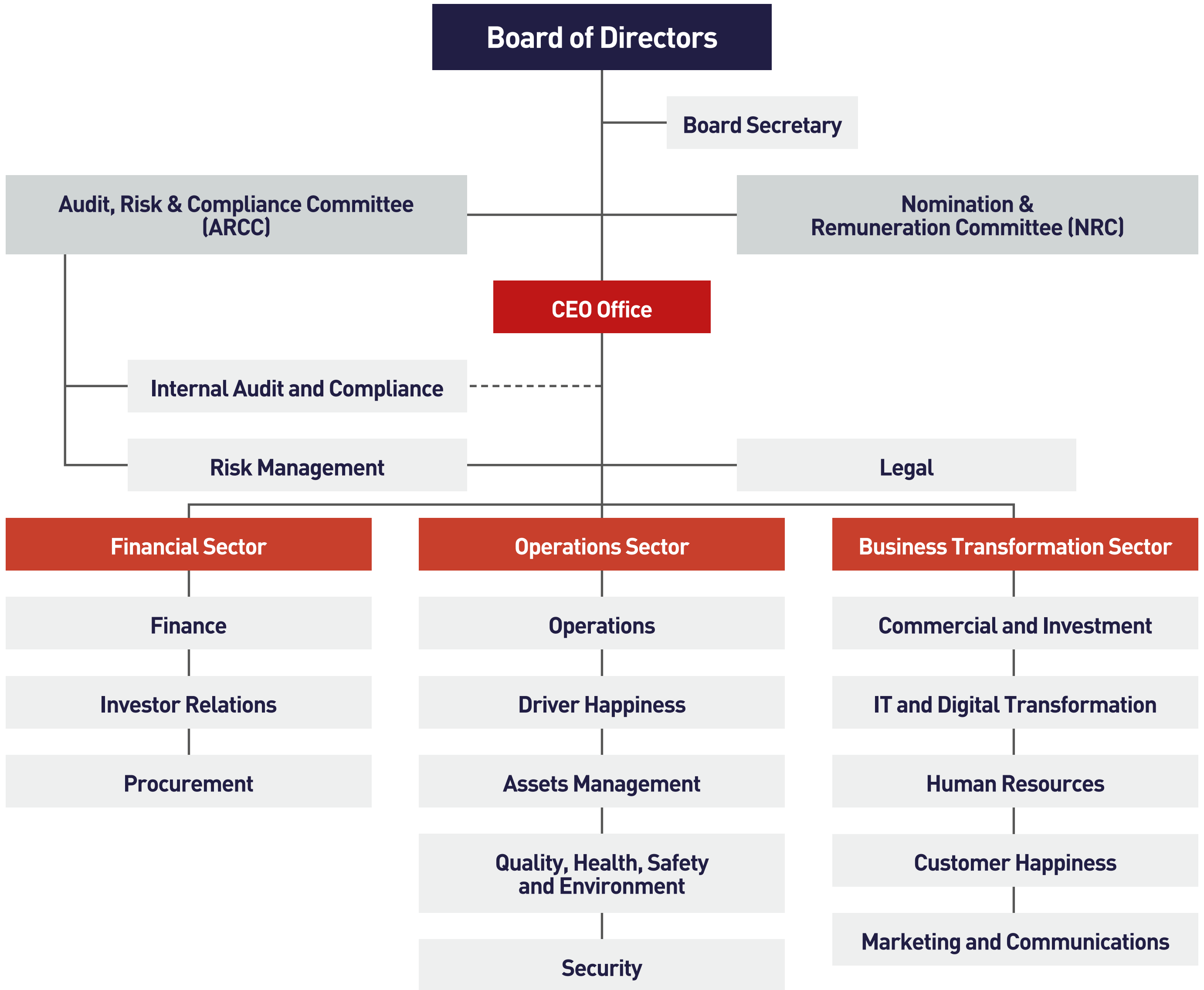
Clear reporting lines

- Well-defined reporting lines ensure that information flows efficiently throughout the organisation. This clarity is crucial for effective communication, decision-making and the timely escalation of key matters to the appropriate governance levels.

Employee engagement

- Governance principles extend to all levels of the organisation, promoting a culture of transparency, accountability and ethical behaviour. Employee engagement initiatives emphasise the importance of governance awareness and adherence to established policies and procedures.

Organisational structure



Our disclosure on Executive remuneration

DTC is dedicated to transparency and accountability in disclosing Executive remuneration, aligning with industry best practices and regulatory guidelines. The remuneration framework is designed to attract, retain and motivate top-tier talent while ensuring alignment with the Company's strategic objectives and long-term sustainability.

The Nomination and Remuneration Committee oversees the Executive remuneration framework, ensuring it remains competitive, fair and aligned with corporate performance.

Disclosure on Executive pay for the year 2023

Designation	Date of employment	Total remuneration paid in 2023 (AED)
CEO	19 April 2009	1,727,520
CFO	2 November 2023	287,133
CBTO	8 July 2013	1,023,794
COO	14 August 2004	942,826

Our external Auditors and our assurance of independence

Dubai Taxi Company recognises the critical role that external Auditors play in upholding the integrity of financial reporting and ensuring transparency. Our approach to engaging top audit firms is grounded in a commitment to independence, objectivity and adherence to the highest standards of corporate governance. The Audit Committee and the Board consistently ensure the independence and integrity of external Auditors.

Name of external Auditors: KPMG Lower Gulf Limited

Name of Audit Partner: Walid Daoud

Founded in 1987, KPMG is part of the Big 4, the four largest international accounting and professional services firms. KPMG is a global network of independent member firms offering audit and assurance, tax and legal, and advisory services. The firm's clients include business corporations, governments, public sector agencies and not-for-profit organisations. KPMG caters to the financial services, software, electronics, industrial and automotive products, chemicals, energy, transportation, food and beverages, infrastructure and healthcare sectors.

No of years as external Auditor	4 years
Audit Partner years auditing accounts	4 years
Total audit fees FY 2023	AED 575,000
Nature of additional services by Auditors	N/A
Fees for special non-audit services FY 2023	N/A
Details of services and fees by another external Auditor	N/A

No reservations/qualifications were included by the independent external Auditor in the interim and annual financial statements FY 2023.

Our Audit, Risk and Compliance Committee ("ARCC")

Purpose

The formation of the Audit, Risk and Compliance Committee ("ARCC") is a pivotal step undertaken by the Board in alignment with the SCA Board Chairman's Decision No. (3/Chairman) of 2020 concerning The Governance Guide for Public Joint-Stock Companies. ARCC serves a multifaceted role, and its primary purpose encompasses the independent oversight of financial reporting, internal controls, risk management and compliance within UAE public companies.

Composition

Independence

- All committee members are non-executive directors, ensuring an environment free from conflicts of interest.

Financial and Risk literacy

- Members possess financial literacy and a deep understanding of risk management principles to effectively navigate the complexities of the Company's operations.

Diverse expertise

- The committee composition includes members with diverse expertise, covering financial, risk and compliance domains.

Structure

Chairperson

- The designated independent Chairperson of the committee is responsible for leading discussions and fostering effective committee operations.

Scheduled meetings

- ARCC conducts a minimum of four meetings on a quarterly basis or whenever deemed necessary, addressing financial matters, risk assessment and compliance considerations comprehensively.

Duties, roles and responsibilities

Financial reporting oversight

- Oversee the accuracy and integrity of financial statements, ensuring compliance with accounting standards and regulatory requirements.

Internal control and risk assessment

- Evaluate the effectiveness of internal control systems and conduct risk assessments to safeguard assets and manage risks proactively.

External audit engagement

- Recommend the appointment, reappointment or dismissal of external Auditors, assessing their independence and overseeing their performance.

Internal Audit plan and Compliance monitoring

- Scrutinise and approve the annual internal audit plan, aligning it with key risks, while also monitoring and promoting compliance with applicable laws and regulations.

Whistleblower mechanism

- Establish and oversee a robust whistleblower mechanism, providing an avenue for reporting financial and compliance-related misconduct.

Risk management oversight

- Assess the effectiveness of the Company's risk management framework, focusing on financial, operationaland compliance risks.

Compliance reporting

- Regularly report compliance findings, along with recommendations, to the Board, enhancing transparency and accountability.

Continuous improvement

- Conduct periodic self-assessments to evaluate the committee's effectiveness, recommending improvements to its structure and functioning.

Corporate Governance Report
Continued

Reporting to the Board

The Committee maintains a robust reporting mechanism to ensure the Board is continuously acquainted of its findings and activities. ARCC minutes of meetings and reports are submitted to the Board, highlighting key discussions, decisions and recommendations. These reports encompass financial insights, risk assessments, compliance updates and major findings of internal and external audits.

ARCC Chairperson's undertaking

The Chair of the Audit, Risk and Compliance Committee acknowledges responsibility for implementing the Committee's charter by the Company, reviewing its methods of operation, and ensuring its effectiveness.

Members of the Audit, Risk and Compliance Committee

No	Name	Position
1	Ahmed Ali Mohammad Altheeb Alkaabi	Chairman
2	Yousuf Ahmad Ali Saeed Bin Ghulaita Almheiri	Member
3	Dr. Hanan Sulaiman Mohamed Khalifa Al Suwaidi	Member

Meetings of the Audit, Risk and Compliance Committee FY 2023 (as at 17 November 2023)

No	Date	Ahmed Ali Mohammad Altheeb Alkaabi	Yousuf Ahmad Ali Saeed Bin Ghulaita Almheiri	Dr. Hanan Sulaiman Mohamed Khalifa Al Suwaidi
1	29/12/2023	P	P	P

P (Present); NP (Not Present).

Our Nomination and Remuneration Committee ("NRC")

Purpose

The Board has formed The Nomination and Remuneration Committee, in alignment with the SCA Board Chairman's Decision No. (3/Chairman) of 2020 concerning The Governance Guide for Public Joint-Stock Companies. The NRC assumes a pivotal role in enhancing corporate governance within Dubai Taxi Company Its primary purpose includes the independent oversight of the nomination process for Directors and Executives and the development and oversight of remuneration policies.

Composition

Independence

- All three members of the committee are independent non-executive directors, ensuring impartiality in the nomination and remuneration processes.

Expertise

- Committee members possess relevant expertise, understanding corporate governance principles, and human resource management practices.

Structure

Chairperson

- The designated independent Chairperson of the committee is responsible for leading discussions and fostering effective committee operations.

Scheduled meetings

- The Committee conducts its meetings once during the year or whenever the need arises to address nomination matters, executive appointments and remuneration policies.

Duties, roles and responsibilities

Nomination process oversight

- Oversee the nomination process for Directors and Executives, ensuring a comprehensive and objective evaluation of candidates.

Succession planning

- Develop and review succession plans for key positions within the Company, promoting continuity and effective leadership transitions.

Executive appointments

- Evaluate and recommend candidates for executive positions, considering their qualifications, skills and alignment with corporate strategy.

Remuneration policy development

- Develop, review and recommend remuneration policies, ensuring alignment with corporate objectives, industry benchmarks and regulatory guidelines.

Performance evaluation

- Implement and oversee performance evaluation processes for Directors and Executives, ensuring a fair and transparent assessment.

Equity and incentive plans

- Review and recommend equity-based and incentive plans, fostering alignment between Executive remuneration and shareholder interests.

Remuneration disclosures

- Ensure transparent disclosure of remuneration details in annual reports, enhancing accountability and stakeholders' understanding of Executive compensation.

Nomination and remuneration reporting

- Regularly report on nomination and remuneration activities to the Board, fostering transparency and accountability.

Continuous improvement

- Conduct periodic self-assessments to evaluate the committee's effectiveness, recommending improvements to its structure and functioning.

Reporting to the Board

The NRC maintains a rigorous reporting mechanism to keep the Board well-informed. Minutes of meetings and reports are submitted to the Board, encapsulating key decisions, deliberations, and recommendations related to nominations, executive appointments and remuneration policies.

NRC Chairperson's Undertaking

The Chair of the Nomination and Remuneration Committee acknowledges responsibility for implementing the Committee's charter by the Company, reviewing its methods of operation and ensuring its effectiveness.

Members of the Nomination and Remuneration Committee ("NRC")

No	Name	Position
1	Abdulla Mohammed Abdulla Bin Damithan Al Qemzi	Chairman
2	Shehab Hamad Abdullah Hamad Bu Shehab	Member
3	Essa Abdulla Khamis Bin Natoof Al Falasi	Member

Meetings of the Nomination and Remuneration Committee FY 2023 (as at 17 November 2023)

No	Date	Abdulla Mohammed Abdulla Bin Damithan Al Qemzi	Shehab Hamad Abdullah Hamad Bu Shehab	Essa Abdulla Khamis Bin Natoof Al Falasi
1	15/12/2023	P	P	P

P (Present); NP (Not Present).

Our Insider Trading Policy and Insider Trading Supervisory Committee

Our Insider Trading Policy serves as a crucial framework to maintain integrity, transparency and fairness in our business operations. The main components of our Insider Trading Policy include:

- **Definition of insiders:** Clearly identifying who qualifies as an insider within the organisation, including employees, executives and any other individuals with access to material non-public information.
- **Prohibition of insider trading:** Explicitly stating the prohibition of trading securities while in possession of material non-public information. This emphasises the importance of avoiding any activities that could be perceived as taking advantage of privileged information.
- **Blackout periods and trading windows:** Establishing specific periods, known as "Blackout periods," during which insiders are restricted from trading Company securities. Conversely, the policy may outline designated "trading windows" when insiders are allowed to trade, provided they adhere to other stipulated guidelines.
- **Pre-clearance procedures:** Requiring insiders to seek approval before engaging in any transactions involving Company securities. This ensures that all trades are scrutinised for compliance with the policy and applicable regulations.
- **Communication protocols:** Defining clear communication channels for reporting any potential violations or seeking clarification regarding the policy. This encourages a proactive approach to addressing concerns and maintaining a culture of openness.
- **Educational programmes:** Implementing educational initiatives to ensure all employees are aware of the policy's provisions, implications and the significance of ethical conduct in financial markets.
- **Consequences of violations:** Articulating the disciplinary actions that may be taken in the event of policy violations. This may include legal consequences, internal sanctions or a combination of both.
- **Regular policy reviews:** Committing to periodic reviews of the Insider Trading Policy to align with changes in regulatory requirements, business dynamics and industry best practices. This ensures the policy remains relevant and effective over time.

Dubai Taxi Company has prioritised the establishment of the "Insider Trading Supervisory Committee" in 2024 with the following responsibilities:

- **Oversight of the insider trading register:** The committee will actively manage and monitor the insider trading register, maintaining an up-to-date list of Permanent and Temporary Insiders. This list will include pertinent information such as their ownership of DTC securities, investor numbers (if available), undertaken responsibilities and pre-clearance of trades.
- **Submission of updated list to regulatory bodies:** At the commencement of each fiscal year or whenever a modification occurs, the committee will furnish an updated list of insiders to both the Dubai Financial Market (DFM) and the Securities and Commodities Authority (SCA).
- **Co-operation with SCA requests:** The committee will promptly provide the SCA with a copy of the insider trading register upon request.
- **Adherence to regulatory requirements:** The committee will ensure compliance with any additional relevant requirements stipulated by the SCA or DFM.
- **Policy updates in response to legal changes:** The committee will proactively review alterations to Applicable Laws and, as necessary, make updates to the Insider Trading Policy to ensure ongoing compliance.

Corporate Governance Report
Continued

Our internal control environment

Dubai Taxi places paramount importance on maintaining a robust internal control environment to safeguard assets, ensure compliance with regulations and enhance operational efficiency. The Company has implemented a comprehensive framework that integrates risk management, compliance measures and internal audit functions, fostering a culture of accountability and transparency.

Regular reviews, updates to policies and procedures, and ongoing training initiatives ensure that our internal controls evolve in tandem with changing business landscapes and emerging risks.

Key components of our internal control environment

Risk Management

- Dubai Taxi has implemented a proactive risk management framework that identifies, assesses and mitigates risks across various operational facets. This systematic approach allows us to anticipate potential challenges and implement strategies to mitigate risks effectively. The Risk Officer is a part of the senior management and functionally reports to the Audit, Risk and Compliance Committee and administratively to the Chief Executive Officer.

Compliance measures

- Our commitment to compliance is ingrained in our organisational culture. DTC adheres to local and international regulations, industry standards and best practices. Regular compliance assessments ensure that our operations align with legal requirements and ethical standards. The Risk Compliance Officer is a part of the senior management and functionally reports to the Audit, Risk and Compliance Committee and administratively to the Chief Executive Officer with the right of direct reporting to the Board on significant matters and irregularities.

Internal Audit

- The Internal Audit function plays a crucial role in independently evaluating the effectiveness of our internal controls. Through systematic reviews and assessments, the Internal Audit team identifies areas for improvement, provides valuable insights to management and ensures that controls are operating as intended. The Internal Audit function maintains its independence from management by functionally reporting to the Audit Risk and Compliance Committee and the Board.

Dealing with major red flags and reporting Issues

Early detection mechanisms

- Our internal controls incorporate early detection mechanisms to identify major red flags promptly. Advanced monitoring systems and data analytics enable us to detect anomalies or irregularities that may indicate potential issues.

Escalation procedures

- Established escalation procedures ensure that major red flags are promptly reported to the relevant authorities. This includes clear reporting lines and defined responsibilities for addressing and resolving significant issues.

Transparent reporting

- Dubai Taxi Company is committed to transparent reporting of major issues identified through internal controls. Reporting mechanisms are designed to provide clear and comprehensive insights to senior management and the Board, facilitating informed decision-making.

Corrective actions

- In response to major red flags or issues, DTC initiates corrective actions promptly. These actions are designed to address the root causes and prevent the recurrence of similar issues in the future.

Commitment to excellence

Dubai Taxi Company is committed to upholding the highest standards of internal controls, recognising that a robust control environment is essential for the sustainability and success of the organisation. Our proactive approach to dealing with major red flags and reporting issues reflects our dedication to governance best practices and the protection of stakeholder interests.

Details of our Head of Internal Audit and Compliance

Name
Mr. Abdulla Hassan Al Baraei

Date of Employment
2016

Qualification

- Higher Diploma in Accounting and a Bachelor in Applied Science (Higher colleges of Technology – Dubai Men's College)
- CIA, CCSA, CGAP (The Institute of Internal Auditors)

Experience
Over 2 decades of experience in the field of Internal Audit

Corporate Governance Report
Continued

Our commitment to Corporate Social Responsibility and Sustainability

At Dubai Taxi Company we recognise the profound impact our operations have on the communities we serve and the environment we share. As a leading force in the mobility industry, we are steadfast in our commitment to driving positive change through Corporate Social Responsibility (CSR) and sustainable practices. Together with our partners, customers and communities, we look forward to shaping a more sustainable and socially responsible future.

Sustainable mobility solutions

- We pledge to lead the way in sustainable transportation, investing in cutting-edge technologies and innovations that reduce our carbon footprint and promote eco-friendly mobility solutions.
- Our fleet includes state-of-the-art vehicles designed for efficiency and reduced environmental impact, showcasing our dedication to cleaner and greener transportation options.

Community empowerment

- Beyond providing transportation services, we actively engage with and support the communities we operate in. Our initiatives focus on empowering local residents, promoting inclusivity and contributing to the social fabric that makes each community unique.
- Through strategic partnerships and community-driven projects, we aim to address societal challenges and create lasting positive impacts.

Employee well-being

- Our commitment to CSR extends to our most valuable asset — our employees. We prioritise their well-being, offering a supportive work environment, continuous professional development and health and wellness programmes.
- By fostering a workplace culture that values diversity, equity and inclusion, we ensure that our team members thrive both personally and professionally.

Ethical business practices

- Integrity is at the core of our operations. We uphold the highest ethical standards in our business dealings, fostering transparency, fairness and accountability.
- Our partnerships and collaborations are rooted in ethical practices, ensuring that every stakeholder involved benefits from a relationship built on trust and mutual respect.

Continuous improvement

- We are committed to regularly assessing and improving our sustainability practices. Through ongoing research, development and feedback, we strive to stay at the forefront of environmentally conscious mobility solutions.
- Our commitment to setting and achieving ambitious sustainability goals drives us to continuously evolve, adapting our strategies to meet the ever-changing needs of our planet and its inhabitants.

Key highlights of DTC's CSR initiatives and contributions for the year 2023

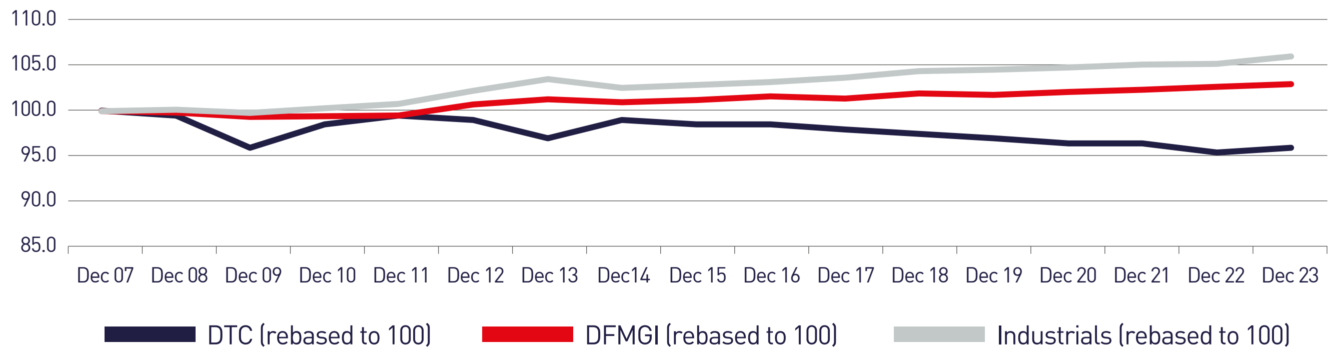
Date	Initiative	Description	Contribution (AED)
March 2023	Participation in the Unified Gulf Traffic Week	Aimed to spread safe traffic culture within the community	14,000
April 2023	"Orphans' Eid Attire Initiative" commemorating the anniversary of the passing of Sheikh Zayed	Distribution of shopping cards to 35 orphans in coordination with the Community Development Authority	35,000
May 2023	"Kiswat Khair"	Recycling of used clothing of DTC Drivers	–
September 2023	Dubai World Conference on Self-Driving Transport	DTC participated as a sponsor in cooperation with the RTA	70,000
October 2023	Traffic Safety Award Ceremony for DTC Drivers	Driving Safety Awareness for a safer community	350,000
November 2023	"A Joyful School Day"	Conducting on-site visits to both public and private schools, accompanied by the distribution of prizes to students	10,000
December 2023	UAE 52nd National Day Celebration	Sharing the joy of UAE's National Day celebration with the local community	135,000

Shareholder overview

a) DTC share price information for FY 2023 (as at 7 December 2023)

Closing price	Highest price	Lowest price	Code	Company name	Date
AED 2.13	AED 2.23	AED 2.10	DTC	Dubai Taxi Company P.J.S.C.	31 / 12 / 2023

b) Comparative performance of DTC's shares with the market index and the sector index at the end of each month during year 2023 (as at 7 December 2023)



2023	DTC (AED)	DFMGI	Industrials Index
December	2.13	4,059.80	2,998.50

Note: DTC's share price increased by 15.1% from its IPO price of AED 1.85/share until year-end. From the close of its first day of trading until year-end, DTC's share price decreased by 3.6%, while the DFM General Index and the Industrials Index increased by 2.6% and 5.4% respectively, in the same period.

a) Shareholding distribution across categories as at 31/12/2023

Shareholder category	Percentage of shares			
	Individual	Companies	Government	Total
Local	3.83%	3.25%	77.77%	84.85%
GCC	0.52%	3.95%	0.00%	4.47%
Arab	0.52%	0.00%	0.00%	0.52%
Foreign	1.24%	8.32%	0.60%	10.16%
Total	**6.11%**	**15.52%**	**78.37%**	**100%**

b) Shareholders holding 5% or more of the Company's capital as at 31/12/2023

No	Name	No of shares	Percentage of shares
1	Dubai Investment Fund	1,875,250,000	75.01%

c) Distribution of shareholders based on their respective shareholdings as at 31/12/2023

S/N	Share(s) owned	No of shareholders	No of shares	Percentage of shares
1	Less than 50,000	30,672	73,663,056	2.95%
2	From 50,000 to less than 500,000	351	44,818,889	1.79%
3	From 500,000 to less than 5,000,000	108	164,702,822	6.59%
4	More than 5,000,000	23	2,216,815,233	88.67%
	Total	**31,154**	**2,500,000,000**	**100.00%**

Corporate Governance Report
Continued

Our Investor Relations: A cornerstone of sound governance

At Dubai Taxi Company we believe in the pivotal role of effective communication and transparency. Central to this philosophy is the Investor Relations (IR) department, a key component that plays a crucial role in fostering trust, maintaining transparency and contributing to the overall sound governance of a company.

Our Investor Relations department serves as the primary bridge between the Company and its shareholders, fulfilling a spectrum of functions essential to maintaining a healthy investor-company relationship through several key mechanisms:

- **Building and maintaining trust:** By ensuring transparency and providing consistent and reliable information, IR contributes to building and maintaining trust with shareholders. This trust is fundamental to a company's long-term success.
- **Market perception:** Effective communication through IR influences how the Company is perceived in the financial markets. A positive market perception, fostered by transparent communication, can positively impact stock prices and investor confidence.
- **Compliance and disclosure:** IR plays a critical role in ensuring that the Company adheres to regulatory requirements related to information disclosure. This commitment to compliance contributes to the overall integrity of the governance framework.
- **Board-shareholder relations**: IR facilitates direct communication between the board and shareholders. This interaction fosters a positive relationship, aligning shareholder expectations with the Company's strategic vision.

Name and contact information of our Investor Relations Manager:

Mr. Rami Mohammad Al Banna

Address: DTC Main Building, Al Muhaisnah Area, Dubai

E-mail: ir@dtc.gov.ae

Link to Investor Relations:
http://www.dubaitaxi.ae/en/investor-relations/overview

Our Board Secretary

The Board Secretary serves as a fundamental pillar in ensuring effective corporate governance. Tasked with overseeing meetings, documentation and communication between the Board and Management, their pivotal role extends to encompass compliance oversight and advisory functions.

Name of Board Secretary	Date of employment	Qualification	Experience
Vicken Khochafian	13/12/2023	• Bachelor of Business Administration – (Saint Joseph University – Lebanon) • Level 7 Extended Diploma in Strategic Management and Leadership – (Chartered Management Institute – UK) • Certified Board Secretary – (DFM / Hawkamah) • Chartered Manager – (Chartered Management Institute – UK)	Over two decades dedicated to corporate governance and expertise in Board secretarial services

Corporate Governance Report
Continued

Key events and important disclosures that significantly impacted DTC during 2023

As we reflect on the past year, we hereby highlight fundamental events and important disclosures that significantly impacted DTC during 2023:

- On 12 November2023, and as a part of the privatisation programme pursued by the Emirate of Dubai, in his capacity as the Ruler of Dubai, H.H. Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE, issued Law No. (21) of 2023 pertaining to 'Dubai Taxi Company'. The law amended the legal status of Dubai Taxi Company, created pursuant to Executive Council Resolution No. (48) of 2016, and was recognised as a public joint-stock company named "Dubai Taxi Company (PJSC)".
- H.H. Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of the Executive Council of Dubai, approved the Council's Resolution No. (93) of 2023 on 'Dubai Taxi Company's' Articles of Association including the bylaws and regulations. This included the initiation of floating the Company's shares for an Initial Public Offering (IPO) in accordance with the ratios established by The Executive Council of Dubai. It also encompassed defining the purposes and objectives of the Company, as well as the procedures for the appointment and election of the Company's Board of Directors, among other bylaws and regulations that govern the Company's operations. H.H. Sheikh Hamdan also issued Executive Council Resolution No. (92) of 2023 forming the Board of Directors of 'Dubai Taxi Company' chaired by H.E. Abdul Muhsen Ibrahim Kalbat.
- On 21 November 2023, Dubai Taxi Company PJSC announced the start of the subscription period for its initial public offering (IPO) on DFM extending to 28 November 2023 for Retail Investors and 29 November 2023 for Qualified Investors. A total of 624,750,000 ordinary shares, equivalent to 24.99% of DTC's total issued share capital, were offered with a final price of AED 1.85 resulting in an Offering size of around AED 1.2 billion.
- On 30 November 2023 it was announced that the Offering has generated exceptional demand, reaching over AED 150 billion (approximately US$ 41 billion) in total, reflecting an impressive oversubscription level of 130 times. This achievement stands as a historic milestone on the DFM, marking the highest oversubscription ever recorded for an IPO. The enthusiastic response from both international and regional institutional investors, as well as retail investors in the UAE, highlighted the strong confidence in DTC's potential and growth prospects.
- On 7 December 2023, Dubai Taxi Company made its trading debut on Dubai Financial Market under the symbol "DTC". The share surged nearly 19% above the listing price of AED 1.85 per share to AED 2.12 giving DTC a market value of more than AED 5.42 billion.

Our Emiratisation initiatives and workforce development

In our commitment to fostering a diverse and inclusive work environment, Dubai Taxi Company recognises the significance of Emiratisation – a strategic effort to increase the employment of Emirati nationals within our workforce. Emiratisation aligns with our corporate values and underscores our commitment to social responsibility and sustainable business practices and contributes to the broader socio-economic goals of the United Arab Emirates.

Key pillars of Emiratisation at Dubai Taxi Company

Cultural diversity: Embracing Emiratisation not only enriches our corporate culture but also enhances the diversity of perspectives and experiences within our team. This cultural exchange cultivates an inclusive workplace, fostering creativity and innovation.

Skill development and training: We are dedicated to investing in the training and development of Emirati talents. Through tailored programmes and initiatives, we aim to equip Emirati employees with the skills necessary for career growth and leadership roles within the organisation.

Strategic partnerships: Collaborating with educational institutions and government agencies, we actively seek to identify and nurture young Emirati talents. Our partnerships extend beyond recruitment, focusing on mentorship programmes and internships to provide hands-on experience and exposure to various facets of our industry.

Year	No of UAE Nationals	No of total employees	Percentage of UAE Nationals*
2021	146	199	73.4%
2022	144	186	77.4%
2023	123	151	81.5%

(*Localisable jobs)

Corporate Governance Report
Continued

Fostering innovation at Dubai Taxi Company

In the dynamic realm of the mobility industry, innovation stands as a cornerstone for growth and sustainability. At DTC, we recognise the paramount importance of embracing forward-thinking approaches to meet the evolving needs of our customers and the industry at large.

Dubai Taxi Company's remarkable projects in 2023

Project	Description	Benefit/Outcome
Taxi Demand Prediction Project	Using historical data for trips to automatically direct vehicles to the areas with the highest demand to reduce the response time to requests	• Increased number of trips • Rationalised fuel consumption • Increased productive kilometres • Achievement of operational targets
School Bus Project	An integrated system to manage school buses & school transportation, with more than 70 schools, 950 drivers, 800 guides, and 27,000 students	• Integrated system to manage school buses and school transportation • Connecting all applications within a unified, integrated, seamless, personalised and proactive database
Dubai Taxi Company Services Development & Improvement Project	A comprehensive assessment of DTC's main and support services, including service delivery channels in line with the best local and international standards, with the aim of achieving DTC's vision "Leadership In Providing Safe and Sustainable Digital Transportation Services"	• Restructured and well-defined services • Institutionalised process of evaluating the quality of services • Well-structured customer services • Service management governance • Increased customer happiness • Reduced customer complaints
Unified Call Center Project for Customers & Drivers	Advanced Electronic System to manage the Company's toll-free number (80088088), in addition to a toll-free number for drivers (80088011) managed by DTC's HR specialists	• Improved call center indicators such as the response time indicator for customers • Management of customer and driver cases from First Call (FCR) • Increased customer happiness • Reduced customer complaints
Private Purpose Vehicle Project in Cooperation with KIA Motors	Environmentally friendly electric vehicle to be designed, produced and labelled as DTC's brand vehicles	• Pilot vehicle launch in 2025

By pushing the boundaries of what is possible, Dubai Taxi Company remains committed to shaping the future of mobility, one innovative project at a time.

Chairman of the Board	Chairperson of the Audit, Risk and Compliance Committee	Chairperson of the Nomination and Remuneration Committee	Head of Internal Audit and Compliance

"AT DUBAI TAXI COMPANY WE BELIEVE IN THE PIVOTAL ROLE OF EFFECTIVE COMMUNICATION AND TRANSPARENCY"

FINANCIAL STATEMENTS

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Directors' Report

The Board of Directors of **Dubai Taxi Company P.J.S.C.** (the "Company") has the pleasure in submitting the audited financial statements of the Company for the year ended 31 December 2023.

Board of Directors

The Board of Directors of the Company comprises:

Chairman:	H.E. Abdul Muhsen Ibrahim Kalbat
Vice Chairman:	Mr. Ahmed Ali Al Kaabi
Members:	Mr. Shehab Hamad Abdullah Hamad Bu Shehab
	Mr. Abdulla Mohammed Abdulla Bin Damithan Al Qemzi
	Mr. Essa Abdulla Khamis Bin Natoof Al Falasi
	Mr. Yousuf Ahmad Ali Saeed Bin Ghulaita Almheiri
	Dr. Hanan Sulaiman Mohamed Khalifa Al Suwaidi

Principal activities

The principal activities of the Company are transportation solutions across its four key business lines, including taxi services, VIP limousine services, bus services, and last mile delivery bike services. The registered address of the Company is P.O. Box 2647, Dubai, United Arab Emirates.

Financial results

The Company has earned revenue of AED 1,953,512,802 for the year ended 31 December 2023 (2022: AED 1,759,630,830) and achieved a net profit of AED 345,325,089 for the year ended 31 December 2023 (2022: AED 224,375,493).

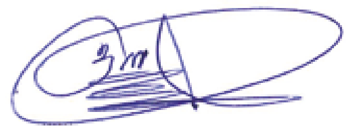
Dividend

The Board of Directors proposed to distribute a dividend payment of AED 71,000,000 (2.84 fils per share) for the fourth quarter of 2023, as per the Company's dividend policy. The proposed dividend is subject to the approval of the shareholders at the Company's General Assembly Meeting on 28 March 2024.

Auditors

The financial statements for the year ended 31 December 2023 have been audited by KPMG Lower Gulf Limited.

On behalf of the Board of Directors



Abdul Muhsen Ibrahim Kalbat
Chairman

Dubai, United Arab Emirates
29 February 2024

Independent Auditors' Report

KPMG Lower Gulf Limited, The Offices 5 at One Central, Level 4, Office No: 04.01,Sheikh Zayed Road, P.O. Box 3800, Dubai, United Arab Emirates
Tel. +971 (4) 4030300, www.kpmg.com/ae

To the Shareholders of Dubai Taxi Company P.J.S.C.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dubai Taxi Company P.J.S.C. ("the Company"), which comprise the statement of financial position as at 31 December 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue

See Note 6 to the financial statements.

The key audit matter	How the matter was addressed in our audit
The Company operates in a highly regulated and competitive transportation industry, offering a range of services including taxi, limousine, and bus operations. The Company recognises revenue over time in accordance with IFRS 15 "Revenue from contracts with customers". The Company's recent listing on the stock market has heightened scrutiny of its financial performance. This increased visibility creates potential pressure on management to meet or exceed investor expectations. Additionally, the high volume of transactions and the integration of multiple systems with the general ledger create opportunities for manual intervention, presenting conditions where transactions could be recorded incorrectly. Consequently, we have identified revenue recognition as a key audit matter for taxi, limousine, and bus transport services due to the risk of management overstating revenue. The revenue for the year from the provision of transportation services and the accounting policy associated with the recognition and measurement of revenue is disclosed in note 6 and 3 respectively.	Our procedures included: • Obtaining an understanding of the significant revenue processes and performing walkthroughs to trace transactions from initiation to recording, focusing on relevant controls. • Assessing the Company's application of revenue recognition accounting policies for compliance with IFRS accounting standards. • Evaluating design and implementation of relevant controls over revenue and journal entries. • Obtaining a sample of daily sales/collection reports for taxi and limousine revenue and vouching them to bank statements and credit merchant reports. • Examining a sample of bus service revenue transactions and testing them against underlying agreements and invoices. • Performing journal entry testing to identify and investigate unusual revenue-related entries, including post-year-end reversals.

Independent Auditors' Report
Continued

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. We obtained Directors' Report prior to the date of our auditors' report, and we expect to obtain the remaining sections of the annual report after the date of auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 the Company'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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021 we report that for the year ended 31 December 2023:

i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021;

iii) the Company has maintained proper books of account;

iv) the financial information included in the Directors' report is consistent with the books of account of the Company;

v) as disclosed in note 21 to the financial statements, the Company has purchased shares during the year ended 31 December 2023;

vi) note 24 to the financial statements discloses material related party transactions and the terms under which they were conducted;

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2023 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 or its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2023; and

viii) note 9 to the financial statements discloses the social contributions made during the year ended 31 December 2023.

KPMG Lower Gulf Limited

Maher Alkatout
Registration No.: 5453
Dubai, United Arab Emirates
Date: 29 February 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2023

	Notes	2023 AED	2022 AED
REVENUE FROM CONTRACTS WITH CUSTOMERS	6	**1,953,512,802**	1,759,630,830
Direct costs	7	**(1,204,510,449)**	(1,172,698,785)
Plate and license fees	24	**(309,826,800)**	(313,492,735)
GROSS PROFIT		**439,175,553**	273,439,310
Other income	8	**50,748,349**	37,088,243
General and administrative expenses	9	**(73,307,119)**	(68,486,438)
Provision for expected credit losses	15, 28	**(44,435,778)**	(11,773,143)
OPERATING PROFIT BEFORE BONUS		**372,181,005**	230,267,972
Finance cost	10	**(16,190,258)**	(311,299)
Finance income	11	**7,448,346**	6,228,056
PROFIT BEFORE BONUS		**363,439,093**	236,184,729
Staff bonus	23	**(18,114,004)**	(11,809,236)
PROFIT FOR THE YEAR		**345,325,089**	224,375,493
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**345,325,089**	224,375,493
BASIC AND DILUTED EARNINGS PER SHARE (AED)	27	**0.14**	0.09

The attached notes 1 to 32 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
At 31 December 2023

	Notes	2023 AED	2022 AED
ASSETS			
Non-current assets			
Property and equipment	12	**734,965,656**	556,837,341
Intangible assets	13	**556,708,240**	556,708,240
Investment in financial assets	16	**-**	222,925,916
Trade and other receivables	15	**47,462,290**	27,112,535
		1,339,136,186	1,363,584,032
Current assets			
Inventories		**2,466,728**	2,393,153
Trade and other receivables	15	**194,417,398**	126,921,649
Investment in financial assets	16	**66,548,953**	18,491,719
Wakala deposits	28	**42,093,333**	40,471,111
Cash and cash equivalents	17	**295,590,340**	235,101,944
		601,116,752	423,379,576
Assets held for sale	18	**28,889,111**	12,947,233
		630,005,863	436,326,809
TOTAL ASSETS		**1,969,142,049**	1,799,910,841
EQUITY AND LIABILITIES			
Equity			
Share capital	19	**100,000,000**	200,000,000
Statutory reserve	20	**50,000,000**	100,000,000
General reserve	20	**-**	100,000,000
Own shares	21	**(23,636)**	-
Own shares reserve	21	**(1,264,162)**	-
Retained earnings		**158,992,767**	-
TOTAL EQUITY		**307,704,969**	400,000,000
LIABILITIES			
Non-current liabilities			
Employees' end of service benefits	22	**31,675,925**	28,556,992
Bank borrowings	26	**997,012,750**	-
Other long term liabilities	23	**3,466,826**	2,365,823
		1,032,155,501	30,922,815
Current liabilities			
Trade and other payables	23	**577,605,263**	528,181,505
Due to related parties	24	**51,676,316**	840,806,521
		629,281,579	1,368,988,026
TOTAL LIABILITIES		**1,661,437,080**	1,399,910,841
TOTAL EQUITY AND LIABILITIES		**1,969,142,049**	1,799,910,841

H.E. Abdul Muhsen Ibrahim Kalbat	Mr. Ahmed Ali Al Kaabi	Mr. Mansoor Rahma Juma Abdulla Alfalasi
Chairman – Board of Directors	Vice Chairman – Board of Directors	Chief Executive Officer

The attached notes 1 to 32 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

	Share capital AED	Statutory reserve AED	General reserve AED	Own shares AED	Own shares reserve AED	Retained earnings AED	Total AED
At 1 January 2022	200,000,000	86,036,704	86,036,704	-	-	-	372,073,408
Profit for the year	-	-	-	-	-	224,375,493	224,375,493
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	224,375,493	224,375,493
Transfer to reserves (note 20)	-	13,963,296	13,963,296	-	-	(27,926,592)	-
Transfer to Roads & Transport Authority (note 24)	-	-	-	-	-	(196,448,901)	(196,448,901)
At 31 December 2022	**200,000,000**	**100,000,000**	**100,000,000**	**-**	**-**	**-**	**400,000,000**
At 1 January 2023	200,000,000	100,000,000	100,000,000	-	-	-	400,000,000
Profit for the year	-	-	-	-	-	345,325,089	345,325,089
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	345,325,089	345,325,089
Transfer to Roads & Transport Authority (note 24)				-	-	(186,332,322)	(186,332,322)
Own shares (note 21)	-	-	-	(23,636)	(1,264,162)	-	(1,287,798)
Reduction in share capital (note 19)	(100,000,000)	-	-	-	-	-	(100,000,000)
Dividends paid (note 20)	-	(50,000,000)	(100,000,000)	-	-	-	(150,000,000)
At 31 December 2023	**100,000,000**	**50,000,000**	**-**	**(23,636)**	**(1,264,162)**	**158,992,767**	**307,704,969**

The attached notes 1 to 32 form part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

	Notes	2023 AED	2022 AED
Cash flows from operating activities			
Profit for the year		**345,325,089**	224,375,493
Adjustments for:			
Depreciation of property and equipment	12	**136,455,613**	97,752,439
Provision for expected credit losses on financial assets		**44,416,212**	11,776,870
Gain on equity securities held at fair value through profit or loss	8	**(4,617,327)**	-
Loss on disposal of investment in financial assets	8	**3,647,402**	18,282
Dividend income	8	**(898,479)**	-
Finance income	11	**(7,448,346)**	(6,228,056)
Interest on bank borrowings	10	**15,855,032**	-
Amortization of loan arrangement fee	26	**162,750**	-
Provision for employees' end of service benefits	22	**5,664,884**	5,633,950
Gain on derecognition of lease liability		**-**	(2,585,945)
Gain on disposal of property and equipment	8	**(5,031,152)**	(1,484,171)
(Gain)/loss on disposal of assets held for sale	8	**(1,519,380)**	25,425
Depreciation of right-of-use asset	7	**-**	475,443
Interest expense on lease liability		**-**	39,895
		532,012,298	329,799,625
Working capital adjustments:			
Inventories		**(73,575)**	1,338,358
Trade and other receivables		**(132,339,630)**	(61,359,111)
Trade and other payables		**46,893,749**	102,746,685
Due to related parties		**(692,598,843)**	85,787,682
		(246,106,001)	458,313,239
Payment of employees' end of service benefits	22	**(2,545,951)**	(1,001,830)
Interest paid		**(15,349,020)**	-
NET CASH FLOWS (USED IN)/GENERATED FROM OPERATING ACTIVITIES		**(264,000,972)**	457,311,409
Cash flows from investing activities			
Proceeds from disposal of investment in financial assets		**173,401,029**	29,786,813
Purchase of investments in financial assets		**-**	(191,010,001)
Increase in wakala deposit held with financial institution		**-**	(40,000,000)
Purchase of property and equipment	12	**(358,376,895)**	(284,043,763)
Proceeds from disposal of property and equipment and assets held for sale		**34,401,621**	30,027,584
Dividend income received	8	**898,479**	-
Interest income received		**11,466,616**	908,946
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(138,209,150)**	(454,330,421)
Cash flows from financing activities			
Proceeds from bank borrowings	26	**1,000,000,000**	-
Acquisition of own shares, net	21	**(1,287,798)**	-
Repayment of due to a related party		**(282,863,684)**	-
Reduction in share capital	19	**(100,000,000)**	-
Dividend paid	20	**(150,000,000)**	-
Payment of loan arrangement fee	26	**(3,150,000)**	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		**462,698,518**	-
Net increase in cash and cash equivalents		**60,488,396**	2,980,988
Cash and cash equivalents at beginning of the year		**235,101,944**	232,120,956
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	17	**295,590,340**	235,101,944

The attached notes 1 to 32 form part of these financial statements.

1 LEGAL STATUS AND ACTIVITIES

Dubai Taxi Company P.J.S.C. ("DTC" or "the Company") was formed on 28 June 1994 in the Emirate of Dubai with the provisions of Law No. (5) of 1994 decreed by H.H. The Ruler of Dubai ("the Original Decree"). The Company commenced operations on 20 May 1995.

The principal activities of the Company are transportation solutions across its four key business lines, including taxi services, VIP limousine services, bus services, and last mile delivery bike services in the Emirate of Dubai and extending to other Emirates. The registered address of the Company is P.O. Box 2647, Dubai, United Arab Emirates ("UAE").

The Company was wholly owned by the Roads & Transport Authority ("RTA"). On November 9, 2023, RTA transferred its 100% ownership in the Company to the Department of Finance ("DoF") which was later transferred to Dubai Investment Fund ("DIF" or "the Parent") with effect from November 21, 2023. The Company's ultimate shareholder is the Government of Dubai ('ultimate controlling party').

During the year, DoF unveiled its intention to list the Company's shares on the Dubai Financial Market (DFM) and in order to comply with the listing requirements, based on Decree under Law No. (21) of 2023 ("the Amended Decree") issued in The Official Gazette of Dubai Government on 9 November 2023, the legal status of the Company had been amended to a Public Joint Stock Company, and hence the revised name of the Company is Dubai Taxi Company P.J.S.C. (formerly "Dubai Taxi Corporation").

DIF sold 24.99% of its equity stake in the Company through an Initial Public Offering ("IPO"). The Company became officially listed on the DFM on December 7, 2023.

The ownership structure of the Company as at 31 December 2023 is detailed as follows:

	31 December 2023 Ownership	31 December 2022 Ownership
Dubai Investment Fund	**75.01%**	-
Local and international investors	**24.99%**	-
Roads & Transport Authority	**-**	100%
	100%	100%

During the year ended 31 December 2023, the Company has purchased own shares as disclosed in note 21 to these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 29 February 2024.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with 'International Financial Reporting Standards' ("IFRS") as issued by the International Accounting Standards Board (IASB), and the applicable provisions of the Company's Articles of Association and UAE Federal Decree Law No. (32) of 2021.

2.2 Basis of measurement

The financial statements of the Company have been prepared on the historical cost convention basis except for certain investment in financial assets which are stated at fair value.

2.3 Functional and presentation currency

The financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the presentation and functional currency of the Company.

2.4 Changes in material accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except for the following new standards, interpretations and amendments effective as of 1 January 2023. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

These amendments had no significant impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Revenue recognition

The Company recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1 Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognise revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The Company's performance does not create an asset with an alternate use to the Company and the Company has an enforceable right to payment for performance completed to date.
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

For performance obligations where any of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of allowances. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities.

The Company's revenue mainly consists of revenue from below services:

Taxi and limousine transport service revenue
The Company offers regular taxi and limousine services. Revenue from these services is recorded when the performance obligation is fulfilled. As the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs, revenue is recognized over the period of time. Customers settle payments using either cash or credit cards after the performance obligation has been satisfied. The billing is determined by meter readings and pre-established rates for trips, encompassing both within and outside the emirate of Dubai.

Bus transport service revenue
The Company engages in contracts with schools and other parties to render bus transport services. These services are rendered throughout the agreed-upon period, leading to the recognition of revenue as the performance obligation is fulfilled over time. The revenue is either calculated based on number of days in a semester and predetermined rates per seat. Invoices are generated in accordance with the terms outlined in the agreements and are typically due for payment within a 30-day period.

Delivery services
Revenue from delivery services is satisfied over time, as the customer simultaneously receives and consumes the benefits provided by the Company on a fixed contract basis. Performance obligation includes to supply bikes and drivers to the customers, enabling the fulfillment of bookings initiated through the customers' delivery application. Customers usually settle payments on a weekly basis after the performance obligation has been satisfied.

Manpower services
The Company recognises revenue from provision of manpower to its customers when the services are rendered to customers and on the basis of the contractual labour rates agreed with the customers. Customers usually settle payments within a week after the performance obligation has been satisfied.

Following are policies for other sources of revenue:

Finance income
Finance income is recognized as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rental income
Rental income arising from operating lease is recognized, net of discount, in accordance with the terms of lease contract over the lease term on a straight-line basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Employee benefits

Short-term employee benefits
Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Liabilities for wages and salaries, including non-monetary benefits and accumulating leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current liability in the statement of financial position.

Post-employment obligations
Provision is also made for the full amount of end of service benefits due to employees in accordance with the Company's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the end of the reporting period. The accrual relating to annual leave and leave passage is classified as a current liability, while the provision relating to end of service benefits is classified as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security. The Company's contribution, for eligible UAE National employees is calculated as a percentage of the employees' salaries and charged to the profit or loss. The Company has no legal or constructive obligation to pay any further contributions.

Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the followings:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use; and
- when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and capitalised borrowing costs.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment. Any gain or loss on disposal of an item of property and equipment is recognised in the statement of profit or loss.

Subsequent costs

Subsequent costs 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 associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit or loss in the period in which they are incurred.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in the statement of profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term, the depreciation period extends to the full useful life of the underlying asset.

The estimated useful lives of property and equipment for the current and comparative period is as follows:

	Useful life (years)
Motor vehicles (including buses and bikes)	3 – 15
Equipment	3 – 7
Buildings, prefabricated houses, and sheds	4 –30
Furniture and fittings	3 – 7

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate. Any change is accounted for as a change in accounting estimate by changing the depreciation charge for the current and future periods.

Capital work in progress

Properties or assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the design and construction of the property including related staff costs, and for qualifying assets, borrowing costs are capitalised in accordance with the Company's accounting policy. When the assets are ready for intended use, the capital work-in-progress is transferred to the appropriate property and equipment category and is depreciated in accordance with the Company's policies.

Derecognition

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

Intangible assets

Intangible assets are capitalised at cost only when future economic benefits are probable and can be estimated reliably. Cost includes purchase price together with any directly attributable expenditure. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred.

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. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

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 statement of profit or loss.

When the carrying amount of an intangible asset is greater than its estimated recoverable amount, it is written down immediately to its estimated recoverable amount and is reviewed at each reporting date for possible reversal of the impairment loss.

License plates

These represent license plates awarded through auctions conducted by the RTA. These plates have indefinite useful lives and are recorded at cost, net of any impairment losses.

Assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property and equipment are not depreciated once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated under the straight line method over the shorter of the asset's useful life or the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit or loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

The Company presents right-of-use assets and lease liabilities separately on statement of financial position.

Variable lease payments that depend on revenue and output are recognised in statement of profit or loss in the period in which the condition that triggers those payments occurs.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of property and equipment that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Company as a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. When a contract includes lease and non-lease components, the Company applies IFRS 15 to allocate consideration under the contract to each component.

Inventories
Inventories mainly consist of spare parts and consumables. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated based on weighted average method and includes expenditure incurred in acquiring inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

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.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, 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 statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Financial assets
Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

a) Financial assets at amortised cost (debt instruments, cash and cash equivalents and trade receivables);

b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);

c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and

d) Financial assets at fair value through profit or loss.

The Company has the following financial assets:

Financial assets at amortised cost
The Company measures financial assets at amortised cost if both of the following conditions are met:

a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

b) 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.

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management strategy focuses on earning contractual interesting come maintaining a particular interest rate profile matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows realising cash flows through the sale of the assets;

- How the performance of the portfolio is evaluated and reported to the Company's management;

- the risks that affect the performance of the business model (and the financial assets held with in that business model) and how those risk are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost include a certain portion of trade and other receivables, investment in financial assets and cash and bank balances.

Staff receivables
The Company provides interest free admin loan to its drivers to mainly assist in covering initial driving license expenses, excessive traffic fines, and other joining related expenses. The loan is repaid in monthly installments by deduction from drivers' pay. This loan is recognized as a financial asset at fair value and measured at amortized cost using the EIR method. The difference between the fair value and the actual amount of cash given to the employee is recognized as a "non-current prepaid employee benefit" and is amortized as an expense equally over the repayment period. The same amount is also amortized as finance income against the receivables from drivers.

Cash and short-term deposits
Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of bank overdrafts if any.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes quoted and unquoted equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on quoted and unquoted equity investments are recognised under other income in the statement of profit or loss when the right of payment has been established.

Impairment of financial assets
For trade 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 that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be credit-impaired 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.

For staff receivables, a multiple-state model has been implemented to categorize staff members' employment status, with balances being classified into active, suspended, or terminated states. An active balance is associated with a staff member currently working and earning income, while suspended balances indicate individuals under suspension from service, and terminated balances reflect those who are no longer employed and not on the payroll. The transition between these states is guided by certain principles:

– The terminated state is defined as an absorbing state, signifying that once a staff member and their associated balance enter this state, they will not be reverted to an active or suspended state, with only a few exceptions.

– Movement from an active state to suspended or terminated states is possible.

– Movement from a suspended state to active or terminated states is also feasible.

The terminated state is regarded as default, indicating that balances in this state are unlikely to be recovered with only a few exceptions. The probability of default is determined through the analysis of the annual movement of balances across states, ultimately leading to the defined default state – terminated. The calculation of the loss given default involves assessing various forms of security that effectively reduce associated receivables and exposure. This includes the examination of refundable deposits from drivers, pension and/or end-of-service benefits payable to drivers, and the presence of a surety or guarantor.

Provision for expected credit losses measured at amortised cost are deducted from the gross carrying amount of the assets. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Derecognition of financial assets
The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

Financial liabilities and equity instruments
Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, due to related parties and borrowings.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to a certain portion of trade and other payables, due to related parties, lease liabilities and borrowings.

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Value added tax ("VAT")
Expenses and assets are recognised net of the amount of VAT, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Fair value measurement
The Company measures financial instruments such as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss at fair value at each statement of financial position date.

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 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.

Own shares
Own equity instruments that are reacquired (own shares) are recognised at cost and deducted from equity. No gain or loss is recognised in statement of profit or loss on the purchase, sale, issue, or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium. Such own shares may be acquired and held by the entity or by a third party on behalf of the Company. Consideration paid or received shall be recognised directly in equity.

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 the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Contingencies
Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Dividends
The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Current versus non-current classification
The Company presents assets and liabilities in the statement of financial position based on current/noncurrent classification.

An asset is classified as 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 equivalent 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 classified as 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 terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

4 STANDARDS ISSUED BUT NOT EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
- Lack of exchangeability – Amendments to IAS 21

The Company does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its financial statements.

5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

While applying the accounting policies as stated in note 3, management of the Company has made certain judgments, estimates and assumptions 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. Revision to accounting estimates are recognised in the period of the revision 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.

Key sources of estimation of uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives and residual value of property and equipment
The Company's management determines the estimated useful lives of its property and equipment 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 the future depreciation/amortisation charge would be adjusted where management believes that the useful lives and residual value differ from previous estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated/amortised over the revised remaining useful life.

Impairment assessment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to intangibles with indefinite useful lives recognised by the Company. Intangible assets with indefinite useful lives are tested for impairment on an annual basis.

Property and equipment are assessed for impairment based on the assessment of cash flows on individual cash-generating units when there is an indication that those assets have suffered an impairment loss.

Based on the assessment performed, management has not recorded any impairment loss on any of its non-financial assets for the year ended 31 December 2023 (2022: AED nil). Further, based on impairment testing conducted by management, no impairment loss was recorded on intangible assets with indefinite useful lives.

Provision for expected credit losses of trade 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., by geography, product type, customer type and rating etc.).

The provision matrix is initially based on the Company's historical observed default rates. 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 assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. 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.

At the reporting date, gross trade receivables were AED 143,911,608 (2022: AED 104,243,904), with provision for expected credit losses of AED 69,705,708 (2022: AED 56,365,470). Any difference between the amounts actually collected in future periods and the amounts expected to be received will be recognised in the statement of profit or loss.

Provision for expected credit losses of staff receivables
For staff receivables, a multiple-state model has been implemented to categorize staff members' employment status, with balances being classified into active, suspended, or terminated states. An active balance is associated with a staff member currently working and earning income, while suspended balances indicate individuals under suspension from service, and terminated balances reflect those who are no longer employed and not on the payroll. The transition between these states is guided by certain principles:

- The terminated state is defined as an absorbing state, signifying that once a staff member and their associated balance enter this state, they will not be reverted to an active or suspended state, with only a few exceptions.
- Movement from an active state to suspended or terminated states is possible.
- Movement from a suspended state to active or terminated states is also feasible.

The terminated state is regarded as default, indicating that balances in this state are unlikely to be recovered with only a few exceptions. The probability of default is determined through the analysis of the annual movement of balances across states, ultimately leading to the defined default state – terminated. The calculation of the loss given default involves assessing various forms of security that effectively reduce associated receivables and exposure. This includes the examination of refundable deposits from drivers, pension and/or end-of-service benefits payable to drivers, and the presence of a surety or guarantor.

At the reporting date, gross staff receivables were AED 164,517,239 (2022: AED 108,527,995), with provision for expected credit losses of AED 58,324,794 (2022: AED 27,170,906). Any difference between the amounts actually collected in future periods and the amounts expected to be received will be recognised in the statement of profit or loss.

6 REVENUE FROM CONTRACTS WITH CUSTOMERS

	2023 AED	2022 AED
Regular taxis	**1,711,292,320**	1,532,328,688
Limousine service	**115,194,991**	134,281,786
Bus service	**107,034,261**	89,741,234
Others	**19,991,230**	3,279,122
	1,953,512,802	1,759,630,830
Timing of revenue recognition		
Services transferred over the period of time	**1,953,512,802**	1,759,630,830

All the revenues are generated within United Arab Emirates.

7 DIRECT COSTS

	2023 AED	2022 AED
Staff costs*	**511,408,938**	505,013,236
Fuel cost	**237,599,335**	266,243,844
Depreciation of property and equipment (note 12)	**131,039,503**	92,669,534
Charges and commission	**108,533,113**	99,476,506
Insurance	**58,343,890**	49,543,047
Vehicle maintenance	**58,238,760**	72,597,619
VAT expenses	**26,276,018**	27,024,842
Rent expense	**17,151,977**	11,342,045
Depreciation of right-of-use assets	**-**	475,443
Credit card processing fee	**17,013,293**	14,219,314
Vehicle surveillance hosting charges	**7,622,078**	8,162,982
Others	**31,283,544**	25,930,373
	1,204,510,449	1,172,698,785

*This includes drivers' commission and other benefits amounting to AED 390,473,367 for the year ended 31 December 2023 (2022: AED 397,333,609).

8 OTHER INCOME

	2023 AED	2022 AED
Penalties and fines on drivers	**14,044,954**	9,012,322
Rental income	**8,875,089**	8,527,596
Gain on equity securities held at fair value through profit or loss	**4,617,327**	-
Gain/(loss) on disposal of assets held for sale	**1,519,380**	(25,425)
Advertising income	**4,321,600**	3,340,400
Gain on disposal of property and equipment	**5,031,152**	1,484,171
Dividend income	**898,479**	-
Loss on disposal of investment in financial assets	**(3,647,402)**	(18,282)
Others	**15,087,770**	14,767,461
	50,748,349	37,088,243

9 GENERAL AND ADMINISTRATIVE EXPENSES

	2023 AED	2022 AED
Staff costs	**46,388,893**	40,473,040
Maintenance expenses	**6,878,464**	9,558,155
Depreciation of property and equipment (note 12)	**5,416,110**	5,082,905
Insurance expenses	**3,160,655**	2,295,869
Security expenses	**3,032,672**	3,414,287
Advertising	**1,611,453**	937,744
Cleaning expenses	**1,553,592**	1,604,311
Others	**5,265,280**	5,120,127
	73,307,119	68,486,438

The Company has made social contributions amounting to AED 614,000 for the year ended 31 December 2023 (2022: AED 103,430). Others include the audit fees pertaining to the Company' principal auditors, KPMG Lower Gulf Limited for the following services in relation to financial year ended 31 December 2023:

	2023 AED	2022 AED
Audit services	**575,000**	165,000
*Other services**		
Audit-related	**1,505,000**	-
Other services	**95,000**	-
	1,600,000	-

*This primarily relates to fees associated with the reviews of interim condensed financial statements and assurance services related to a capital market transaction. These expenses were borne by DoF.

10 FINANCE COST

	2023 AED	2022 AED
Interest on bank borrowings (note 26)	**15,855,032**	-
Bank charges	**172,476**	271,404
Amortization of arrangement fee (note 26)	**162,750**	-
Interest expense on lease liability	**-**	39,895
	16,190,258	311,299

11 FINANCE INCOME

	2023 AED	2022 AED
Interest income on sukuk and wakala deposits (note 16, 28)	**6,935,317**	6,030,380
Interest income on cash at banks (note 17)	**513,029**	197,676
	7,448,346	6,228,056

12 PROPERTY AND EQUIPMENT

	Motor vehicles AED	Equipment AED	Building, prefabricated house & shed* AED	Furniture and fittings AED	Capital work-in-progress AED	Total AED
Cost						
At 1 January 2022	740,871,305	37,374,618	129,541,034	23,630,394	-	931,417,351
Additions	276,412,976	2,749,235	-	1,885,578	2,995,974	284,043,763
Disposals	(131,231,836)	-	-	-	(278,604)	(131,510,440)
Transferred to assets held for sale (note 18)	(61,999,089)	-	-	-	-	(61,999,089)
At 31 December 2022	824,053,356	40,123,853	129,541,034	25,515,972	2,717,370	1,021,951,585
At 1 January 2023	824,053,356	40,123,853	129,541,034	25,515,972	2,717,370	1,021,951,585
Additions	341,423,101	3,490,478	244,125	4,187,140	9,032,051	358,376,895
Disposals	(76,560,021)	-	-	-	-	(76,560,021)
Transferred to assets held for sale (note 18)	(146,481,114)	-	-	-	-	(146,481,114)
At 31 December 2023	**942,435,322**	**43,614,331**	**129,785,159**	**29,703,112**	**11,749,421**	**1,157,287,345**
Accumulated depreciation						
At 1 January 2022	392,917,220	32,559,843	79,125,119	17,031,991	-	521,634,173
Charge for the year	90,203,009	2,155,475	2,513,967	2,879,988	-	97,752,439
Relating to disposals	(102,662,998)	-	-	-	-	(102,662,998)
Transferred to assets held for sale (note 18)	(51,609,370)	-	-	-	-	(51,609,370)
At 31 December 2022	328,847,861	34,715,318	81,639,086	19,911,979	-	465,114,244
At 1 January 2023	328,847,861	34,715,318	81,639,086	19,911,979	-	465,114,244
Charge for the year	128,390,888	2,167,074	2,516,094	3,381,557	-	136,455,613
Relating to disposals	(57,743,338)	-	-	-	-	(57,743,338)
Transferred to assets held for sale (note 18)	(121,504,830)	-	-	-	-	(121,504,830)
At 31 December 2023	**277,990,581**	**36,882,392**	**84,155,180**	**23,293,536**	**-**	**422,321,689**
Net book value						
At 31 December 2023	**664,444,741**	**6,731,939**	**45,629,979**	**6,409,576**	**11,749,421**	**734,965,656**
At 31 December 2022	495,205,495	5,408,535	47,901,948	5,603,993	2,717,370	556,837,341

Depreciation charge of AED 131,039,503 (2022: AED 92,669,534) is charged to direct operating cost and AED 5,416,110 (2022: AED 5,082,905) has been charged to general and administrative expenses respectively.

*The Company originally owned the land where the building, prefabricated house, and shed are situated. However, in 2008, ownership was transferred to the RTA (Roads and Transport Authority), and the Company has been utilizing the property without incurring any charges. In the current year, the RTA has signed a lease agreement with the Company, granting the land for a three-year period starting from October 25, 2023, at nominal value.

13 INTANGIBLE ASSETS

	Airport taxi licensed plates AED	Normal taxi licensed plates AED	Total AED
At 31 December 2023	**36,075,000**	**520,633,240**	**556,708,240**
At 31 December 2022	36,075,000	520,633,240	556,708,240

This represents license plates purchased from RTA as a consideration for obtaining the rights relating to operation of taxis. These have infinite life, therefore, are not amortised (refer to note 14).

14 IMPAIRMENT ASSESSMENT

License plates with indefinite useful lives have been allocated to regular taxis, for the purpose of impairment testing.

The recoverable amount of the CGU has been determined based on their value in use calculated using cash flow projections based on the financial budgets and forecasts approved by management.

Details of the CGU are shown below:

	2023 AED	2022 AED
Carrying value of regular taxis	**448,617,436**	363,565,350
Carrying value of licensed plates	**556,708,240**	556,708,240
	1,005,325,676	920,273,590

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of regular taxis and license plates.

- Gross budgeted margins
- Discount rate
- Growth rate
- Terminal growth rate

For license fleet, five years' cash flows were included in the discounted cash flow model and a terminal growth rate thereafter.

Gross budgeted margins – The basis used to determine the value assigned to the gross budgeted margin is the average gross margin achieved in the year immediately before the budgeted year, adjusted for expected growth rates. The initial gross budgeted margin stood at 30%, with an annual increment of 1% being implemented. A decrease in the margin by 13% would result in impairment.

Discount rates – The Company has taken the Weighted Average Cost of Capital (WACC) as the discount rate of 9%. This represents the cost of capital adjusted for the UAE risk factor. A rise in the discount rate to 25% would result in impairment.

Terminal value growth rate – In management's view, the terminal growth rate is the minimum growth rate expected to be achieved beyond the five-year period. This is based on the overall regional economic growth forecasted and the Company's existing internal capacity changes. Based on the historical trend of growth, the long-term growth of 3% is considered reasonable.

Sensitivity to changes in assumptions
The calculation of value in use for the CGU requires estimates on future earnings and therefore a sensitivity analysis was performed. A sensitivity analysis demonstrated that a 20% decrease in earnings for a future period of five years from the reporting date would not result in impairment. An increase of 2.5% in discount rate and/or decrease of 0.5% in terminal value growth rate would not result in impairment.

15 TRADE AND OTHER RECEIVABLES

	2023 AED	2022 AED
Trade receivables	**143,911,608**	104,243,904
Less: provision for expected credit losses	**(69,705,708)**	(56,365,470)
Trade receivables, net	**74,205,900**	47,878,434
Staff receivables	**164,517,239**	108,527,995
Less: provision for expected credit losses	**(58,324,794)**	(27,170,906)
Staff receivables, net	**106,192,445**	81,357,089
Prepaid expenses	**13,563,154**	11,238,893
Advances to suppliers	**599,538**	601,560
Other receivables*	**47,318,651**	12,958,208
	241,879,688	154,034,184
Non-current portion	**(47,462,290)**	(27,112,535)
Current portion	**194,417,398**	126,921,649

The average credit period on rendering of services is 30 – 90 days. No interest is charged on the outstanding trade receivables.

*Included in other receivables is a balance held with a liquidity provider as of 31 December 2023 amounting to AED 23,661,724 (2022: AED Nil) (note 21).

Below is the information about the credit risk exposure on the Company's trade receivables:

	31 December 2023			31 December 2022		
	ECL %	Gross carrying amount at default AED	Lifetime ECL AED	ECL %	Gross carrying amount at default AED	Lifetime ECL AED
Not yet due	**5%**	**24,651,469**	**1,353,323**	3%	18,645,043	528,154
0 to 30	**9%**	**18,302,856**	**1,573,214**	7%	19,912,300	1,323,342
31 to 60	**23%**	**12,506,864**	**2,827,275**	15%	783,437	120,482
61 to 90	**22%**	**9,138,733**	**2,038,908**	23%	3,384,331	772,520
91 to 180	**25%**	**15,501,311**	**3,882,853**	20%	3,415,016	696,272
181 to 365	**12%**	**6,562,251**	**782,011**	37%	8,172,871	2,993,794
Above 365	**100%**	**57,248,124**	**57,248,124**	100%	49,930,906	49,930,906
		143,911,608	**69,705,708**		104,243,904	56,365,470

Below is the information about the credit risk exposure on the Company's staff receivables:

	31 December 2023			31 December 2022		
		Gross carrying amount at default AED	ECL AED		Gross carrying amount at default AED	ECL AED
Active	**13%**	**101,762,526**	**12,874,043**	2%	69,832,585	1,243,855
Suspended	**74%**	**20,820,469**	**15,391,373**	84%	4,015,658	3,372,571
Terminated	**72%**	**41,934,244**	**30,059,378**	65%	34,679,752	22,554,480
		164,517,239	**58,324,794**		108,527,995	27,170,906

The movement in the provision for expected credit losses during the year on trade and staff receivables is as follows:

	2023 AED	2022 AED
As at 1 January	**83,536,376**	71,482,428
Charge for the year*	**44,494,126**	12,053,948
As at 31 December	**128,030,502**	83,536,376

*This includes provision for the staff receivables in relation to terminated, suspended and active employees. During the year the Company has provided for AED 31,153,888 (31 December 2022: AED 4,038,825).

Provision for expected credit losses is categorized as:

	2023 AED	2022 AED
Relating to trade receivables	**69,705,708**	56,365,470
Relating to staff receivables	**58,324,794**	27,170,906
	128,030,502	83,536,376

16 INVESTMENTS IN FINANCIAL ASSETS

	2023 AED	2022 AED
Non-current		
Sukuk and national bonds (note (i) below)	**-**	223,025,083
Less: allowance for expected credit loss (note 28)	**-**	(99,167)
	-	222,925,916
Current		
Sukuk and national bonds (note (i) below)	**66,570,206**	-
Investment in equity securities (refer note (ii) below)	**-**	18,491,719
Less: allowance for expected credit loss (note 28)	**(21,253)**	-
	66,548,953	18,491,719
	66,548,953	241,417,635

(i) These are investments in listed national bonds. The national bonds are held by the Company within a business model whose objective is to hold financial 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. Hence the national bonds are classified at amortized cost. The interest from these investments are ranging between 3% – 5% with a maturity period within 1 – 5 years.

During the year, Sukuk with net carrying amount of AED 153,939,386 (2022: nil) were sold by the Company for AED 150,291,984 (2022: nil) resulting in loss on disposal of AED 3,647,402 (2022: nil).

(ii) The details of the Company's investments in equity securities are as follows:

	2023 AED	2022 AED
Salik Company PJSC	**-**	9,210,000
Tecom Company PJSC	**-**	3,740,000
Emirates Central Cooling Systems Corp	**-**	3,203,008
Dubai Electricity and Water Authority PJSC	**-**	2,338,711
	-	18,491,719

Investments of equity securities are listed on stock exchange and are actively traded in the market. Accordingly, fair value of these investments are categorized at Level 1 of the fair value hierarchy.

During the year, investments in equity securities with fair value of AED 23,338,804 (2022: nil) were sold by the Company for AED 23,109,045 (2022: nil) resulting in loss on disposal of AED 229,759 (2022: nil)

17 CASH AND CASH EQUIVALENTS

	2023 AED	2022 AED
Cash in hand	**137,472**	475,132
Cash at banks	**295,563,917**	234,718,295
Less: provision for expected credit losses (note 28)	**(111,049)**	(91,483)
Cash and cash equivalents	**295,590,340**	235,101,944

18 ASSETS HELD FOR SALE

	2023 AED	2022 AED
At 1 January	**12,947,233**	3,124,116
Transfer from property and equipment (note 12)	**24,976,284**	10,389,719
Completed sale during the year	**(9,034,406)**	(566,602)
At 31 December	**28,889,111**	12,947,233

The Company has classified a portion of its vehicle fleet as held for sale. This classification signifies the intent to sell or otherwise dispose these assets. The assets held for sale are reported separately on the balance sheet, and their carrying amount is presented at the lower of their carrying amount or fair value less costs to sell. The Company is actively pursuing the disposal of these vehicles, and any significant changes in their status will be disclosed in the financial statements. Assets held for sale amounting to AED 22,392,047 (2022: AED 11,291,292) and AED 6,497,064 (2022: AED 1,655,941) relates to regular taxi and limousine service segments respectively.

19 SHARE CAPITAL

	2023 AED	2022 AED
Authorised issued and fully paid 2,500,000,000 shares of AED 0.04 each	**100,000,000**	-
Authorised capital in accordance with Law No. (5) of 1994 Fully paid up by the Government of Dubai	**-**	200,000,000

In previous years, a total of AED 200 million was transferred from the Government of Dubai to the share capital account. In line with the resolution passed by the Board of Directors of the RTA on 6 November 2023, the Company has executed a reduction in the share capital, lowering it from AED 200 million to AED 100 million.

Under the authority of the Company's Board of Directors, the remaining share capital has been subdivided into 2,500,000,000 shares, each having a nominal value of AED 0.04. All shares within the Company maintain equal status in all respects. Therefore, as of December 31, 2023, the Company's share capital is composed of authorized and paid-up capital amounting to AED 100 million.

20 RESERVES

Statutory reserve

In accordance with UAE Federal Decree Law No. (32) of 2021 and the Company's Articles of Association, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution except as stipulated by the Law. As the statutory reserve already constitutes 50% of the share capital, no transfers were carried out during the current year.

General reserve

In accordance with the provisions of Law No. 20 of 2007 decreed by H.H. the Ruler of Dubai, 10% of the yearly net profit of the Company will be transferred to general reserve each year until it reaches a maximum of 50% of the paid-up capital.

Pursuant to the Board resolution adopted by the Board of Directors of the RTA on 6 November 2023, the Company has undertaken a reduction in the general reserve from AED 100 million to AED nil, and the statutory reserve has been decreased by AED 50 million in line with reduction in share capital. This adjustment aligns with the Company's obligation to uphold a statutory reserve equivalent to 50% of the share capital. These reductions have been declared as a dividend to the RTA.

During 2022, in accordance with the provisions of Law No. 20 of 2007 decreed by H.H. the Ruler of Dubai, 10% of the yearly net profit of the Company was being transferred to statutory and general reserve each year until each reserve reaches a maximum of 50% of the paid-up capital.

21 OWN SHARES

During the year, the Company engaged a third-party licensed Market Maker on the Dubai Financial Market that offers liquidity provision services, to place buy and sell orders of the Company's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. At 31 December 2023, the Market Maker held 590,889 of the Company's shares on behalf of the Company at par value and recorded the premium paid over and above par value as own share reserve of AED 1,234,958, which is classified under equity as at 31 December 2023. Further, during the year, net loss of AED 29,204 has been recognised under own share reserves. The initial advance balance remitted to the liquidity provider amounting to AED 25,000,000, and the outstanding balance as of 31 December 2023, stands at AED 23,661,724 (Note 15).

22 EMPLOYEES' END OF SERVICE BENEFITS

	2023 AED	2022 AED
At 1 January	**28,556,992**	23,924,872
Charge for the year	**5,664,884**	5,633,950
Paid during the year	**(2,545,951)**	(1,001,830)
At 31 December	**31,675,925**	28,556,992

In addition to the above, the Company contributes 15% of the 'contribution calculation salary' in case of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. The Company's contribution is recognised as an expense in the statement of profit or loss as incurred.

23 TRADE AND OTHER PAYABLES

	2023 AED	2022 AED
Trade payables	**311,414,720**	336,489,408
Staff payable	**110,848,048**	94,422,523
Accrued expenses	**71,731,200**	21,537,711
Leave salary provision*	**26,577,266**	25,664,606
Bonus payable**	**24,147,486**	18,524,000
Interest payable	**506,012**	-
Other payables	**35,847,357**	33,909,080
	581,072,089	530,547,328
Non-current portion	**(3,466,826)**	(2,365,823)
Current portion	**577,605,263**	528,181,505

*Arisen during the year amounting to AED 17,373,943 and utilized during the year amounting to AED 16,461,283.

**This represents outstanding bonuses for employees, calculated at 5% of the net profit before bonus.

24 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the Parent, ultimate controlling party, the shareholders, key management personnel, subsidiaries, joint venture 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 the Government of Dubai as non-related.

The Company, in the normal course of business, receives goods/services from related parties at terms mutually agreed.

Balances with related parties included in the statement of financial position are as follows:

	2023 AED	2022 AED
Due to related parties		
Entities with common key management personnel		
Roads & transport authority ("RTA")	**39,865,968**	835,146,737
Salik Company PJSC	**11,810,348**	5,659,784
	51,676,316	840,806,521

These balances are unsecured, interest free and are repayable on demand.

During the year, the Company entered into the following significant transactions with related parties in the ordinary course of business, carried out on terms and conditions, agreed between the parties:

	2023 AED	2022 AED
Entities with common key management personnel:		
Plate and license fees*	**309,826,800**	313,492,735
Salik charges	**74,756,822**	73,399,973
Traffic fines	**8,405,470**	9,552,205
Dividend income	**346,445**	-
Rent income**	**7,200,000**	7,200,000
Net profit transferred to RTA***	**186,332,322**	196,448,901
Reduction in share capital (note 19)	**100,000,000**	-
Dividend paid (note 20)	**150,000,000**	-

*Plate and license fees pertains to the monthly amount charged by RTA (ranging between AED 1,200 to AED 5,000 per taxi) depending upon the nature of the operating taxi.

**This pertains to office space leased to RTA.

***This represents net profit for the six-month period ended 30 June 2023, transferred in accordance with the resolution passed on 28 September 2023. (2022: profit for the year ended 31 December 2022, transferred in accordance with the Original Decree).

Compensation of key management personnel

Key management personnel and entities controlled by them are also related to the Company. Key management personnel within the Company encompass directors and employees serving as directors of specific segments or departments. This relationship extends to both the individuals themselves and the entities under their control.

	2023 AED	2022 AED
Salaries and short-term employee benefits	**7,005,113**	7,818,625
Post-employment benefits	**541,621**	539,634
	7,546,734	8,358,259
Board of directors' remuneration	**2,325,746**	2,402,656

25 SEGMENTAL ANALYSIS

The Company has identified the revenue streams as its basis of segmentation.

- Regular taxis
- Limousine service
- Bus transport service

The Company measures the segment performance on profit for the year. The Chief Operating Decision Maker (Chief Executive Officer) reviews the internal management reports of the reported segments on a monthly basis.

The following tables presents certain results, assets and liabilities information regarding the Company's reportable segments as at the reporting date:

	Regular taxis		Limousine service		Bus transport service		Total	
	31 December 2023 AED	31 December 2022 AED	**31 December 2023 AED**	31 December 2022 AED	**31 December 2023 AED**	31 December 2022 AED	**31 December 2023 AED**	31 December 2022 AED
Revenue	**1,731,283,550**	1,535,607,810	**115,194,991**	134,281,786	**107,034,261**	89,741,234	**1,953,512,802**	1,759,630,830
Gross profit/(loss)	**421,505,242**	265,897,341	**15,368,787**	12,704,849	**2,301,524**	(5,162,880)	**439,175,553**	273,439,310
Operating profit/(loss) before bonus*	**370,299,643**	233,526,397	**10,232,805**	7,209,916	**(8,351,443)**	(10,468,341)	**372,181,005**	230,267,972
Finance income	**7,448,346**	6,228,056	**-**	-	**-**	-	**7,448,346**	6,228,056
Finance cost	**(14,113,981)**	(273,025)	**(949,012)**	(22,151)	**(1,127,265)**	(16,123)	**(16,190,258)**	(311,299)
Profit (loss) before bonus	**363,634,008**	239,481,428	**9,283,793**	7,187,765	**(9,478,708)**	(10,484,464)	**363,439,093**	236,184,729
Staff bonus	**(17,665,073)**	(11,465,123)	**(448,931)**	(344,113)	**-**	-	**(18,114,004)**	(11,809,236)
Profit/(loss) for the year	**345,968,935**	228,016,305	**8,834,862**	6,843,652	**(9,478,708)**	(10,484,464)	**345,325,089**	224,375,493

*This includes provision for expected credit losses recognised in accordance with IFRS 9, amounting to AED 44,435,778 (2022: AED 11,773,143). A provision of AED 33,522,889 (2022: AED 4,625,437) is associated with regular taxis, while AED 2,482,049 (2022: AED 555,471) is linked to limousine services, and AED 8,430,840 (2022: AED 6,592,235) pertains to bus transport services.

	Regular taxis		Limousine service		Bus transport service		Total	
	31 December 2023 AED	31 December 2022 AED	**31 December 2023 AED**	31 December 2022 AED	**31 December 2023 AED**	31 December 2022 AED	**31 December 2023 AED**	31 December 2022 AED
Segment assets	**1,550,485,403**	1,533,852,762	**79,242,812**	34,577,448	**339,413,834**	231,480,631	**1,969,142,049**	1,799,910,841
Segment liabilities	**1,471,845,492**	1,317,202,027	**96,140,669**	67,603,071	**93,450,919**	15,105,743	**1,661,437,080**	1,399,910,841

Assets and liabilities not associated with any specific segment have been consolidated under the regular taxi segment.

Timing of recognition of revenue from contract with customers (refer to note 6) for the Company's reportable segments is presented below:

	Regular taxis		Limousine service		Bus transport service		Total	
	31 December 2023 AED	31 December 2022 AED	**31 December 2023 AED**	31 December 2022 AED	**31 December 2023 AED**	31 December 2022 AED	**31 December 2023 AED**	31 December 2022 AED
Over the period of time	**1,731,283,550**	1,535,607,810	**115,194,991**	134,281,786	**107,034,261**	89,741,234	**1,953,512,802**	1,759,630,830

The operations of the Company are entirely based in United Arab Emirates. Delivery services revenue amounting to AED 18,673,537 (2022: AED 2,163,400) and other revenue amounting to AED 1,317,693 (2022: AED 1,115,722) have been included within regular taxi segment. Throughout the year, the Company generated 90% of the total revenue (2022: 87%) within the bus transport service segment from one customer.

26 BANK BORROWINGS

	2023 AED	2022 AED
Term loan	**997,012,750**	-
Disclosed in the statement of financial position as follows:		
Current	**-**	-
Non-current	**997,012,750**	-

Movement in bank borrowings is as follows:

	2023 AED	2022 AED
As 1 January	**-**	-
Drawdown	**1,000,000,000**	-
Transaction costs	**(3,150,000)**	-
Amortisation of transaction cost	**162,750**	-
At 31 December	**997,012,750**	-

The loan carries an interest rate of EIBOR plus 0.8% and is structured for repayment over a period of 5 years in the form of a bullet payment. The funds obtained from the loan drawdown were utilized to settle the RTA liability.

Additionally, within the fiscal year, the Company secured a revolving credit facility amounting to AED 200 million, maturing in 5 years. However, no drawdown was executed from the revolving credit facility throughout the year.

27 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributed to the owners of the Company by the weighted average number of shares in issue throughout the year.

Diluted earnings per share is calculated by dividing the profit for the year attributed to the owners of the Company by the weighted average number of shares in issue throughout the year, adjusted for the effects of dilutive instruments if any.

	2023 AED	2022 AED
Profit attributable to owners of the Company (AED)	**345,325,089**	224,375,493
Weighted average number of shares (shares)*	**2,499,991,955**	2,500,000,000
Basic and diluted earnings per share for the year (AED)	**0.14**	0.09

As of 31 December 2023, and 31 December 2022, the Company has not issued any instruments that have a dilutive impact on earnings per share when exercised.

*Weighted average number of ordinary shares takes into account the weighted average effect of changes in own shares during the year.

During the year, share capital amounting to AED 100 million has been subdivided into 2,500,000,000 shares, each having a nominal value of AED 0.04 (refer to note 19). As the issued shares did not have a corresponding change in resources, the number of shares as of 31 December 2022 have been adjusted for the purpose of calculating the weighted average number of ordinary shares.

28 FINANCIAL RISK MANAGEMENT

Overview
The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

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. Furthermore, quantitative disclosures are included throughout these financial statements.

Risk management framework
The Board of Directors has overall responsibility and oversight for the Company's risk management framework and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other receivables, investment in financial assets and cash at banks. Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management.

Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2023 AED	2022 AED
Cash at banks, net	**295,452,868**	234,626,812
Trade and other receivables (excluding prepayments and advances)	**202,896,253**	142,193,731
Investments in financial assets	**66,548,953**	241,417,635
Wakala deposits*	**42,093,333**	40,471,111
	606,991,407	658,709,289

*This represents deposit with financial institution, with original maturity of more than 3 months, earning interest in the range of 3.5% to 4.5% and maturing within the year 2024.

Information about the credit risk exposure on the Company's trade and staff receivables is disclosed under note 15.

Cash at banks and wakala deposits
The Company limits its exposure to credit risk by placing balances with local reputed banks. Bank balances are limited to high-credit-quality financial institutions and bank ratings are reviewed on an annual basis. Banks have credit ratings of A+, A, BBB+ and A- indicating the stable outlook and low default risk. Given the profile of its bankers, management does not expect any counter party to fail to meet its obligations.

Impairment of cash at banks has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central bank of UAE. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL.

Details of provision for expected credit losses as per IFRS 9 are as follows:

	2023 AED	2022 AED
As at 1 January	**91,483**	95,210
Charge for the year	**19,566**	-
Reversal during the year	**-**	(3,727)
As at 31 December	**111,049**	91,483

Investment in financial assets
For the purposes of impairment assessment, the Sukuk and national bonds are considered to have low credit risk as the counterparties to these investments have a minimum B- credit rating. Accordingly, for the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the expected credit losses for these assets, the management of the Company have taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers operate obtained from economic expert reports, financial analyst reports and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

Details of provision for expected credit losses as per IFRS 9 are as follows:

	2023 AED	2022 AED
At 1 January	**99,167**	376,245
Reversal during the year	**(77,914)**	(277,078)
As at 31 December	**21,253**	99,167

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the board of directors, which has built a liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining reserves and by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

	Carrying value AED	Contractual cash flows AED	Less than 1 year AED	1 – 5 Years AED
At 31 December 2023				
Non-derivative financial liabilities:				
Due to related parties	**51,676,316**	**(51,676,316)**	**(51,676,316)**	**-**
Trade and other payables (excluding advances)	**580,011,768**	**(580,011,768)**	**(576,544,942)**	**(3,466,826)**
Bank borrowings	**997,012,750**	**(1,288,728,482)**	**(60,916,703)**	**(1,227,811,779)**
	1,628,700,834	**(1,920,416,566)**	**(689,137,961)**	**(1,231,278,605)**
At 31 December 2022				
Non-derivative financial liabilities:				
Due to related parties	840,806,521	(840,806,521)	(840,806,521)	-
Trade and other payables (excluding advances)	523,980,486	(523,980,486)	(521,614,663)	(2,365,823)
	1,364,787,007	(1,364,787,007)	(1,362,421,184)	(2,365,823)

As at 31 December 2023 and 31 December 2022, there were no derivative financial instruments carried by the Company.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk

The Company does not have any significant foreign currency exposure, as majority of its transactions are denominated in AED.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk in respect of its fixed deposits and bank borrowings.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments is:

	2023 AED	2022 AED
Fixed rate instrument		
Financial asset		
Sukuk and national bonds (note 16)	**66,548,953**	222,925,916
Floating rate instrument		
Financial liability		
Bank borrowings (note 26)	**997,012,750**	-

Sensitivity analysis for floating rate instruments

At 31 December 2023, if interest rates on the bank borrowings had been 10 basis points lower/higher with all other variables held constant, profit for the year would have been increased or decreased by AED 1,000,000 (2022: nil).

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to the shareholders. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Fair value hierarchy

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 31 December 2023, investments in equity shares amounting to AED Nil (2022: AED 18,491,719) are measured at fair value at Level 1 in the hierarchy.

29 COMMITMENTS AND CONTINGENT LIABILITIES

The Company's capital commitments relating to purchase of motor vehicles at the reporting date amounted to AED 30,064,642 (2022: AED 33,634,560). The Company does not have any contingent liabilities (2022: nil).

30 CORPORATE TAXATION

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MOF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023.

As the Company's accounting year ends on 31 December, the first tax period will be 1 January 2024 to 31 December 2024, with the first return to be filed on or before 30 September 2025.

The taxable income of the Company will be subject to the rate of 9% corporate tax. The Cabinet of Ministers Decision No. 116/2022 effective from 2023, has confirmed the threshold of income over which the 9% tax rate would apply and the Law is considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000.

As per the Company's assessment, there is no material deferred tax impact on account of the CT Law in the Company's financial statements for the year ended 31 December 2023.

31 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified, wherever necessary, to confirm to the presentation adopted in the current year financial statements. Such reclassifications have no impact on previously reported profit or equity of the Company.

32 SUBSEQUENT EVENT

On 29 February 2024, the Board of Directors proposed to distribute a dividend payment of AED 71,000,000 (2.84 fils per share) for the fourth quarter of 2023, as per the Company's dividend policy. The proposed dividend is subject to the approval of the shareholders at the Company's General Assembly Meeting on 28 March 2024.

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