

Dubai Taxi Company P.J.S.C.

**Review report and condensed interim financial information
For the six-month period ended 30 June 2024**

Dubai Taxi Company P.J.S.C.

For the six-month period ended 30 June 2024

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REVIEW REPORT ON CONDENSED INTERIM FINANCIAL INFORMATION

To the Board of Directors
Dubai Taxi Company P.J.S.C.
Dubai, United Arab Emirates

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Dubai Taxi Company P.J.S.C. (the “Company”) as at 30 June 2024 and the related statements of profit or loss and comprehensive income, changes in equity and cash flows for the six-month ended 30 June 2024. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Other Matter

The interim financial information for the six-month period ended 30 June 2023 was reviewed by another auditor who expressed an unmodified conclusion on that information on 28 September 2023.

The financial statements of the Company for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 29 February 2024.

Deloitte & Touche (M.E.)



Firas Anabtawi
Registered No. 5482
25 July 2024
Dubai
United Arab Emirates

Dubai Taxi Company P.J.S.C.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Note	Unaudited 30 June 2024 AED	Audited 31 December 2023 AED
Assets			
Non-current assets			
Property and equipment	3	745,935,857	734,965,656
Intangible assets	4	651,028,240	556,708,240
Trade and other receivables	5	10,603,403	47,462,290
		1,407,567,500	1,339,136,186
Current assets			
Inventories		2,749,565	2,466,728
Trade and other receivables	5	277,119,158	194,417,398
Investment in financial assets	6	74,951,391	66,548,953
Wakala deposits	7	258,235,679	42,093,333
Cash and cash equivalents	8	115,765,309	295,590,340
		728,821,102	601,116,752
Assets held for sale		10,374,935	28,889,111
		739,196,037	630,005,863
Total assets		2,146,763,537	1,969,142,049
Equity and liabilities			
Equity			
Share capital	9	100,000,000	100,000,000
Statutory reserve	9	50,000,000	50,000,000
Own shares	10	(308,625)	(23,636)
Own shares reserve	10	(15,654,142)	(1,264,162)
Retained earnings		275,380,865	158,992,767
Total equity		409,418,098	307,704,969
Liabilities			
Non-current liabilities			
Employees' end of service benefits		31,417,808	31,675,925
Bank borrowings	11	997,327,750	997,012,750
Other long term liabilities	12	3,770,437	3,466,826
		1,032,515,995	1,032,155,501
Current liabilities			
Trade and other payables	12	619,606,675	577,605,263
Due to related parties	13	85,222,769	51,676,316
		704,829,444	629,281,579
Total liabilities		1,737,345,439	1,661,437,080
Total equity and liabilities		2,146,763,537	1,969,142,049

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed interim financial information presents fairly in all material respects the financial position, financial performance and cash flows of the Company.

.....
H.E. Abdul Muhsen Ibrahim Kalbat
Chairman - Board of Directors

.....
Mr. Ahmed Ali Al Kaabi
Vice chairman – Board of Directors

.....
Mr. Mansoor Rahma Juma Abdulla Alfalasi
Chief Executive Officer

The attached notes 1 to 27 form part of this condensed interim financial information.

Dubai Taxi Company P.J.S.C.

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the six-month period ended 30 June 2024

		<i>Three-month period ended</i>		<i>Six-month period ended</i>	
		Unaudited	Unaudited	Unaudited	Unaudited
	<i>Notes</i>	30 June 2024	30 June 2023	30 June 2024	30 June 2023
		AED	AED	AED	AED
Revenue from contracts with customers	14	531,198,227	476,185,744	1,089,557,380	956,678,554
Direct costs	15	(334,852,879)	(289,241,094)	(665,076,279)	(572,856,831)
Plate and license fees		(82,834,364)	(77,830,200)	(161,045,564)	(155,660,400)
Gross profit		113,510,984	109,114,450	263,435,537	228,161,323
Other income	16	12,463,550	9,941,296	21,939,974	15,015,474
General and administrative expenses	17	(25,798,225)	(19,543,464)	(51,810,958)	(35,845,781)
Reversal / (provision) for expected credit losses		2,804,905	(4,621,663)	6,676,403	(15,654,524)
Operating profit before bonus		102,981,214	94,890,619	240,240,956	191,676,492
Finance cost	18	(16,127,769)	(34,981)	(31,703,850)	(75,771)
Finance income	19	5,131,156	2,280,089	8,411,722	4,538,565
Profit before bonus		91,984,601	97,135,727	216,948,828	196,139,286
Staff bonus		(4,780,126)	(4,856,786)	(11,028,338)	(9,806,964)
Profit before tax		87,204,474	92,278,941	205,920,490	186,332,322
Taxation	20	(7,848,004)	-	(18,532,446)	-
Profit for the period		79,356,470	92,278,941	187,388,044	186,332,322
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		79,356,470	92,278,941	187,388,044	186,332,322
Basic and diluted earnings per share (AED)	22	0.0318	0.0369	0.0750	0.0745

The attached notes 1 to 27 form part of this condensed interim financial information.

Dubai Taxi Company P.J.S.C.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six-month ended 30 June 2024

	Share capital AED	Statutory reserve AED	General reserve AED	Own shares AED	Own shares reserve AED	Retained earnings AED	Total AED
At 1 January 2023 (audited)	200,000,000	100,000,000	100,000,000	-	-	-	400,000,000
Profit for the period	-	-	-	-	-	186,332,322	186,332,322
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	186,332,322	186,332,322
Transfer to Roads & Transport Authority (note 13)	-	-	-	-	-	(186,332,322)	(186,332,322)
At 30 June 2023 (unaudited)	200,000,000	100,000,000	100,000,000	-	-	-	400,000,000
At 1 January 2024 (audited)	100,000,000	50,000,000	-	(23,636)	(1,264,162)	158,992,767	307,704,969
Profit for the period	-	-	-	-	-	187,388,044	187,388,044
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	187,388,044	187,388,044
Dividend (note 26)	-	-	-	-	-	(70,999,946)	(70,999,946)
Own shares (note 10)	-	-	-	(284,989)	(14,389,980)	-	(14,674,969)
At 30 June 2024 (unaudited)	100,000,000	50,000,000	-	(308,625)	(15,654,142)	275,380,865	409,418,098

The attached notes 1 to 27 form part of this condensed interim financial information.

Dubai Taxi Company P.J.S.C.

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2024 (unaudited)

	Unaudited 30 June 2024 AED	Unaudited 30 June 2023 AED
Cash flows from operating activities		
Profit before tax for the period	205,920,490	186,332,322
<i>Adjustments for:</i>		
Depreciation of property and equipment	80,067,452	61,506,347
(Reversal) / provision for expected credit losses on financial assets	(6,676,403)	15,654,524
Finance income	(8,384,208)	(4,538,565)
Interest on bank borrowings	31,079,166	-
Amortization of loan arrangement fee	315,000	-
Provision for employees' end of service benefits	3,699,663	2,820,185
Gain on disposal of property and equipment	(7,431,379)	(1,433,808)
Gain on disposal of assets held for sale	(2,122,672)	(558,246)
Gain on securities measured at FVTPL	(1,608,000)	(3,434,562)
Dividend income	-	(475,837)
	294,859,109	255,872,360
<i>Working capital adjustments:</i>		
Inventories	(282,837)	(1,446,749)
Trade and other receivables	(46,341,989)	(67,006,517)
Trade and other payables	19,904,358	37,668,238
Due to related parties	33,546,453	27,140,370
	301,685,094	252,227,702
Payment of employees' end of service benefits	(1,674,696)	(612,597)
Interest paid	(31,248,469)	-
Net cash generated from operating activities	268,761,929	251,615,105
Cash flows from investing activities		
Increase in wakala deposit held with financial institution	(215,000,000)	-
Purchase of property and equipment	(140,093,291)	(146,730,089)
Purchase of intangible assets	(94,320,000)	-
Purchase of investment in financial assets	(5,040,000)	-
Proceeds from disposal of property and equipment and assets held for sale	70,387,946	12,453,937
Interest income received	6,478,331	666,402
Dividend income received	-	475,837
Net cash used in investing activities	(377,587,014)	(133,133,913)
Cash flows from financing activity		
Dividend paid	(70,999,946)	-
Net cash used in financing activity	(70,999,946)	-
Net (decrease) / increase in cash and cash equivalents	(179,825,031)	118,481,192
Cash and cash equivalents at beginning of the period	295,590,340	235,197,154
Cash and cash equivalents at end of the period	115,765,309	353,678,346
Non-cash transactions		
Employee's end of service benefits transferred to current trade and other payables	2,283,084	-
Receivables against property and equipment disposals	6,735,919	-

The attached notes 1 to 27 form part of this condensed interim financial information.

Dubai Taxi Company P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

30 June 2024

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 21 November 2023. The Company's ultimate shareholder is the Government of Dubai ('ultimate controlling party').

During 2023, 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 condensed interim financial information was approved by the Board of Directors and authorised for issue on 25 July 2024.

The comparative information presented in the condensed interim information of profit or loss and comprehensive income, changes in equity and cash flows and the related notes has not been audited.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information has been prepared in accordance with the International Accounting Standard ("IAS") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board.

The condensed interim financial information does not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the Company's audited financial statements for the year ended 31 December 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements as at and for the year ended 31 December 2023.

The condensed interim financial information has been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

Except as described in below, the accounting policies applied in this condensed interim financial information are the same as those applied in the Company's financial statements as at and for the year ended 31 December 2023.

Dubai Taxi Company P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (continued) 30 June 2024

2 BASIS OF PREPARATION (continued)

2.1 Statement of compliance (continued)

Income tax expense for the period

Income tax expense is recognised at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate in the interim financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The Company's effective tax rate in respect of continuing operations for the six-month ended 30 June 2024 was 9 percent (six-month ended 30 June 2023: Nil percent) since the new corporate tax CT regime has become effective for accounting periods beginning on or after 1 June 2023.

The change of the accounting policy will also be reflected in the Company's financial statements as at and for the year ending 31 December 2024.

Deferred tax

Deferred tax is accounted for using the asset and liability method. Deferred tax assets and liabilities are recognised for the full tax consequences of all temporary differences between the Company financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Recognition of deferred tax assets are, however, restricted to the extent that it is probable that sufficient taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured using tax rates that are expected to apply to the period in which the asset is expected to be realised or the liability is expected to be settled.

Deferred tax assets are reviewed periodically to reduce the carrying amount by the extent to which it is no longer probable that sufficient taxable profits will be available to utilise the differences. Deferred tax assets and liabilities are off set when there is a legally enforceable right to set off current tax asset against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and current tax liabilities on a net basis.

2.2 Judgements and estimates

The preparation of this condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, equity, income and expense. Actual amount may differ from these estimates.

In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of uncertainty in relation to estimates were the same as those which were applicable to the audited financial statements as at and for the year ended 31 December 2023.

Dubai Taxi Company P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (continued) 30 June 2024

2 BASIS OF PREPARATION (continued)

2.3 Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards)

2.3.1 New and revised IFRS applied with no material effect on the condensed financial statements

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these condensed consolidated interim financial information. The application of these revised IFRS has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 1 Presentation of Financial Statements relating to classification of liabilities as current or non-current
- Amendments to IFRS 16 Leases relating to lease liability in a sale and leaseback transaction
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information;
- IFRS S2 Climate Related Disclosures.

2.3.2 New and revised IFRSs in issue but not yet effective

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective. The management is in the process of assessing the impact of the new requirements.

<u>New and revised IFRS</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> relating to Lack of Exchangeability	1 January 2025
IFRS 18 <i>Presentation and Disclosures in Financial Statements</i>	1 January 2027
Amendment to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> relating to treatment of sale or contribution of assets from investors	Effective date deferred indefinitely.

The Company anticipates that these new standards, interpretations and amendments will be adopted in the Company's condensed interim financial information as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the condensed interim financial information of Company in the period of initial application.

Dubai Taxi Company P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (continued)

30 June 2024

3 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 2023 (Audited)	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	(146,481,114)	-	-	-	-	(146,481,114)
At 31 December 2023 (Audited)	942,435,322	43,614,331	129,785,159	29,703,112	11,749,421	1,157,287,345
At 1 January 2024 (Audited)	942,435,322	43,614,331	129,785,159	29,703,112	11,749,421	1,157,287,345
Additions	130,278,232	3,115,837	-	1,359,416	5,339,806	140,093,291
Transfers	3,550,050	3,652,689	4,757,552	613,120	(12,573,411)	-
Disposals	(94,280,097)	-	-	-	-	(94,280,097)
Transferred from assets held for sale	27,698,397	-	-	-	-	27,698,397
Transferred to assets held for sale	(8,145,712)	-	-	-	-	(8,145,712)
At 30 June 2024 (Unaudited)	1,001,536,192	50,382,857	134,542,711	31,675,648	4,515,816	1,222,653,224
Accumulated depreciation						
At 1 January 2023 (Audited)	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
Eliminated on disposals	(57,743,338)	-	-	-	-	(57,743,338)
Transferred to assets held for sale	(121,504,830)	-	-	-	-	(121,504,830)
At 31 December 2023 (Audited)	277,990,581	36,882,392	84,155,180	23,293,536	-	422,321,689
At 1 January 2024 (Audited)	277,990,581	36,882,392	84,155,180	23,293,536	-	422,321,689
Charge for the period	75,942,727	1,016,689	1,290,967	1,817,069	-	80,067,452
Eliminated on disposals	(42,185,795)	-	-	-	-	(42,185,795)
Transferred from assets held for sale	23,323,788	-	-	-	-	23,323,788
Transferred to assets held for sale	(6,809,767)	-	-	-	-	(6,809,767)
At 30 June 2024 (Unaudited)	328,261,534	37,899,081	85,446,147	25,110,605	-	476,717,367
Net book value						
At 30 June 2024 (Unaudited)	673,274,658	12,483,776	49,096,564	6,565,043	4,515,816	745,935,857
At 31 December 2023 (Audited)	664,444,741	6,731,939	45,629,979	6,409,576	11,749,421	734,965,656

Dubai Taxi Company P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (continued)

30 June 2024

4 INTANGIBLE ASSETS

	Airport taxi licensed plates AED	Normal taxi licensed plates AED	Total AED
At 30 June 2024* (Unaudited)	99,375,000	551,653,240	651,028,240
At 31 December 2023 (Audited)	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.

*During the period, additional plates amounting to AED 94,320,000 (31 December 2023: Nil) were introduced in the airport taxi and normal taxi licensed plates categories.

5 TRADE AND OTHER RECEIVABLES

	<i>Unaudited</i> 30 June 2024 AED	<i>Audited</i> 31 December 2023 AED
Trade receivables	178,312,161	143,911,608
Less: provision for expected credit losses	(60,854,983)	(69,705,708)
Trade receivables, net	117,457,178	74,205,900
Staff receivables	190,192,826	164,517,239
Less: provision for expected credit losses	(60,478,054)	(58,324,794)
Staff receivables, net	129,714,772	106,192,445
Prepaid expenses	6,260,180	13,563,154
Advances to suppliers	601,560	599,538
Deferred tax assets	417,103	1,159,019
Other receivables	33,271,769	46,159,632
	287,722,561	241,879,688
Non-current portion	(10,603,403)	(47,462,290)
Current portion	277,119,158	194,417,398

6 INVESTMENT IN FINANCIAL ASSETS

	<i>Unaudited</i> 30 June 2024 AED	<i>Audited</i> 31 December 2023 AED
*National bonds	68,303,391	66,548,953
**Investment in equity securities	6,648,000	-
	74,951,391	66,548,953

*These represent investments in national bonds 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 4% - 5.75% (31 December 2023: 3% - 5%) with original maturity of one year.

Dubai Taxi Company P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (continued)

30 June 2024

6 INVESTMENT IN FINANCIAL ASSETS continued

** This represents an investment in equity securities of Parkin Company P.J.S.C., listed on the stock exchange. The securities were acquired for a consideration of AED 5,040,000 with an unrealized gain of AED 1,608,000 recorded as of 30 June 2024 (31 December 2023: nil). The investment is carried on the statement of financial position at fair value, with net changes in fair value recognized in the statement of profit or loss.

7 WAKALA DEPOSITS

	<i>Unaudited</i> 30 June 2024 AED	<i>Audited</i> 31 December 2023 AED
Wakala deposits	258,235,679	42,093,333

These represent deposits with financial institution, with original maturity of more than 3 months, earning interest in the range of 5.0% to 5.7% (31 December 2023: 4.06%) and maturing within the year 2024.

8 CASH AND CASH EQUIVALENTS

	<i>Unaudited</i> 30 June 2024 AED	<i>Audited</i> 31 December 2023 AED
Cash in hand	611,913	137,472
Cash at banks	90,116,117	295,563,917
Short term wakala deposits*	25,074,445	-
Less: provision for expected credit losses	(37,166)	(111,049)
Cash and cash equivalents	115,765,309	295,590,340

*These represent deposits with financial institution, with original maturity of less than 3 months, earning interest in the range of 5.1% to 5.7%.

9 SHARE CAPITAL AND STATUTORY RESERVE

SHARE CAPITAL

	<i>Unaudited</i> 30 June 2024 AED	<i>Audited</i> 31 December 2023 AED
Authorised issued and fully paid 2,500,000,000 shares of AED 0.04 each	100,000,000	100,000,000

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 period (31 December 2023: Nil).

Dubai Taxi Company P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (continued) 30 June 2024

10 OWN SHARES

During the previous 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 30 June 2024, the Market Maker held 7,715,631 (31 December 2023: 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 15,585,575 (31 December 2023: AED 1,234,958), which is classified under equity as at 30 June 2024. Further, during the period, net loss of AED 133,886 (31 December 2023: AED 29,204) and dividend of AED 65,319 (31 December 2023: AED nil) 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 30 June 2024, stands at AED 8,722,233 (31 December 2023: AED 23,661,724).

11 BANK BORROWINGS

	<i>Unaudited</i> 30 June 2024 AED	<i>Audited</i> 31 December 2023 AED
Term loan	997,327,750	997,012,750
<i>Disclosed in the statement of financial position as follows:</i>		
Current	-	-
Non-current	997,327,750	997,012,750
Movement in bank borrowings is as follows:		
As 1 January	997,012,750	-
Drawdown	-	1,000,000,000
Transaction costs	-	(3,150,000)
Amortisation of transaction cost	315,000	162,750
At 30 June /31 December	997,327,750	997,012,750

12 TRADE AND OTHER PAYABLES

	<i>Unaudited</i> 30 June 2024 AED	<i>Audited</i> 31 December 2023 AED
Trade payables	103,526,206	311,414,720
Staff payable	144,532,205	110,848,048
Accrued expenses*	246,262,710	71,731,200
Leave salary provision	38,093,560	26,577,266
Employee's end of service benefits	2,283,084	-
Bonus payable	23,189,403	24,147,486
Corporate tax payable (note 20)	17,790,530	-
Interest payable	336,709	506,012
Other payables	47,362,705	35,847,357
	623,377,112	581,072,089
Non-current portion	(3,770,437)	(3,466,826)
Current portion	619,606,675	577,605,263

*Included in accrued expenses is a balance of AED 90,624,808 (31 December 2023: AED 10,003,805) which relates to related parties.

Dubai Taxi Company P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (continued) 30 June 2024

13 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.

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

	<i>Unaudited</i> 30 June 2024 AED	<i>Audited</i> 31 December 2023 AED
Due to related parties		
<i>Entities with common key management personnel</i>		
Roads & transport authority ("RTA")	70,501,114	31,814,538
RTA Careem LLC	8,874,687	8,051,430
Salik Company P.J.S.C.	5,846,968	11,810,348
	85,222,769	51,676,316

During the period, 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:

	<i>Unaudited</i> 30 June 2024 AED	<i>Unaudited</i> 30 June 2023 AED
<i>Entities with common key management personnel:</i>		
Plate and license fees	161,045,564	155,660,400
Salik charges	34,094,660	34,537,484
Traffic fines	3,239,670	4,403,350
Other services	6,019,076	4,064,502
Rent income	3,600,000	3,780,000
Net profit transferred to RTA	-	186,332,322

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.

	<i>Unaudited</i> 30 June 2024 AED	<i>Unaudited</i> 30 June 2023 AED
Salaries and short-term employee benefits	5,242,019	3,563,134
Post-employment benefits	251,456	281,745
	5,493,475	3,844,879
Board of directors' remuneration	1,457,265	300,000

Dubai Taxi Company P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (continued)

30 June 2024

14 REVENUE FROM CONTRACTS WITH CUSTOMERS

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	Unaudited	Unaudited	Unaudited	Unaudited
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	AED	AED	AED	AED
Regular taxis	458,114,670	416,458,655	937,241,322	835,070,841
Bus service	28,229,720	26,852,731	72,007,239	57,106,952
Limousine service	35,485,546	28,598,994	61,650,586	58,088,371
Others	9,368,291	4,275,364	18,658,233	6,412,390
	531,198,227	476,185,744	1,089,557,380	956,678,554
Timing of revenue recognition				
Services transferred over the period of time	531,198,227	476,185,744	1,089,557,380	956,678,554

15 DIRECT COSTS

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	Unaudited	Unaudited	Unaudited	Unaudited
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	AED	AED	AED	AED
Staff costs*	138,183,301	122,156,214	289,655,771	245,508,705
Fuel cost	62,177,725	57,427,925	116,876,810	113,030,320
Depreciation of property and equipment	39,816,838	30,775,973	77,467,368	58,668,118
Charges and commission	26,692,232	27,377,780	53,959,038	55,180,430
Insurance	19,586,209	13,596,696	35,742,078	26,153,209
Vehicle maintenance	17,763,544	14,912,885	32,718,474	30,976,259
VAT expenses	7,710,496	6,803,606	15,048,909	12,457,150
Rent expense	5,363,209	3,894,603	10,976,555	7,487,052
Credit card processing fee	4,866,519	3,884,829	10,007,191	7,771,320
Vehicle surveillance hosting charges	1,906,490	1,893,946	3,873,827	3,676,357
Others	10,786,316	6,516,637	18,750,258	11,947,911
	334,852,879	289,241,094	665,076,279	572,856,831

*This includes drivers' commission and other benefits amounting to AED 229,403,192 for the six-month period ended 30 June 2024 (2023: AED 197,928,408) and penalties and fines on drivers amounting to AED 9,234,544 for the six-month period 30 June 2024 (2023: AED 11,893,032) have been netted off.

Dubai Taxi Company P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (continued)

30 June 2024

16 OTHER INCOME

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	Unaudited	Unaudited	Unaudited	Unaudited
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	AED	AED	AED	AED
Gain on disposal of property and equipment	4,147,392	633,874	7,431,379	1,325,060
Rental income	2,157,915	2,178,387	4,405,036	4,295,374
Advertising income	1,083,000	1,083,000	2,166,000	2,166,000
Gain on disposal of assets held for sale	1,031,242	228,822	2,122,672	558,246
Fair value gain on equity securities	1,608,000	3,434,562	1,608,000	3,434,562
Dividend income	-	475,837	-	475,837
Others	2,436,001	1,906,814	4,206,887	2,760,395
	<u>12,463,550</u>	<u>9,941,296</u>	<u>21,939,974</u>	<u>15,015,474</u>

17 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	Unaudited	Unaudited	Unaudited	Unaudited
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	AED	AED	AED	AED
Staff costs	15,547,152	11,678,128	34,085,216	21,764,770
Maintenance expenses	1,945,138	2,259,290	3,429,998	4,315,429
Depreciation of property and equipment	1,331,374	1,541,736	2,600,084	2,838,229
Insurance expenses	938,763	675,813	1,889,216	1,453,424
Security expenses	757,612	747,120	1,509,854	1,543,598
Advertising	566,279	186,297	1,181,178	172,085
Cleaning expenses	446,384	325,060	898,568	789,177
Others	4,265,523	2,130,020	6,216,844	2,969,069
	<u>25,798,225</u>	<u>19,543,464</u>	<u>51,810,958</u>	<u>35,845,781</u>

18 FINANCE COST

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	Unaudited	Unaudited	Unaudited	Unaudited
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	AED	AED	AED	AED
Interest on bank borrowings	15,730,145	-	31,079,166	-
Amortization of arrangement fee	157,500	-	315,000	-
Bank charges	240,124	34,981	309,684	75,771
	<u>16,127,769</u>	<u>34,981</u>	<u>31,703,850</u>	<u>75,771</u>

Dubai Taxi Company P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (continued) 30 June 2024

19 FINANCE INCOME

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	Unaudited	Unaudited	Unaudited	Unaudited
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	AED	AED	AED	AED
Interest income on sukuk and wakala deposits	3,780,232	2,210,288	6,917,381	4,396,577
Interest income on cash at banks	1,350,924	69,801	1,494,341	141,988
	5,131,156	2,280,089	8,411,722	4,538,565

20 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.

The tax charge for period ended 30 June 2024 is AED 18,532,446 (30 June 2023: AED Nil), representing an Effective Tax Rate (“ETR”) of 9% (30 June 2023: Nil %). The delta in the ETR period-on-period is due to the new corporate tax CT regime that has become effective for accounting periods beginning on or after 1 June 2023. The ETR incorporates tax rates of the UAE. The major components of corporate tax expense in the interim condensed statement of profit or loss are:

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	Unaudited	Unaudited	Unaudited	Unaudited
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	AED	AED	AED	AED
Corporate taxes	7,476,749	-	17,790,530	-
Current corporate tax expense	371,255	-	741,916	-
Deferred corporate tax expense	7,848,004	-	18,532,446	-

	<i>Unaudited</i>	<i>Audited</i>
	30 June 2024	31 December 2023
	AED	AED
Deferred tax		
<i>Reconciliation of deferred tax assets:</i>		
At 1 January	1,159,019	-
Tax (expense)/income recognised in profit or loss during the period / year	(741,916)	1,159,019
At 30 June / 31 December	417,103	1,159,019

This pertains to deferred tax assets recognized on lease payments associated with plots of land provided by RTA, assuming that the transaction had been conducted at arm's length.

Dubai Taxi Company P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (continued) 30 June 2024

21 SEGMENT INFORMATION

The following tables present revenue and profit information for the Company's operating segments for the six-month period ended 30 June 2024 and 2023, respectively:

Six-month period ended 30 June 2024 (Unaudited)

	Regular taxis* AED	Limousine service AED	Bus transport service AED	Total AED
Revenue from contracts with customers	955,899,555	61,650,586	72,007,239	1,089,557,380
Gross profit	232,208,368	11,913,697	19,313,472	263,435,537
Profit for the period	159,025,547	5,786,998	22,575,499	187,388,044

Six-month period ended 30 June (Unaudited)

	Regular taxis* AED	Limousine service AED	Bus transport service AED	Total AED
Revenue from contracts with customers	841,483,231	58,088,371	57,106,952	956,678,554
Gross profit	214,600,672	6,402,084	7,158,567	228,161,323
Profit / (loss) for the period	185,859,477	3,304,425	(2,831,580)	186,332,322

* Delivery services revenue amounting to AED 16,898,397 (2023: AED 5,733,854) and other revenue amounting to AED 1,759,837 (2023: AED 678,536) have been included within regular taxis segment.

22 BASIC AND DILUTED EARNINGS PER SHARE

	<i>Three-month period ended</i>		<i>Six-month period ended</i>	
	Unaudited	Unaudited	Unaudited	Unaudited
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	AED	AED	AED	AED
Profit attributable to owners of the Company (AED)	79,356,470	92,278,941	187,388,044	186,332,322
Weighted average number of shares*	2,496,377,260	2,500,000,000	2,497,516,214	2,500,000,000
Basic and diluted earnings per share for the period (AED)	0.0318	0.0369	0.0750	0.0745

In the fourth quarter of 2023, 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. As the issued shares did not have a corresponding change in resources, the number of shares as of 30 June 2023, have been adjusted for the purpose of calculating the weighted average number of ordinary shares.

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

Dubai Taxi Company P.J.S.C.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (continued)

30 June 2024

23 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities and borrowings exposes it to a variety of financial risks such as market risk, credit risk and liquidity risk. This condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements. As such, they should be read in conjunction with the Company's financial statements as at 31 December 2023. There have been no changes in any financial risk management policies since year end.

Liquidity risk

During six-month period ended 30 June 2024, there has been no material change in the contractual cash outflows for financial liabilities.

Fair value estimation

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and bank balances, wakala deposits, trade and other receivables (excluding advances and prepayments) and investments in financial assets.

Financial liabilities consist of trade and other payables (excluding advances) and due to related parties. The fair value of financial instruments approximates their carrying values.

24 COMMITMENTS AND CONTINGENT LIABILITIES

The Company's capital commitments relating to purchase of motor vehicles as at 30 June 2024 amounted to AED 79,131,654 (31 December 2023: AED 30,064,642). The Company does not have any contingent liabilities as at 30 June 2024 (31 December 2023: nil).

25 IMPACT OF SEASONALITY ON THE BUSINESS

The Company is subject to moderate seasonal fluctuations, with revenue and earnings during interim periods being particularly sensitive to reduced traffic activity, which is typically observed during the summer months. These seasonal variations mean that the results for any given quarter may not accurately reflect the performance expected for other quarters or for the entire year.

26 DIVIDEND

On 29 February 2024, the Board of Directors proposed to distribute a dividend payment of AED 71 million (2.84 fils per share) for the fourth quarter of 2023, as per the Company's dividend policy. The proposed dividend is approved by the shareholders at the Company's General Assembly Meeting on 28 March 2024 and paid subsequently in the month of April 2024. On 25 July 2024, the Board of Directors proposed and approved to distribute a dividend payment of AED 159 million (6.37 fils per share) for the first half of 2024, in accordance with the Company's dividend policy.

27 COMPARATIVE FIGURES

Following comparative figures have been reclassified to conform to current year presentation in accordance with the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IAS 1, Presentation of the Financial Statements. These reclassifications are not material and have no impact on the previously reported profits and total equity position or cashflows of the Company.

	Six-month ended June 30, 2023 As previously reported (AED)	Reclassifications (AED)	As reported (AED)
Direct costs	(584,772,845)	11,916,014	(572,856,831)
Gross profit	216,245,309	11,916,014	228,161,323
Other Income	23,228,388	(8,212,914)	15,015,474
General and administrative expenses	(36,053,080)	207,299	(35,845,781)
Finance income	8,448,964	(3,910,399)	4,538,565