CONFIDENTIAL
NOT FOR DISTRIBUTION IN THE UNITED STATES

شركة تاكسي دبي
Dubai Taxi Company

(a public joint stock company established in the Emirate of Dubai, United Arab Emirates, pursuant to Law No. (21) of 2023 Concerning the Dubai Taxi Company, with a paid up share capital of AED 100,000,000

Global Offering of 624,750,000 Offer Shares

Offer Price Range: AED 1.80 to AED 1.85 per Offer Share

624,750,000 ordinary shares (the **"Offer Shares"**) with a nominal value of AED 0.04 each of Dubai Taxi Company PJSC (a public joint stock company incorporated in the Emirate of Dubai, United Arab Emirates) **("DTC"** or the **"Company"**) are being offered in this global offering (the **"Global Offering"**) by the Government of Dubai represented by the Department of Finance (the **"DoF"** or the **"Selling Shareholder"**). The Selling Shareholder reserves the right to amend the size of the Global Offering at any time prior to the end of the subscription period at its sole discretion subject to applicable laws and the approval of the UAE Securities and Commodities Authority (the "**SCA**"). The Company will not receive any of the proceeds of the sale of the Offer Shares, all of which will be paid to the Selling Shareholder (net of any expenses relating to the Global Offering).

The Global Offering comprises an offering of Offer Shares (i) outside the United States in "offshore transactions" as defined in, and in accordance with, Regulation S (**"Regulation S"**) under the U.S. Securities Act of 1933, as amended (the **"Securities Act"**) (the **"International Offering"**), (ii) in the Abu Dhabi Global Market (the **"ADGM"**) only as an "Exempt Offer" pursuant to the Market Rules of the Abu Dhabi Financial Services Regulatory Authority (the **"FSRA"**) (the **"ADGM Exempt Offer"**), (iii) in the Dubai International Financial Centre (the **"DIFC"**) only as an "Exempt Offer" pursuant to the Markets Rules Module of the Dubai Financial Services Authority (the **"DFSA"**) Rulebook (the **"DIFC Exempt Offer"**, and together with the ADGM Exempt Offer, the **"Exempt Offer"** and, together with the International Offering, the **"Qualified Investor Offering"**) and (iv) in the United Arab Emirates (the **"UAE"**) pursuant to a prospectus (the **"UAE Prospectus"**), the publication of which was approved by the UAE Securities and Commodities Authority (the **"SCA"**) to: (A) certain natural persons, companies, establishments and other entities (the "**UAE Retail Offer**"); and (B) in accordance with the requirements of Federal Law No. 32 of 2021 on Commercial Companies (the **"CCL"**) as amended, up to 5% of the Offer Shares to the Emirates Investment Authority (the "**EIA**") (the "**EIA Offer**"); and (C) in accordance with the requirements of Resolution No. 2 of 2022 issued by the Supreme Fiscal Committee concerning the subscription in shares of companies owned by the Government of Dubai, up to 5% of the Offer Shares to Pensions and Social Security Fund of Local Paramilitary Personnel in the Emirate of Dubai (the "**Fund**") (the **"Pension Fund Offer**").

Prior to the Global Offering, there has been no public market for the shares of the Company (the **"Shares**"). Application will be made to the Dubai Financial Market (the **"DFM**") for all of the Shares to be admitted to trading on the DFM. It is expected that admission to listing and trading will become effective and that dealings will commence on or about 7 December 2023 (the **"Closing Date**"). No application has been, or is currently intended to be, made for the Shares to be admitted to listing or trading on any other stock exchange.

Investing in the Offer Shares involves significant risks. You should read this entire document and, in particular, "*Risk Factors*", before making an investment decision with respect to the Global Offering.

The Offer Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States. The Offer Shares are being offered and sold in "offshore transactions" outside the United States in reliance on Regulation S or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state and other securities laws. For a description of these and certain further restrictions on offers, sales and transfers of the Offer Shares and the distribution of this offering memorandum (this **"Offering Memorandum"**), see "*Subscription and Sale*" and "*Transfer Restrictions*".

The Offer Shares are offered by the Joint Bookrunners named herein when, as and if delivered to, and accepted by, the Joint Bookrunners and subject to their right to reject orders in whole or in part. Purchasers will be required to make full payment for the Offer Shares to the Joint Bookrunners for receipt by the Joint Bookrunners two business days prior to the Closing Date, and delivery of the Offer Shares is expected to be made on the Closing Date through the book-entry facilities operated by the DFM.

The SCA and the DFM have not approved this Offering Memorandum, take no responsibility for the contents of this Offering Memorandum, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from, or in reliance upon, any part of the contents of this Offering Memorandum.

ADGM Exempt Offer Statement: This Offering Memorandum relates to an "Exempt Offer" in accordance with the Market Rules of the FSRA. It is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The FSRA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The FSRA has not approved this Offering Memorandum nor taken steps to verify the information set out in it and has no responsibility for it. The securities to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Offering Memorandum, you should consult an authorised financial adviser.

DIFC Exempt Offer Statement: This Offering Memorandum relates to an "Exempt Offer" in accordance with the Markets Rules Module of the DFSA Rulebook. It is intended for distribution only to persons of a type specified in those rules. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Offering Memorandum nor taken steps to verify the information set out in it and has no responsibility for it. The securities to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered may be required to bear the financial risks of this investment for an indefinite period of time and should conduct their own due diligence on the securities. If you do not understand the contents of this Offering Memorandum, you should consult an authorised financial adviser.

Financial Adviser

Rothschild and Co Middle East Limited

Joint Global Coordinators and Joint Bookrunners

BofA Securities	**Citigroup**	**Emirates NBD Capital**
¶	*Joint Bookrunners*	¶
EFG Hermes		**First Abu Dhabi Bank**

This Offering Memorandum is dated 21 November 2023

IMPORTANT INFORMATION

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

THIS OFFERING MEMORANDUM CONTAINS INFORMATION THAT IS SUBJECT TO COMPLETION AND CHANGE. NO OFFER OF SECURITIES WILL BE MADE AND NO INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THIS OFFERING MEMORANDUM ALONE, BUT ONLY ON THE BASIS OF THIS OFFERING MEMORANDUM AS FINALISED AND COMPLETED BY THE RELEVANT PRICING NOTIFICATION.

Recipients of this Offering Memorandum are authorised solely to use this Offering Memorandum for the purpose of considering the acquisition of the Offer Shares, and may not reproduce or distribute this Offering Memorandum, in whole or in part, and may not disclose any of the contents of this Offering Memorandum or use any information herein for any purpose other than considering an investment in the Offer Shares. Such recipients of this Offering Memorandum agree to the foregoing by accepting delivery of this Offering Memorandum.

Prior to making any decision as to whether to invest in the Offer Shares, prospective investors should read this Offering Memorandum in its entirety and, in particular, the section titled "*Risk Factors*" when considering an investment in the Company. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Global Offering, including the merits and risks involved. The investors also acknowledge that: (i) they have not relied on the Joint Bookrunners or any person affiliated with the Joint Bookrunners in connection with any investigation of the accuracy of any information contained in this Offering Memorandum or their investment decision; (ii) they have relied only on the information contained in this Offering Memorandum; and (iii) no person has been authorised to give any information or make any representations concerning the Company or its subsidiaries or the securities to be offered (other than those contained in this Offering Memorandum) and, if given or made, any such information or representations must not be relied on as having been so authorised by the Company, the Selling Shareholder, the Joint Bookrunners or the Financial Adviser. Neither the delivery of this Offering Memorandum nor any subscription or sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Offering Memorandum or that the information in it is correct as of any time subsequent to the date hereof.

None of the Company, the Selling Shareholder, the Joint Bookrunners, the Financial Adviser or any of their respective representatives is making any representation to any prospective investor of the Offer Shares regarding the legality of an investment in the Offer Shares by such prospective investor under the laws applicable to such prospective investor. The contents of the Offering Memorandum should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, business, financial or tax adviser for legal, business, financial or tax advice applicable to an investment in the Offer Shares.

No person has been authorised to give any information or make any representation other than those contained in this Offering Memorandum and, if given or made, such information or representation must not be relied upon as having been so authorised.

The Company accepts responsibility for the completeness and accuracy of the information contained in this Offering Memorandum, and having taken reasonable care to ensure that such is the case, the information contained in this Offering Memorandum is, to the best of the Company's knowledge and belief, accurate and complete in all material respects and no material facts, the omission of which would make misleading any statements of fact or opinion herein, have been omitted. None of the Joint Bookrunners and any of their respective affiliates accepts any responsibility whatsoever for, or makes any representation or warranty, express or implied, as to, the accuracy, completeness or verification of the contents of this Offering Memorandum or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the Offer Shares or the Global Offering, and nothing in this Offering Memorandum will be relied upon as a promise or representation in this respect, whether as to the past or future. Each of the Joint Bookrunners and any of their respective affiliates accordingly disclaims, to the fullest extent permitted by applicable law, all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which they might otherwise have in respect of this Offering Memorandum. No representation or warranty, express or implied, is made by any of the Joint Bookrunners or any of their respective affiliates as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in this Offering Memorandum.

None of the Company, the Selling Shareholder, the Joint Bookrunners or the Financial Adviser accepts any responsibility for the accuracy or completeness of any information reported by the press or other media or third-party analysts, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media, regarding the Global Offering or the Company. None of the Company, the Selling Shareholder, the Joint Bookrunners or the Financial Adviser makes any representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

Rothschild and Co Middle East Limited ("**Rothschild**") has been appointed as the financial adviser (the "**Financial Adviser**") to the Company. Merrill Lynch International ("**BofA**"), Citigroup Global Markets Limited ("**Citi**") and Emirates NBD Capital PSC ("**ENBD**") have been appointed as joint global coordinators and joint bookrunners (together, the "**Joint Global Coordinators**") and EFG-Hermes UAE Limited (**"EFG Ltd.**") acting in conjunction with EFG-Hermes UAE LLC ("**EFG LLC**" and together with EFG Ltd., "**EFG Hermes"**) and First Abu Dhabi Bank PJSC (**"FAB"**) have been appointed as joint bookrunners (together with the Joint Global Coordinators, the "**Joint Bookrunners**"). BofA, Citi and Rothschild are each authorised by the Prudential Regulation Authority (the **"PRA"**) and regulated by the Financial Conduct Authority (the **"FCA"**) and the PRA in the United Kingdom (the **"UK"**). ENBD and EFG LLC are authorised and regulated by the UAE Securities and Commodities Authority (the **"SCA"**). EFG Ltd. is regulated and authorised by the DFSA. FAB is authorised and regulated by the Central Bank in the United Arab Emirates and regulated by the SCA. The Joint Bookrunners and Financial Adviser are acting exclusively for the Company and the Selling Shareholder and no one else in connection with the Global Offering, will not regard any other person (whether or not a recipient of this Offering Memorandum) as their respective clients in relation to the Global Offering and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their respective clients, nor for giving advice in relation to the Global Offering or any transaction or arrangement referred to in this Offering Memorandum.

In connection with the Global Offering, the Joint Bookrunners and any of their respective affiliates, may take up a portion of the Offer Shares in the Global Offering as a principal position, and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Offer Shares and other securities of the Company or related investments in connection with the Global Offering or otherwise. Accordingly, references in this Offering Memorandum to the Offer Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, dealing or placing by, the Joint Bookrunners and any of their respective affiliates acting in such capacity. In addition, certain of the Joint Bookrunners or any of their respective affiliates may enter into financing arrangements (including hedging arrangements) with investors in connection with which such Joint Bookrunners (or their affiliates) may from time to time acquire, hold or dispose of Offer Shares. Moreover, in the course of their business with the Company and with parties affiliated with the Company (including the Selling Shareholder), the Joint Bookrunners and/or their respective affiliates, have from time to time been engaged, and may in the future engage, in commercial banking, financing, trading, Shariah compliant hedging, investment banking and financial advisory and ancillary activities, for which they have received, and may in the future receive, subject to foregoing being Shariah compliant, customary compensation. In respect of the aforementioned, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of any such transactions, any Joint Bookrunner may have interests that may not be aligned, or could potentially conflict, with the interests of holders of Offer Shares or with the interests of the Company or the Selling Shareholder. None of the Joint Bookrunners intends to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

The Global Offering relates to securities of a UAE public joint stock company to be listed on the DFM and potential investors should be aware that this Offering Memorandum and any other documents or announcements relating to the Global Offering have been or will be prepared solely in accordance with the disclosure requirements applicable to a public joint stock company established in the UAE and listed on the DFM, all of which may differ from those applicable in any other jurisdiction.

This Offering Memorandum has been drafted in a specific manner to be addressed only to qualified investors, and in compliance with the laws and regulations of the relevant competent jurisdictions and acceptable to such jurisdictions, and it has not been approved by the SCA. This Offering Memorandum does not form part of the UAE Prospectus and the information contained herein does not form part of the UAE Prospectus, and the review of this Offering Memorandum or any related advertisements does not fall under the SCA's remit/jurisdiction.

NOTICE TO INVESTORS

The Offer Shares are subject to transfer restrictions in certain jurisdictions. Prospective purchasers should read the restrictions described in the section "*Transfer Restrictions*". Each purchaser of the Offer Shares will be deemed to have made the relevant representations described therein.

The distribution of this Offering Memorandum and the offer of the Offer Shares in certain jurisdictions may be restricted by law. No action has been or will be taken by the Company, the Selling Shareholder or the Joint Bookrunners to permit a public offering of the Offer Shares or to permit the possession or distribution of this Offering Memorandum (or any other offering or publicity materials relating to the Offer Shares) in any jurisdiction where action for that purpose may be required, other than the UAE. Accordingly, neither this Offering Memorandum nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Memorandum comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. For further information on the manner of distribution of the Offer Shares, and the transfer restrictions to which they are subject, see "*Transfer Restrictions*".

In particular, save for the UAE, no actions have been taken to allow for a public offering of the Offer Shares under the applicable securities laws of any other jurisdiction, including Australia, Canada, the EEA, the UK, Japan or the United States. This Offering Memorandum does not constitute an offer of, or the solicitation of an offer to subscribe for or buy any of, the Offer Shares in any jurisdiction where it is unlawful to make such offer or solicitation.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Offer Shares are being offered and sold in "offshore transactions" outside the United States in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of the Offer Shares and the distribution of this Offering Memorandum, see "*Subscription and Sale*" and "*Transfer Restrictions*".

The Offer Shares offered by this Offering Memorandum have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC"), any securities commission of any state in the United States or any other United States regulatory authority, nor have any such authorities passed upon, or endorsed the merits of, the Global Offering or the accuracy of this Offering Memorandum. Any representation to the contrary is a criminal offence in the United States.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area (the **"EEA"**) (each, a **"Relevant Member State"**), no Offer Shares which are the subject of the Global Offering have been offered or will be offered to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State (in each case in accordance with the Prospectus Regulation), except that an offer of Offer Shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Regulation:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation) per Relevant Member State, subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Offer Shares shall require the Company or any Joint Bookrunner to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, and each person in a Relevant Member State who initially acquires any Offer Shares or to whom any offer is made under the Global Offering will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholder and the Joint Bookrunners that it is a "qualified investor" as defined in the Prospectus Regulation.

For the purposes of this provision, the expression an **offer of any Offer Shares to the public** in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information of the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase any Offer Shares, and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

In the case of any Offer Shares being offered to a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will also be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholder and the Joint Bookrunners that the Offer Shares acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Offer Shares to the public other than their offer or resale in a Relevant Member State to qualified investors in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholder, the Joint Bookrunners and their respective affiliates, and others will rely (and each of the Company and the Selling Shareholder acknowledges that the Joint Bookrunners and their respective affiliates and others will rely) upon the truth and accuracy of the foregoing representations, acknowledgements and agreements and will not be responsible for any loss occasioned by such reliance. Notwithstanding the above, a person who is not a qualified investor and who has notified the Joint Global Coordinators of such fact in writing may, with the consent of the Joint Global Coordinators, be permitted to subscribe for or purchase Offer Shares.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

No Offer Shares have been offered or will be offered pursuant to the Global Offering to the public in the UK prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the FCA in the UK in accordance with the UK Prospectus Regulation and the FSMA, except that offers of the Offer Shares may be made to the public in the UK at any time under the following exemptions under the UK Prospectus Regulation and the FSMA:

(i) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) in any other circumstances falling under the scope of Section 86 of the FSMA,

provided that no such offer of Offer Shares shall require the Company or the Joint Bookrunners to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an **offer of any Offer Shares to the public** in relation to any Offer Shares in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares, and the expression **"UK Prospectus Regulation"** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **"EUWA"**).

In addition, in the UK, this Offering Memorandum is only being distributed to, and is only directed at, and any investment or investment activity to which this Offering Memorandum relates is available only to, and will be engaged in only with qualified investors (as defined under Article 2 of the UK Prospectus Regulation) who are also: (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the **"Order"**), (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order and/or (iii) other persons to whom it may be lawfully communicated (all such persons together being **"Relevant Persons"**). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Offer Shares will be engaged only with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Offering Memorandum or any of its contents.

The Offer Shares are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **"FSMA"**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in the UK Prospectus Regulation.

Each person in the United Kingdom who acquires any Offer Shares in the Global Offering or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholder and the Joint Bookrunners that it is a qualified investor within the meaning of the UK Prospectus Regulation.

The Company, the Selling Shareholder and the Joint Bookrunners and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

In connection with the Global Offering, the Joint Bookrunners are not acting for anyone other than the Company and will not be responsible to anyone other than the Company for providing the protections afforded to their clients nor for providing advice in relation to the Global Offering.

NOTICE TO PROSPECTIVE INVESTORS IN THE ABU DHABI GLOBAL MARKET

This Offering Memorandum relates to an exempt offer which is not subject to any form of regulation or approval by the FSRA. The FSRA has not approved this Offering Memorandum and does not have any responsibility for reviewing or verifying any document or other documents in connection with this Global Offering. Accordingly, the FSRA has not approved this Offering Memorandum or any other associated documents nor taken any steps to verify the information set out in this Offering Memorandum, and has no responsibility for it.

The Offer Shares have not been offered and will not be offered to any persons in the ADGM except on the basis that an offer is:

(i) an "Exempt Offer" in accordance with the FSRA Financial Services and Markets Regulations 2015, as amended (the **"FSMR"**) and the Market Rules of the FSRA; and

(ii) made only to persons who are "Authorised Persons" or "Recognised Bodies" (as such terms are defined in the FSMR) or persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of the FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.

NOTICE TO PROSPECTIVE INVESTORS IN THE DUBAI INTERNATIONAL FINANCIAL CENTRE

This Offering Memorandum relates to an exempt offer which is not subject to any form of regulation or approval by the DFSA. The DFSA has not approved this Offering Memorandum nor has any responsibility for reviewing or verifying any document or other documents in connection with this Global Offering. Accordingly, the DFSA has not approved this Offering Memorandum or any other associated documents nor taken any steps to verify the information set out in this Offering Memorandum, and has no responsibility for it.

The Offer Shares have not been offered and will not be offered to any persons in DIFC except on the basis that an offer is:

(i) an "Exempt Offer" in accordance with the Markets Rules (**"MKT"**) module of the DFSA Rulebook; and

(ii) made only to persons who meet the "Deemed Professional Client" criteria set out in Rule 2.3.4 of the DFSA Conduct of Business Module of the DFSA Rulebook and who are not natural persons.

This Offering Memorandum must not, therefore, be delivered to, or relied on by, any other type of person. The Offer Shares to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Global Offering.

NOTICE TO PROSPECTIVE INVESTORS IN THE KINGDOM OF SAUDI ARABIA

This Offering Memorandum may not be distributed in the Kingdom of Saudi Arabia (**"Saudi Arabia"**), except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations (the **"Saudi Regulations"**) issued by the Board of the Capital Market Authority (the **"Capital Market Authority"**) pursuant to resolution number 3-123-2017, dated 27 December 2017G, based on the Capital Market Law issued by Royal Decree No. M/30 dated 2/6/1424H (as amended by Resolution of the Board of the Capital Market Authority number 8-5-2023 dated 18 January 2023G).

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Offering Memorandum, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Offering Memorandum. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If a prospective purchaser does not understand the contents of this Offering Memorandum, he or she should consult an authorised financial adviser.

The Offer Shares must not be advertised, offered or sold and no memorandum, information circular, brochure or any similar document has or will be distributed, directly or indirectly, to any person in Saudi Arabia other than as permitted by the Saudi Regulations.

The Global Offering of the Offer Shares in Saudi Arabia shall not constitute a "public offer" pursuant to the Saudi Regulations. Prospective investors are informed that Article 14 of the Saudi Regulations places restrictions on secondary market activity with respect to the Offer Shares. Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the Saudi Regulations shall not be recognised by us.

NOTICE RELATING TO SALES INTO CANADA

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105) or Ontario Instrument 33-507 *Exemption from Underwriting Conflicts Disclosure Requirements*, the Joint Bookrunners are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Global Offering.

NOTICE TO PROSPECTIVE INVESTORS IN BRAZIL

The offer and sale of the Offer Shares have not been and will not be registered with the Brazilian Securities Commission (Comissão de Valores Mobiliários, or CVM) and, therefore, will not be carried out by any means that would constitute a public offering in Brazil under CVM Resolution No. 160, dated 13 July 2022, as amended (CVM Resolution 160) or unauthorized distribution under Brazilian laws and regulations. The Offer Shares will be authorized for trading on organized non-Brazilian securities markets and may only be offered to Brazilian Professional Investors (as defined by applicable CVM regulation), who may only acquire the Offer Shares through a non-Brazilian account, with settlement outside Brazil in a non-Brazilian currency. The trading of these Securities on regulated securities markets in Brazil is prohibited.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

The Offer Shares have not been and will not be registered under the Financial Instruments and Exchange Law (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, Japanese Person shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

The offering of the Offer Shares in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act (FinSA) because the Offer Shares are offered to less than 500 investors and the Offer Shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Offering Memorandum does not constitute a prospectus or a similar document pursuant to FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Offer Shares.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE

In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the **"Securities and Futures Act"**), and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **"CMP Regulations 2018"**), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the Securities and Futures Act), that the Offer Shares are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the **"UK Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that such Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in paragraph 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the **"Target Market Assessment"**). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the Global Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapter 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Statements

This Offering Memorandum contains the audited financial statements of the Company as of and for the years ended 31 December 2020, 2021 and 2022 (the **"Audited Financial Statements"**). The 2020 Audited Financial Statements include the audited financial statements of the Company as of and for the year ended 31 December 2019 as comparative information and are included as part of the Audited Financial Statements. The Audited Financial Statements of the Company have been prepared in accordance with IFRS and have been audited by KPMG in accordance with International Standards on Auditing (**"ISAs"**) as stated in their independent auditor's reports, which are included in this Offering Memorandum beginning on page F-1. The audited financial statements of the Company as of and for the year ended 31 December 2019, which are included as comparative information as part of the Audited Financial Statements, were audited by another auditor than KPMG who expressed an unmodified opinion on those financial statements on 24 June 2020.

This Offering Memorandum also contains the reviewed and unaudited interim condensed financial statements as at and for the six months ended 30 June 2023 and six months ended 30 June 2022 and the related notes thereto (the **"H1 2023 Interim Financial Statements"**) and the reviewed and unaudited interim condensed financial statements as at and for the nine months ended 30 September 2023 (including the unaudited and unreviewed comparative financial information for the nine months ended 30 September 2022) and the related notes thereto (the **"9M 2023 Interim Financial Statements"** and, together with the H1 2023 Interim Financial Statements, the **"Interim Financial Statements"** and, together with the Audited Financial Statements, the "**Financial Statements**"). The Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, "**Interim Financial Reporting**" (**"IAS 34"**). The Interim Financial Statements have been reviewed on the basis described above by KPMG in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as stated in their review reports included herein.

There are certain differences between periods in the presentation and accounting treatment in the Audited Financial Statements for the years ended 31 December 2020, 2021 and 2022 and in the Interim Financial Statements which make certain financial information not directly comparable across the different financial periods. These differences are due to:

- *Segment reporting and presentation.* In the six months ended 30 June 2023, the Company began reporting its results using three financial segments as part of its financial statements, with its segments being regular taxis, limousine service and school bus, with “other revenues” (which includes the delivery bikes business) presented as part of the regular taxis segment. See Note 5 of the H1 2023 Interim Financial Statements. These segmental results are part of the reviewed and unaudited H1 2023 Interim Financial Statements. In each of the Audited Financial Statements, the Company included a "Directors' Report" in which it presented its segment reporting and analysis of the Company's operating profit (the "**Directors' Report**"). The segmental reporting and analysis in the "Directors' Report are based on the Company's management accounts, which are unaudited and unreviewed. During the years ended 31 December 2020 and 2021, the Directors' Report presented its segmental operating profit results using three financial segments: (i) regular taxis, (ii) limousine service, (iii) school bus and other revenues. In the year ended 31 December 2022, the Directors' Report presented its segmental operating profit results using four financial segments, with “other revenues” being reporting separately from the school bus segment in connection with the Company's launch of its delivery bike services in September 2022. Prior to the 2022 Director's Report, the Company reported revenue from its pilot for delivery services, which started in September 2021, as part of its school bus and other revenues. When the Company began reporting its segmental reporting and analysis for revenue, gross profit, profit for the period using three financial segments within its H1 2023 Interim Financial Statements, the Company’s "other revenue" (which includes the delivery bikes business) was included within the regular taxis segment since the amounts were deemed insignificant from an *IFRS 8* and segmental reporting perspective. As a result of the changes in presentation to the segment in the Directors' Reports and in the H1 2023 Interim Financial Statements the segment results presented in the Offering Memorandum are not directly comparable across the different periods. The Business Description in this Offering Memorandum presents four business lines, with other income (including the delivery bikes business) reported separately as part of the Company’s other services, which reflects the revenue streams the Company reports in its Financial Statements. See note 4 of the Audited Financial Statements and note 6 of the H1 2023 Interim Financial Statements.

- *Plate and licence fees presentation*. In its H1 2023 Interim Financial Statements, the Company changed the presentation of its income statement to report the plate and licence fee line item as an operating cost (which is reflected in gross profit) rather than an expense item (which is reflected in operating profit). As a consequence of this change, this had an impact on the Company's reported gross profit. This presentation is more consistent with how the Company's management analyses the performance of the Company. As a result of reclassifying this line item as an operating cost from an expense, the gross profit line item which is included in the Audited Financial Statements and Interim Financial Statements is not included in the financial statements extracted and included in this Offering Memorandum, as it is not comparable across the different periods.
- *Change in line items presentation*. Certain line items in the income statement and the statement of cash flows in the Interim Financial Statements are presented using different names when compared to the 2020, 2021 and 2022 Audited Financial Statements. Except for the items described above, these changes were presentational and have no material impact. Specifically, "operating costs" was changed to "other direct costs", "operating profit/(loss)" was changed to "operating profit/(loss) before bonus", "profits/(loss) for the period" was changed to "profit/(loss) for the period before bonus", "employees end of service benefits" was changed to " pension and post-employment benefits", "interest income" was changed to "finance income", "impairment loss on financial assets" was changed to "impairment loss on debt instruments", "depreciation of right-of-use-assets" was changed to "amortisation of right-of-use asset", "gain/(loss) on investment in equity shares" was changed to "gain/(loss) on investment in equity securities measured in FVTPL", "proceeds from matured investment in financial assets" was changed to "proceeds from matured investment in debt instruments", "interest income received" was changed to "finance income received" and "provision for employees' end of service indemnity" was changed to "provision for employees' end of service benefits". In addition, "dividend income", "dividend income received", "finance income" and "finance cost" were added as additional line items.

Unless otherwise indicated, the financial information has been presented in accordance with how the information is presented in the Audited Financial Statements and the Interim Financial Statements. Where information from the Audited Financial Statements and Interim Financial Statements are presented together, the presentation of the Interim Financial Statements has been used.

Certain line items in the Audited Financial Statements and Interim Financial Statements were reclassified from the manner they were presented in the prior period. In this Offering Memorandum, except in the Financial Statements, these figures in the Audited Financial Statements or Interim Financial Statements (revenue, other direct costs, general and administrative expenses, operating profit/(loss), finance income - net and investment in financial assets) have been presented as they were reclassified and presented in the latest period included in the Audited Financial Statements or Interim Financial Statements.

See note 4 of the Audited Financial Statements and note 6 of the H1 2023 Interim Financial Statements for additional information about the Company's revenue stream reporting and "*Business Description—Description of Business—Business Lines*" for further information about the operations within the Company's business lines. The Company's business lines are equivalent to the Company's revenue streams reporting.

For further detail regarding the basis of preparation of the Company's Financial Statements, please see "*Annual Financial Statements—Note 2*".

Non-IFRS Information and Certain Operational Data

Non-IFRS Information

Included in this Offering Memorandum are certain measures that are not measures defined by IFRS, specifically, EBIT, EBITDA, EBITDA Margin, Direct Costs, Gross Profit, Gross Profit Margin, Direct Costs as a Percentage of Revenue, Net Capex, Cash Conversion, Cash Conversion Ratio, Net Working Capital, Changes in Working Capital, Free Cash Flow, Free Cash Flow Conversion Ratio, Net Income Margin, ROE, ROCE, Net Debt, and Net Debt to EBITDA Ratio. The definition of each of these non-IFRS measures is set forth below.

Where applicable, for a reconciliation of certain of these measures to the most nearly comparable IFRS measures included in the Financial Statements, see "Selected Financial Information and Operational Data—Reconciliations of Non-IFRS Financial Measures". The non-IFRS measures are not part of the Financial Statements and have not been audited or reviewed by the auditors, consultants or experts. Other companies in the industry in which the Company operates may calculate and present similar data in a different manner and, therefore, the Company’s non-IFRS measures, when compared with data presented by other companies, may not be directly comparable.

EBITDA and EBITDA Margin

The Company defines EBITDA as profit/(loss) for the period minus finance income-net (excluding dividend income and gain/(loss) on equity securities measured at FVTPL (i.e., fair value through profit or loss)(the "**FVTPL**"), which do not reflect finance costs but are reported within this line item), plus depreciation of property and equipment, amortisation of right-of-use asset, and taxes. With respect to taxes, during the periods presented herein there have been no corporate tax charges incurred; however, starting from 1 January 2024, the date that taxes under UAE corporate law will first be reflected on the income statement, the Company will deduct its corporate taxes from profit/(loss) to determine its EBITDA.

The Company defines EBITDA Margin as EBITDA divided by revenue, expressed as a percentage.

EBIT

The Company defines EBIT as profit/(loss) for the period minus finance income-net (excluding dividend income and gain/(loss) on equity securities measured at FVTPL, which do not reflect finance costs but are reported within this line item) and taxes. With respect to taxes, during the periods presented herein there have been no corporate tax charges incurred; however, starting from 1 January 2024, the date that taxes under UAE corporate law will first be reflected on the income statement, the Company will deduct its corporate taxes to determine its EBITDA.

Direct Costs and Gross Profit

The Company defines direct costs as the sum of its plate and licence fees and its other direct costs (which other direct costs were referred to as operating costs in the Audited Financial Statements) (the "**Direct Costs**"). In the H1 2023 Interim Financial Statements, the Company changed the presentation of its income statement to report the plate and licence fee line item as one of its operating costs. This presentation is more consistent with how the Company's management analyses the performance of the Company.

The Company defines gross profit as revenue minus Direct Costs ("**Gross Profit**"). As a result of reclassifying plate and licence fees as an operating cost from an expense in the H1 2023 Interim Financial Statements, this affects the calculation of gross profit as presented in the Financial Statements. In this non-IFRS measure, Gross Profit has been reclassified to be shown in the Audited Financial Statements in the same manner as it is presented in the H1 2023 Interim Financial Statements.

Direct Costs and Gross Profit as presented in these non-IFRS measures for the years ended 31 December 2019, 2020, 2021 and 2022 will not match the presentation or figures in the Audited Financial Statements.

Direct Costs as a Percentage of Revenue

The Company defines Direct Costs as a Percentage of Revenue as its Direct Costs divided by revenue, expressed as a percentage.

Gross Profit Margin

The Company defines Gross Profit Margin as its Gross Profit divided by revenue, expressed as a percentage.

Net Capex

The Company defines Net Capex as the purchase of property and equipment and the purchase of intangible assets minus the proceeds from disposal of property and equipment. The purchase of intangible assets also includes as part of Net Capex relates to the purchase of taxi plates from the RTA ("plate capex").

Cash Conversion

The Company defines Cash Conversion as EBITDA minus Net Capex.

Cash Conversion Ratio

The Company defines Cash Conversion Ratio as Cash Conversion divided by EBITDA.

Net Working Capital

The Company defines Net Working Capital as inventories plus trade and other receivables minus trade and other payables.

Changes in Working Capital

The Company defines Changes in Working Capital as changes in inventory plus changes in net trade and other receivables (net of provisions for expected credit losses) minus change in the trade and other payables between period ends.

Free Cash Flow

The Company defines Free Cash Flow as EBITDA minus Net Capex minus Changes in Working Capital.

Free Cash Flow Conversion Ratio

The Company defines Free Cash Flow Conversion Ratio as Free Cash Flow divided by EBITDA.

Net Income Margin

The Company defines Net Income margin as profit/(loss) for the period (i.e. net income) divided by revenue.

*Return on Equity (**"ROE"**)*

The Company defines ROE as profit/(loss) for the period (i.e. net income) divided by total equity.

Net Debt

The Company defines Net Debt as long-term debt minus cash and cash equivalents.

Net Debt to EBITDA Ratio

The Company defines Net Debt to EBITDA Ratio as Net Debt divided by EBITDA for the last twelve months. When calculating Net Debt for the Company's leverage covenant for its Facilities, Net Debt will include, in the case of any finance leases only, their capitalised value.

*Return on Capital Employed (**"ROCE"**)*

The Company defines ROCE as EBIT divided by the sum of total equity plus non-current liabilities. The Company's ROCE presented on an as adjusted basis as at and for the last twelve months ended 30 September 2023 takes into account the adjustments to the total equity and non-current liabilities presented in "*Capitalisation*" in this Offering Memorandum.

Rationale for Non-IFRS Financial Measures

The Company has presented these non-IFRS measures because it believes that they are helpful to investors and financial analysts in highlighting trends in its overall business. EBIT, EBITDA, EBITDA Margin, Direct Costs, Gross Profit, Gross Profit Margin, Direct Costs as a Percentage of Revenue, Net Income Margin, ROE and ROCE are profitability metrics used by the Company to measure its profitability and returns for shareholders. Net Capex, Cash Conversion and Cash Conversion Ratio are operational metrics used by the Company to assess core aspects of its operations. Changes in Working Capital, Free Cash Flow, Free Cash Flow Conversion Ratio, Net Debt and Net Debt to EBITDA Ratio are liquidity measures used by the Company to assess its ability to meet its debt obligations or meet its operational requirements. The Company's presentation of these items should not be construed as an implication that its future results will be unaffected by unusual or non-recurring items. The Company encourages investors to evaluate these items and their limitations for the purposes of the analysis in excluding them.

Information regarding EBITDA and EBITDA Margin is sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward payment of debt, capital expenditures and working capital requirements. EBITDA and EBITDA Margin alone do not provide a sufficient basis from which to compare the Company's performance with that of other companies and should not be considered in isolation or as a substitute for operating income or any other measure defined under IFRS as an indicator of operating performance or as an alternative to cash generated from operating activities as a measure of liquidity. In addition, these non-IFRS measures should not be used instead of, or considered as an alternative to, the Company's IFRS financial results.

Certain Operational Data

This Offering Memorandum also contains a discussion of certain key operating metrics, including fleet size, number of trips, taxi utilisation rates, average revenue per trip, average number of daily trips per operating taxi and average number of daily trips per limousine.

The operational data presented in this Offering Memorandum is unaudited and may not be comparable to similarly titled data presented by other companies in its industry. The Directors believe that such data is important to understanding the Company's performance from period to period and that such data facilitates comparison with its peers. The Company's operational data is not intended to be a substitute for any IFRS measures of performance. The operational data is based on its estimates, is not part of the Financial Statements and has not been audited or otherwise reviewed by external auditors, consultants or experts.

The key financial and operational data used by the Company is set forth below. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

Fleet Size

The Company defines fleet size as the number of vehicles it owns and/or leases at any one time (which includes its taxis, limousines, buses and delivery bikes).

Number of Trips

The Company defines number of trips as the cumulative trips taken, where each trip is a complete journey whereby customers are picked up and dropped off at their respective destinations while the meter is running (i.e. Location A to Location B).

Taxi Utilisation Rate

The Company defines the taxi utilisation rate as the average percentage of its taxis that are operational and revenue generating at a period of time.

Average Revenue per Trip

The Company defines the average revenue per trip as total revenue divided by total trips.

Average Number of Daily Trips per Operating Taxi

The Company defines the average number of daily trips per operating taxi as the average number of trips each operating taxi conducts per 24-hour period.

Average Number of Daily Trips per Limousine

The Company defines the average number of daily trips per limousine as the average number of trips each limousine conducts per 24-hour period.

Currency Presentation

Unless otherwise indicated, all references in this Offering Memorandum to:

- "**UAE dirham**" or "**AED**" are to the lawful currency of the United Arab Emirates; and
- "**U.S. dollars**" or "**U.S.$**" are to the lawful currency of the United States of America.

The value of the UAE dirham has been pegged to the U.S. dollar at a rate of AED 3.6725 per U.S.$1 since 1997. All AED/U.S. dollar conversions in this Offering Memorandum have been calculated at this rate.

Rounding

Certain data in this Offering Memorandum, including financial, statistical and operating information, has been rounded, whereas other information is based off actual arithmetic totals of such data. Furthermore, as a result of the rounding and presentation of the data, the totals of data presented in this Offering Memorandum may vary slightly from the actual arithmetic totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100%.

Definitions

Unless the context otherwise requires, all references in this Offering Memorandum to the "Company" are to Dubai Taxi Company PJSC and all references in this Offering Memorandum to "we", "our", "us" and the "group" refer, collectively, to the Company. Certain terms used in this Offering Memorandum, including all capitalised terms and certain technical and other items, are defined and explained in "*Definitions*".

Market Data

Unless the source is otherwise stated, the market, economic and industry data in this Offering Memorandum constitute the Company's estimates, using underlying data from independent third parties. Statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets in this Offering Memorandum are based on published and publicly available data obtained from multiple independent third-party sources. In particular, unless otherwise specifically stated, the information in the "Industry Overview" is based on the industry report prepared by FTI Consulting Solutions Limited (Dubai Branch) (the **"Industry Consultant"**) exclusively for the benefit of the Company in relation to the markets in which the Company operates (the "**Industry Report**"). Reliance by any other party on the contents of the Industry Report shall be at the party's own risk. The Industry Report has been produced solely as a general guide and does not constitute advice. The Industry Consultant makes no representation or warranty, expressed or implied, to any party with respect to the accuracy or completeness of the information contained in the Industry Report. The Industry Consultant assumes no liabilities with respect to any other party's use or damages, resulting from such use of any information, conclusions or recommendations disclosed in the Industry Report. The Industry Report was prepared on 20 October 2023 and as such addresses statements and matters stated therein at that time or at the times otherwise specified therein and does not take account of any changes or developments which may have occurred since.

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

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

No Incorporation of Website Information

None of the contents of the Company's website, http://www.dubaitaxi.ae, the Selling Shareholder's website, any website mentioned in this Offering Memorandum or any website directly or indirectly linked to these websites have been verified and they do not form part of this Offering Memorandum, and investors should not rely on such information.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Company's control and all of which are based on its current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "forecasts", "targets", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Offering Memorandum and include statements regarding intentions, beliefs and current expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy and the industry in which it operates. In particular, the statements under the headings regarding the Company's strategy and other future events or prospects in the following sections are forward-looking statements: "*Summary*", "*Risk Factors*", "Industry Overview", "*Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations*".

These forward-looking statements and other statements contained in this Offering Memorandum regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved and actual events or results may differ materially as a result of risks and uncertainties that the Company faces. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Important factors that could cause the Company's actual results to differ or so vary include, but are not limited to, the risks set out in "*Risk Factors*" for further information in this regard. If any of these risks and uncertainties materialise, or if any of the Company’s underlying assumptions prove to be incorrect, the Company’s actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. Under no circumstances should the inclusion of such forward-looking statements in this Offering Memorandum be regarded as a representation or warranty by the Company, the Financial Adviser or the Joint Bookrunners or any other person with respect to the achievement of the results set out in such statements. Please refer to “*Risk Factors*” for further information in this regard.

The risks set out in "*Risk Factors*" are not exhaustive. When relying on forward-looking statements, prospective investors should carefully consider the foregoing factors and the Company's risk factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Company operates. The forward-looking statements contained in this Offering Memorandum speak only as of the date of this Offering Memorandum. The Company, the Financial Adviser and the Joint Bookrunners expressly disclaim any obligation or undertaking to update these forward-looking statements contained in this Offering Memorandum to reflect any change in their expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law.

SUMMARY

This summary should be read as an introduction to this Offering Memorandum and is qualified in its entirety by, and is subject to, the detailed information contained elsewhere in this Offering Memorandum. Accordingly, any decision to invest in the Offer Shares should be based on consideration of this Offering Memorandum as a whole by the investor. Potential investors should read this entire Offering Memorandum carefully, including "Risk Factors", before making any decision to invest in the Offer Shares.

Overview

The Company is a leading provider of comprehensive mobility solutions in Dubai. With an approximately 44% market share (by size of taxi fleet) as at 30 June 2023 according to the Industry Consultant, it is currently the number one taxi operator in Dubai, with its next largest taxi competitor having only a 22% market share. Having been established as a taxi company in 1994, with operations starting in 1995 with only 81 taxi cars, the Company has since expanded to other mobility businesses by leveraging its dominant leadership in the taxi sector and operational strength. It offers an extensive range of transportation solutions across its four key business lines, including taxi services through its large, eco-friendly fleet; VIP limousine services made up of chauffeur-driven vehicles for luxury service; its bus services; and its last mile delivery bike services. Between 1 July 2022 and 30 June 2023, the Company's taxis and limousines made 44 million trips, 42 million of which were taxi trips. Across its business lines, as at 30 June 2023, the Company operated more than 7,000 vehicles (of which 5,216 were taxis) and managed a workforce of more than 14,000 driver partners. The Company generated revenue of AED 1,763 million in 2022 and AED 957 million in the six months ended 30 June 2023. Its EBITDA was 316.4 million and 243.3 million in 2022 and in the six months ended 30 June 2023, respectively, with its EBITDA Margin growing from 17.8% to 25.4% during this same period mainly driven by higher operating leverage and improved unit economics.

Competitive Strengths

Operating in an attractive market with strong macro tailwinds

DTC is currently Dubai's main taxi operator and is also active in other mobility business lines, specifically buses, limousines, and delivery bikes. The Company believes it 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 (with the populations of Hong Kong, London and New York all only expected to grow at a CAGR of 0.5% during the same period), coupled with a forecasted approximately 20% CAGR growth in tourism in Dubai from 2022 to 2025, supported by the initiatives in place under the Dubai Urban Master Plan 2040 and with more than 425 annual events being held in Dubai, with the Dubai International Airport as the busiest international airport for international passengers for nine consecutive years as of 2022, according to the Industry Consultant. 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.

According to the Industry Consultant, trends globally show significant projected growth in the use of taxis due in part to the increased convenience as a result of the rising use of e-hailing, infrastructure improvements, traffic optimisation and growth in global travel and tourism. The global taxi and e-hailing market is estimated to grow at a CAGR of 9% from 2023 to 2028, from U.S.$253 billion to U.S.$389 billion.

In Dubai, the RTA has developed an efficient and connected public transport network. The primary metro line run the length of the city and is complemented by taxis, limousines, trams and buses. From 2017 to 2022, taxi ridership as a percentage of overall ridership in Dubai (which consists of taxi, metro, tram and buses) has remained relatively constant between approximately 32% to 34% each year. This consistent high taxi usage in Dubai is also driven by low traffic congestion, affordable taxi customer tariffs by international standards, seasonality of weather conditions (which often do not allow for comfortable walking, biking or other similar forms of transport), high availability of taxis which reduces waiting times in a geographical dispersed city like Dubai and high disposable incomes. 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, with a dominant market share of approximately 44% of total taxis as at 30 June 2023 (and providing 44% of total revenue kilometres travelled by taxi and approximately 39% of taxi trips as at 31 May 2023) according to the Industry Consultant, making it twice as large as the next largest taxi operator. In a city like Dubai, where taxi usage represents a high proportion of public transport ridership and has maintained a stable percentage of public transportation ridership since 2017, DTC's market leading position provides a key competitive strength to the business. According to the Industry Consultant, DTC has longer trips on average resulting in increased revenue per trip compared to other taxi franchises. Management 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, the Company 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. Due to the regulatory pricing framework that charges customers an airport surcharge for all trips originating at the airport, off-peak pricing for taxi customer tariffs from the Dubai International Airport for a 10-kilometre trip earns DTC almost double the tariff for all other taxi trips of comparable length in Dubai. 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, one of the largest malls in the world, Atlantis Hotel and Dubai World Trade Centre.

In addition to the above, DTC is the exclusive provider of taxi and limousine services at pick-up points in Port Rashid, which has been the Middle East's leading cruise tourist destination for the last eight consecutive years and can handle seven cruise vessels (or 25,000 passengers at once), according to the Industry Consultant. DTC also has exclusivity pick-up points for its limousines at the Global Village. This exclusivity in key locations protects DTC's market position and drives strong customer engagement due to the availability of cars and low waiting time at key locations with high pick-up volumes. To support an agile and efficient operating system with expedited supply of vehicles to key areas, DTC has established strategically placed depots adjacent to these exclusive pick-up locations, enabling fast and efficient services while optimising resource allocation. Given the size of DTC's fleet, coupled with its exclusivity in key locations, the Company's red-roofed taxis are near ubiquitous in key areas across Dubai.

Over the years, its market leadership has provided DTC with the opportunity to take an active role in shaping Dubai's regulatory framework and the RTA's broader sector strategy. Thanks to its strong position, competitive edge, scale and market insights, DTC believes it is the preferred partner for vehicle launches, prototype tests and bespoke car designs in Dubai, and has also become a key partner with an app developer, underscoring its critical role in Dubai's growing mobility sector.

Finally, 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 the Company 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 the Company as the preferred choice for customers and partners alike.

Favourable taxi regulatory framework, creating high barriers to entry

DTC benefits from a favourable regulatory framework with 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 licence 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 licence plates against forecasted market demand for taxis. Since 2018, the RTA has introduced 1,350 new licence plates in the entire Dubai taxi market, reflecting its policy of avoiding oversupply. 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 pre-authorisation process before being able to bid, which process can be extensive. Bids are submitted by franchisees or any bidders that have been approved by the RTA and the RTA manages a robust procurement and selection process, guided by financial (mainly pricing) and technical (mainly consisting of the vehicle availability and driver ratio thresholds) criteria. Management believes that DTC's significant market share, network operational capabilities and economies of scale provide it with an advantage in delivering against the RTA's key performance indicators and auction criteria.

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 costs. Periodic inflation adjustments are at the discretion of the RTA, subject to the recommendation of each franchisee. In addition, when new plates are awarded, the RTA allows franchisees to pay the plate capex within five years. The plate capex represents the cost (approximately AED 250,000 to AED 370,000 per plate) of being issued the taxi plate, payable once a plate is awarded and are accounted for as intangible assets having an indefinite life. The payment for these plate capex is paid to RTA over a period of 5 years.

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.

Collectively, the regulation framework provides stability for DTC, while supporting for a diverse mobility sector.

Leading comprehensive UAE mobility company with focused workforce management

DTC is a diverse and dynamic company operating on 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. Within the limousines business line, as of 30 June 2023, the Company operated 387 luxury vehicles, offering chauffeur-driven services tailored for Dubai's thriving tourism industry and available 24 hours a day, 7 days a week. DTC is keen to cater for various segments of the population and its specific needs, leading to the launch of Ameera limousine, Dubai's first limousine fleet driven by women for women, as well as a fleet of luxury electric cars providing eco-friendly rides within Dubai and across Emirates as well. According to the Industry Consultant, the UAE limousine industry is estimated to reach AED 1 billion in revenue by 2025 and Management believes the Company is well-positioned to grow its market share.

In its bus business line, which commenced operations in 2015, the Company has experienced significant recent growth by successfully winning strategic contracts and rapidly deploying new buses following the COVID-19 pandemic. As of 30 June 2023, the Company operated 946 buses including school buses and commercial buses, serving private and public schools, nurseries, corporates, tourists and events. The Company has secured key contracts with private and public partners and notably with the UAE Ministry of Education for transportation in Dubai and Ajman. The Company's buses have the highest safety measures. Moreover, according to the Industry Consultant, Dubai's school population is expected to increase from 343,000 in 2023 to 550,000 by 2040. Management believes DTC is well-positioned to capture the growth opportunities in the education sector. Management believes DTC's already strong brand is further strengthened by its 24/7 control centre and its unwavering commitment to safety and reliability.

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. DTC currently provides turnkey transportation solutions through highly trained drivers. Beyond DTC's core services in this business line, management believes that the Company is strongly positioned to gain a sizeable share of the growing online delivery services market as the value of this sector in the UAE is expected to grow from an estimated U.S.$1.9 billion in 2023 to U.S.$3.4 billion by 2027, reflecting a CAGR of 15% over that period, according to the Industry Consultant.

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. As of 30 June 2023, DTC's services were provided by 14,538 drivers, of which 12,336 were for taxis, 970 were for buses, 630 were for delivery bikes and 602 were for limousines. DTC's international recruitment platform and internal recruitment process enable it to recruit and retain driver partners. 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. Between 2019 and 2022, DTC trained more than 9,000 drivers each year at its accredited training centre. 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 the Company's main depot, including driver counselling services by an in-house psychologist.

Integrated business model, leveraging superior technology solutions

Management believes that technology is integral to the success of the Company's operations and its ability to capitalise on further opportunities in the future. As such, it has invested over the years significant resources in developing the technology infrastructure it currently has and that can be scaled in the future providing the Company 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 2020, e-hailing was responsible for only 11% of taxi services in Dubai. Now, in the first half of 2023, e-hailing generated 31% of taxi services in Dubai, with DTC providing 33% of these trips. The Dubai Government is targeting e-hailing to generate 80% of these services in the coming years.

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. The Company's DTC App is interlinked with key booking engines throughout Dubai and with partner portals including events, hotels and hospitals, corporate partners and with the DTC Partner App, the Company's key platform for internal communications with its drivers, and is being developed to further integrate with the Company's other business lines. As at 30 April 2023, the DTC App had been downloaded more than 400,000 times, used to hail over 400,000 rides and averaged more than 30,000 monthly active users. Further, DTC launched its own app for its bus business line as well. 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 driver, customer and operators benefit. In order to combine these systems and applications, the Company relies on its own advanced OCC where it is able to track live 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. Management 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 the DTC's exclusivity agreement with RTA 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). Management believes DTC to be the partner of choice for many smart-app companies that may enter the market due to its scale, know-how and technological capabilities. DTC also intends to potentially scale up its own DTC App to its other business lines.

In line with Dubai's agenda to become one of the smartest cities in the world, DTC believes it is well positioned to invest in technologies such as process automation, big data in order to be future ready and drive the government's agenda.

Seasoned senior managers and a wider management team with strong execution capabilities

DTC is led by highly experienced senior managers and a wider management team that has a proven track record of operational execution and success. Particularly, DTC's senior managers and wider management team is significantly experienced within the Company and the RTA, providing it with a highly valuable understanding of the entire mobility sector. The Company is further supported by committed stakeholders such as the RTA (as its regulator and operational partner in areas like the TEAMS architecture) and its current shareholder, the DoF, who support management in its aim to provide the best services and exceed customer expectations, gaining their continual satisfaction. Under this leadership, DTC is well recognised internationally having won the "Great Organisations Culture" award in 2022 and the "Digital

Transformation and Innovation (Solution of the Year)" from Seamless Middle East in 2022, the "Best application of technologies in the field of logistics services" awarded by Future Enterprise Awards as well as the Prestige Award for "Taxi Company of the Year – UAE".

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 aligns 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 approximately 80% of its taxis were hybrid and approximately 77% of its limousines are hybrid or electric as of 30 June 2023. DTC has targets in place to reach 100% hybrid or electric vehicles by the end of 2024 which is three years ahead of the RTA's target of 2027 for all taxis and limousines in Dubai. To deliver on this ambition, DTC has already entered into a number of memoranda of understanding with several vehicle dealers to support the electrification and hybridisation of its fleet, increasing its eco-friendliness. 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 the Company to improve its profitability by reducing fuel costs.

In addition, DTC plays an active role in social initiatives offered within its 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 of persons including people of determination and providing any additional security, privacy or comfort that women, children or families may require. Drivers are also able to receive instant bonuses for good hospitality, clean vehicles and customer satisfaction through the Company's Shukran programme. The people of determination services are only operated by DTC and no other franchisees.

Across all of the Company'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, the Company believes its commitment to people and good governance contributes to high customer satisfaction.

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

DTC has a robust financial model which demonstrated resilience during COVID-19 and recovery from 2021, with performance from 2021 demonstrating profitability and positive Free Cash Flow generation. For the year ended 31 December 2022, total revenue saw growth of 31.4% compared to the prior year and above the level recorded prior to the pandemic in the year ended 31 December 2019. For the six months ended 30 June 2023, revenue was up 10.7% compared to the same period in 2022, as the Company continues to experience strong and steady demand for its services. The Company 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 costs due to the increase in hybrid vehicles). For the six months ended 30 June 2023, EBITDA Margin grew to 25.4% compared to 17.8% in the prior period, which is also significantly above the 20.7% EBITDA Margin achieved prior to the pandemic in the year ended 31 December 2019 and above the year ended 31 December 2022.

Net Income Margin for the Company was 19.5% for the six months ended 30 June 2023, having increased significantly following the pandemic from negative 16.4% for the year ended 31 December 2020, which supports the Company's expectation it will be able to maintain an attractive dividend distribution. Despite increases in capital expenditure seen over the last 18 months due to the Company'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 95.4 million and a strong Cash Conversion Ratio at 44.8% for the six months ended 30 June 2023. Even during the disruptions experienced as a result of the COVID-19 pandemic, DTC maintained a favourable working capital cycle, recently impacted by higher capital expenditure trade payables resulting from delayed capital expenditures following the COVID-19 pandemic. Other than during 2020, DTC has maintained positive and strong Free Cash Flow generation.

The Company also has a favourable ROCE, which was 50.9% as at and for the year ended 31 December 2022. As at and for the last twelve months ended 30 September 2023, the Company's ROCE was 27.8%, as adjusted for the pre-IPO dividend and share capital changes resulting from the board resolution passed by the board of directors of the RTA on 3 November 2023 as presented in "*Capitalisation*".

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 31.0% of all taxi rides in Dubai with the Dubai Government targeting e-hailing to reach 80.0%;
- **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 taxi (where approved by the RTA) and limousine trips during peak times of demand; the RTA is expected to introduce surge pricing for taxis booked through e-hailing from the fourth quarter of 2023 and the DTC is exploring the introduction of surge pricing for its limousine services;
- **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.

Strategy

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

Organic growth across business lines

The favourable macroeconomic conditions and fundamentals of operating in Dubai translates 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 the 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 3.5 million for the year ended 2022 to approximately 5.8 million in 2030, a CAGR of approximately 3.0%, according to the Industry Consultant. In addition, the tourist population visiting Dubai is set to grow from approximately 14.4 million in the year ended 2022 to approximately 25.0 million in 2025, a CAGR of 20.0%, according to the Industry Consultant. In 2022, Dubai International Airport was the world's busiest international airport with more than 66 million passengers recorded during the year and the airport having recorded its highest number of international travellers during this period as well according to the Industry Consultant. In 2022, the average total hotel occupancy rate for Dubai was recorded at 72.0%. In addition, Dubai is also a host of major events, which draw on 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 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, according to Industry Consultant estimates, disposable income across the UAE is expected to grow a CAGR of approximately 5.0% from 2022 to 2027, from AED 23,000 per capita to AED 30,000 per capita, 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.

For its taxi services, the Company 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, the Company 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 with approximately 80% of its taxi fleet were hybrid and approximately 77% of its limousine fleet were hybrid or electric as at 30 June 2023 and targets for 100% to be hybrid or electric in 2024, 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. The Company 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.

For its limousine services, the Company'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 the Company'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.

For its bus services, the Company 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.

For its delivery bike services, the Company is targeting robust fleet expansion, which it expects will be driven by the rapid growth in the UAE online food delivery market (with an estimated CAGR of 14.9% from 2023 to 2027 according to the Industry Consultant) while capitalising on the potential it has to diversify its partnerships and flexibility to work with a broader base of aggregators.

Investment in digital capabilities and operational excellence

The digitisation of the mobility services industry is a clear trend in which the Company will continue to strategically invest in 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 the Company'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 the RTA Careem's customer app, Hala, the Company has given RTA Careem the exclusive right to provide all e-haling for DTC taxis, which remains in effect through December 2024.

The Company 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 the Company'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. The Company currently has a presence in Ras Al Khaimah where its limousine services operates 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 its 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.

Recent Developments

For a discussion of the Company's results as at and for the nine months ended 30 September 2023 and other recent developments of the Company, see "*Recent Developments*".

Risk Factors

Investing in and holding the Offer Shares involves significant risk, including the following:

Risks Relating to the Company's Business

- The Company's business is almost entirely concentrated in Dubai and revenue primarily comes from its taxi business, and any adverse developments in the taxi and mobility solutions sectors in Dubai may have a material adverse effect on its business, results of operations, financial condition and prospects.
- The Company could be adversely affected if its fleet is underutilised, if it fails to reach its utilisation targets or if a substantial portion of its fleet were out of operation for an extended period due to maintenance or due to driver shortages.
- If the Company fails to cost-effectively attract and retain qualified drivers for its taxi and other mobility services, or to increase the utilisation of its existing drivers, its business, financial condition and results of operations could be harmed.
- The Company's tariffs for its taxis are determined by the Government of Dubai through the RTA, and as a result its tariffs may fail to reflect the Company's operating costs or demand within the market.
- The Company is exposed to the effects of changing fuel prices for the time period it takes for the RTA to fully adjust the tariff for price increases for its taxis, or in the case of any services or contracts without fuel price adjustments for its buses, limousines and delivery bikes, for the period of such services or contracts. It is also exposed to price increases arising from interruptions in fuel supplies.
- The Company's business requires regular capital and other investments; if it does not accurately forecast its future investment needs, it may have a sub-optimal fleet size or utilisation rates of its assets, and its business could be materially adversely affected.
- The Company is subject to risks related to its ESG activities and disclosures, and its reputation and brand could be harmed if it fails to meet its public sustainability targets and goals.
- The mobility and taxi services industries are competitive, with well-established direct competitors and low customer switching costs. If the Company is unable to maintain its market share and compete effectively in these industries because other providers are perceived to offer lower cost or higher quality services or otherwise increase their own market share, its business and financial prospects could be adversely impacted.
- Damage to the Company's brand, image or reputation could materially adversely impact its business, financial condition and results of operations.

- The Company relies on third parties for both recruitment and screening of new drivers.
- An economic downturn could result in a decline in business and leisure travel activities, which could materially adversely affect the Company's business.
- The Company generates a significant percentage of its revenue from trips originated from locations where it has exclusive access to pick-up points for its taxis and limousines, particularly through its agreement with the Dubai Airports. If the Company's exclusive access to these pick-up points were negatively affected or lost, its financial results and future prospects would be adversely impacted.
- The Company may fail to adequately respond to changes in technology that are impacting the mobility industry.
- The Company's success largely depends on certain key employees, and it may not be able to attract, retain and develop the highly skilled employees it needs to support its business.
- The Company allows customers to pay for rides using cash, which raises certain regulatory, operational and safety issues. If the Company does not successfully manage those concerns, it could become subject to adverse regulatory actions and suffer reputational harm or other adverse financial and accounting consequences.
- The Company relies on other third-party service providers and if such third parties do not perform adequately or terminate their relationships with the Company, its costs may increase and its business, financial condition and results of operations could be adversely affected.
- The Company may have difficulties implementing its growth strategy, which could have a material adverse effect on its business, financial condition and existing operations.
- The Company may fail to detect, deter or prevent driver misconduct or errors, or may be unable to prevent workplace accidents and other incidents, and may suffer financial loss either directly or as a consequence of damage to its reputation.
- The Company is subject to climate change risks, including physical and transitional risks, and if it is unable to manage such risks, its business may be adversely impacted.
- Difficulties in complying with the financial covenants included in the Company's CTA for its Facilities, as well as increases in costs of financing could have an adverse effect on the Company's financial position.

Risks Relating to the UAE, the MENA Region and Emerging Markets

- The Company's business could be adversely affected by the deterioration of economic conditions in Dubai, the UAE and globally.
- Deteriorating global macroeconomic conditions, and continued instability and unrest in the MENA region may materially adversely affect the UAE economy.
- The Company's results of operations could be materially adversely affected by the introduction of new laws and regulations, including any increase to the newly implemented general corporation tax in the UAE.
- Any adjustment to, or ending of, the UAE's currency peg could negatively affect the UAE's finances and economy.

Regulatory, Legal and Tax Risks

- Various government policies on transport control and management, such as licence plate issuance and restrictions on vehicle purchases and ownership, may increase the Company's operating costs, limit its future expansion or otherwise adversely affect its business, results of operations and prospects.
- The Company's business depends on insurance coverage for its fleet and on other types of insurance for additional risks related to its business. If insurance carriers change the terms of such insurance in a manner not favourable to the Company, if it is required to purchase additional insurance for other aspects of its business, or if it fails to comply with regulations governing insurance coverage, its business could be harmed.
- The Company's business is subject to various legal and regulatory compliance risks, including those involving anti-trust, anti-money laundering, anti-bribery or anti-corruption laws and regulations and

sanctions.

- The Company faces risks related to liabilities resulting from the use of its vehicles by its drivers.
- The Company may be subject to various claims and lawsuits that could result in significant expenditures which may materially adversely affect its business.
- The Company holds certain personally identifiable information relating to its customers and other third parties and it and the third parties it works with may fail to appropriately handle this data, which could increase its costs or adversely affect its business and reputation.
- The Company may be unable to adequately protect or enforce its intellectual property rights, or third parties may allege that it is infringing on their IP rights, which could adversely affect business.

Risks Relating to the Global Offering and to the Offer Shares

- The Global Offering may not result in an active or liquid market for the Offer Shares, and trading prices of the Offer Shares may be volatile and may decline.
- Substantial sales of Shares by the Selling Shareholder following the expiry of the underwriting or statutory lock-up period could depress the price of the Offer Shares.
- After the Global Offering, the Selling Shareholder will continue to maintain a controlling interest in the Company and to be able to exercise significant influence over the Company as a result of its shareholding which may results in potential conflicts of interests with other shareholders to arise.
- Trading activity in the DFM is significantly smaller than other established securities markets and there can be no assurance that a liquid market in the Offer Shares will develop.
- The Company may not pay dividends on the Shares.
- Holders of the Offer Shares in certain jurisdictions outside the UAE may not be able to exercise their pre-emptive rights if the Company increases its share capital.

The Company

The Company's registered office is located at Muhaisnah 4, Dubai, with its mailing address at P.O. Box 2647, Dubai, United Arab Emirates. The Company's telephone number is +971 4 2080808. The Company's website address is https://www.dubaitaxi.ae. The information contained on the Company's website is not incorporated by reference into, or otherwise included in, this Offering Memorandum.

THE GLOBAL OFFERING

Company	Dubai Taxi Company PJSC, a public joint stock company established in the Emirate of Dubai, UAE, pursuant to Law No. (21) of 2023.
Selling Shareholder	The Department of Finance for the Government of Dubai. Immediately following completion of the Global Offering, the Selling Shareholder will continue to own at least 75.01% of the Company's issued and outstanding share capital, assuming that the size of the Global Offering is not increased.
Joint Global Coordinators and Joint Bookrunners	BofA, Citi and ENBD have been appointed as Joint Global Coordinators and Joint Bookrunners, and EFG Hermes and FAB have been appointed as Joint Bookrunners.
Global Offering	A total of 624,750,000 Offer Shares are being offered by the Selling Shareholder in the Global Offering (representing 24.99% of the Company's issued and outstanding share capital). All of the Offer Shares are being sold by the Selling Shareholder. The Global Offering comprises the International Offering, the Exempt Offer, the UAE Retail Offer, the EIA Offer and the Pension Fund Offer. Pursuant to the International Offering, the Offer Shares are being offered in "offshore transactions" outside the United States in reliance on Regulation S. The Exempt Offer includes the ADGM Exempt Offer and the DIFC Exempt Offer, as defined below. The UAE Retail Offer, the EIA Offer and the Pension Fund Offer are to those investors described below. Subject to the approval of the SCA, the Selling Shareholder reserves the right to increase the size of the Global Offering at any time prior to the end of the subscription period. Furthermore, the Selling Shareholder reserves the right to alter the percentage of the Global Offering which is to be made available through either the UAE Retail Offer, which shall not exceed 40% of the total Offer Shares, or through the: (i) Qualified Investor Offering; (ii) EIA Offer; and (iii) Pension Fund Offer, the aggregate of which shall not be reduced to less than 60% of the total Offer Shares.
Qualified Investor Offering	562,275,000 Offer Shares (representing 90% of the total Offer Shares offered in the Global Offering) are being offered to certain investors in the Qualified Investor Offering: (i) outside the United States in reliance on Regulation S; and (ii) pursuant to the ADGM Exempt Offer and DIFC Exempt Offer.
ADGM Exempt Offer	A number of Offer Shares to be determined by the Joint Global Coordinators, the Selling Shareholder and the Company are being offered in the ADGM pursuant to an exemption from registration under the Market Rules of the FSRA.
DIFC Exempt Offer	A number of Offer Shares to be determined by the Joint Global Coordinators, the Selling Shareholder and the Company are being offered in the DIFC pursuant to an exemption from registration under the Markets Rules Module of the DFSA Rulebook.
UAE Retail Offer	62,475,000 Offer Shares (representing 10% of the total Offer Shares offered in the Global Offering) are being offered in the UAE pursuant to the UAE Prospectus, to: (A) natural persons

	who hold a national investor number (**"NIN"**) with the DFM; and (B) other investors (including natural persons, companies and establishments) who do not participate in the Qualified Investor Offering that hold a NIN with the DFM.
EIA Offer	The entitlement of the Emirates Investment Authority to subscribe for up to 5% of the total Offer Shares offered in the Global Offering. If, however, the EIA elects not to subscribe, such Shares will be made available to other Professional Investors (as defined in the SCA Board of Directors' Chairman Decision No. 13/R.M of 2021 (as amended from time to time)).
Pension Fund Offer	The entitlement of the Pensions and Social Security Fund of Local Paramilitary Personnel in the Emirate of Dubai to subscribe for up to 5% of the total Offer Shares offered in the Global Offering. If, however, the Fund elects not to subscribe, such Shares will be made available to other Professional Investors (as defined in the SCA Board of Directors' Chairman Decision No. 13/R.M of 2021 (as amended from time to time)).
Share Capital	The Company's share capital consists of 2,500,000,000 ordinary shares, each with a nominal value of AED 0.04, which are fully paid, issued and outstanding. The ordinary shares have the rights described under "*Description of Share Capital*". All Offer Shares which are the subject of the Global Offering will, upon admission to listing and trading on the DFM, carry equal voting rights and rank *pari passu* in all other rights (including dividend rights) and obligations, made or paid after admission.
Offer Price Range	The Offer Price Range is AED 1.80 to AED 1.85 per Offer Share.
Commencement of the Global Offering	On or about 21 November 2023.
Expected Pricing Date	On or about 30 November 2023.
Expected Closing Date	On or about 7 December 2023.
Payment and settlement	Payment for the Offer Shares purchased in connection with the Qualified Investor Offering shall be made in AED. Purchasers will be required to make full payment for the Offer Shares to the Joint Bookrunners for receipt by the Joint Bookrunners two business days prior to the expected Closing Date, unless otherwise agreed with the Joint Bookrunners. In the event of a failure to make timely payment, purchasers of the Offer Shares may incur significant charges or forfeit their Offer Shares. Delivery of the Offer Shares is expected to be made on the Closing Date to the accounts of purchasers through the book-entry facilities operated by the DFM. Trading of the Offer Shares will take place through the trading system of the DFM. Offer Shares will be held under NINs assigned by the DFM either to the holders directly or through custodian omnibus accounts and the ownership of the Offer Shares will be evidenced by the holdings under each such NIN. Clearing and

	settlement of trades on the DFM by brokers or custodians may be performed only through members of the DFM that are authorised clearing members (the **"Clearing Members"**). Settlement of securities trading on the DFM is governed by the DFM's rules and regulations, which are available from its website, www.dfm.ae.
Restrictions on purchases and transfers of Offer Shares	The Offer Shares are subject to certain restrictions on their purchase, resale and transfer. For more information, see "*Subscription and Sale*" and "*Transfer Restrictions*".
Dividends	The Company'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 the Company 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 the Company, at the discretion of the Board of Directors and General Assembly. Subject to the foregoing, the Company intends to pay dividends twice each fiscal year after the Global Offering in April and October of each year. A first dividend of at least AED 71 million for the fourth quarter of 2023 is expected to be distributed in April 2024. For fiscal year 2024 and the years thereafter, the Company expects to pay at least 85% of the annual net profit available for distribution as dividend. This dividend policy, is designed to reflect the Company's expectation of cash flow generation and expected long-term earnings potential while allowing the Company to retain sufficient capital to fund ongoing operating requirements and continued investment for long term growth. This dividend policy is subject to consideration by the Board of Directors on an annual basis of the cash management requirements of the Company's business for operating expenses, finance costs and anticipated capital expenditures and investments. In addition, the Company expects that the Board of Directors will also on an annual basis consider market conditions, the then current operating environment in the Company's markets and the Board of Directors' outlook for the Company's business and growth opportunities.
Use of proceeds	The Company will not receive any proceeds from the Global Offering and no transaction costs of the Global Offering will be borne by the Company. The net proceeds generated by the Global Offering (after deduction of all expenses related to the Global Offering including but not limited to selling commissions and discretionary fees are paid) will be received by the Selling Shareholder. The Global Offering is being conducted, among other reasons, to allow the Selling Shareholder to sell part of its shareholding, while providing increased trading liquidity in the Shares and raising the Company's profile with the international investment community.
Listing and trading	The Company has applied for the Shares to be listed on the

DFM under the symbol "DTC". Prior to the Global Offering, there has not been any public market for the Shares. There will be no conditional dealings in the Offer Shares prior to Admission. It is expected that Admission will become effective and that dealings in the Offer Shares will commence on the DFM on the Closing Date.

Lock-up	The Selling Shareholder has contractually agreed, for a period of 180 calendar days from the Closing Date, that neither it nor any of its affiliates nor any person acting on its or their behalf will, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed) (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any ordinary shares or warrants or other rights to purchase ordinary shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the ordinary shares (excluding for the avoidance of doubt any securities issued by the Selling Shareholder); (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the ordinary shares, in each case, whether any such transaction is to be settled by delivery of ordinary shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction. The Company has contractually agreed, for a period of 180 calendar days from the Closing Date, that neither it nor any of its affiliates nor any person acting on its or their behalf will, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed): (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or other shares of the Company, or securities convertible or exchangeable into or exercisable for any ordinary shares or warrants or other rights to purchase ordinary shares or any security or financial product whose value is determined, directly or indirectly, by reference to the price of the ordinary shares; (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any ordinary shares, in each case, whether any such transaction described in (i) or (ii) is to be settled by delivery of ordinary shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction referred to in (i) or (ii). The Fatwa issued in relation to the Global Offering does not approve the transactions listed above unless such transactions are structured in a Shari'ah compliant manner.

	See "*Subscription and Sale - Lock-up Arrangements*" for information on the lock-up or any applicable exceptions thereto.
Taxation	For a discussion of certain tax considerations relevant to an investment in the Offer Shares, see "*Taxation*".
General Information	The security identification numbers of the Offer Shares offered hereby are as follows: Shares ISIN: AEE01356D236 DFM Share Trading Symbol: DTC
Risk Factors	You should read "*Risk Factors*" for a discussion of factors that you should consider carefully before deciding to invest in the Global Offering.

SUMMARY FINANCIAL AND OPERATING INFORMATION

The selected financial information set forth below shows the Company's financial information and other unaudited operating information as at and for the years ended 31 December 2019, 2020, 2021 and 2022 and as of and for the six months ended 30 June 2022 and 2023.

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

The financial information set forth below under the captions "Statement of Profit or Loss and Other Comprehensive Income", "Statement of Financial Position" and "Statement of Cash Flows" has been derived from, and should be read in conjunction with, the Financial Statements included elsewhere in this Offering Memorandum.

Included in this Offering Memorandum are certain non-IFRS measures. The definition of each of these non-IFRS measures is set forth in "Presentation of Financial and Other Information—Non-IFRS Information" above. Where applicable, for a reconciliation of certain of these measures to the most nearly comparable IFRS measure, see "Selected Financial Information and Operational Data—Reconciliations of Non-IFRS Financial Measures" below.

The selected financial information and operational data presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Statement of Profit or Loss and Other Comprehensive Income

The table below sets out the results of operations of the Company for the years ended 31 December 2019, 2020, 2021 and 2022 and the six months ended 30 June 2022 and 2023.

	For the year ended 31 December				For the six months ended 30 June	
	2019(1)	2020(1)(2)	2021(1)	2022(1)	2022	2023
	AED				*AED (Unaudited)*	
Revenue	1,655,867,838	887,410,704	1,341,342,010	1,762,822,650	864,107,346	956,678,554
Plate and licence fees	(307,335,864)	(221,174,523)	(242,536,046)	(318,504,169)	(155,510,400)	(155,660,400)
Other direct costs	(1,096,411,530)	(739,616,508)	(887,312,107)	(1,176,845,494)	(578,567,249)	(584,772,845)
Other income	48,850,193	34,054,943	29,263,819	43,079,061	18,990,804	23,228,388
General and administrative expenses	(I00,354,437)	(76,674,686)	(67,817,953)	(68,764,056)	(33,233,881)	(36,053,080)
Impairment loss on financial assets	(13,887,421)	(36,151,871)	(20,573,199)	(11,773,143)	(3,837,473)	(15,654,524)
Operating profit/(loss) before bonus	**186,728,779**	**(152,151,941)**	**152,366,524**	**230,014,849**	**111,949,147**	**187,766,093**
Finance income	6,803,927	7,265,474	5,396,918	6,228,057	2,891,003	8,448,964
Finance cost	(690,078)	(533,612)	(388,641)	(58,177)	(113,416)	(75,771)
Finance income - net	6,113,849	6,731,862	5,008,277	6,169,880	2,777,587	8,373,193
Profit/(loss) for the period before bonus	**192,842,628**	**(145,420,079)**	**157,374,801**	**236,184,729**	**114,726,734**	**196,139,286**
Staff bonus	-	-	(7,868,740)	(11,809,236)	(5,736,337)	(9,806,964)
Profit/(loss) for the period	**192,842,628**	**(145,420,079)**	**149,506,061**	**224,375,493**	**108,990,397**	**186,332,322**

(1) In the H1 2023 Interim Financial Statements, the Company changed the presentation of its income statement to report the plate and licence fee line item as an operating cost (which is reflected in gross profit) rather than an expense item (which is reflected in operating profit). This presentation is more consistent with how the Company's management analyses the performance of the Company. As a result of reclassifying this line item as an operating cost from an expense, the gross profit line item which is included in the Audited Financial Statements and Interim Financial Statements is not included in the presentation here, as it is not comparable across the different periods. In addition, the Company's results for the years ended 31 December 2019, 2020, 2021, 2022 and H1 2022 have been presented here on the same basis as the presentation adopted in the H1 2023 Interim Financial Statements for comparability. Except for the change to plate and licence fee, these changes are presentational and have no material impact.

(2) The figures for revenue, other direct costs, general and administrative expenses, operating profit/(loss) and finance income - net in the 2020 Audited Financial Statements were reclassified in the 2021 Audited Financial Statements and have been represented here as presented in the 2021 Audited Financial Statements.

Statement of Financial Position

	As of 31 December				As of 30 June
	2019	2020	2021	2022	2023
		AED			*AED (Unaudited)*
Total assets	1,515,383,390	**1,344,570,489**	**1,383,451,908**	**1,793,023,700**	**2,047,921,876**
Total equity	340,598,448	**340,598,448**	**372,073,408**	**400,000,000**	**400,000,000**
Non-current liabilities	34,277,704	**31,395,015**	**26,593,196**	**28,556,992**	**30,764,580**
Current liabilities	1,140,507,238	972,577,026	984,785,304	1,364,466,708	1,617,157,296
Total liabilities	1,174,784,942	**1,003,972,041**	**1,011,378,500**	**1,393,023,700**	**1,647,921,876**
Total equity and liabilities	1,515,383,390	**1,344,570,489**	**1,383,451,908**	**1,793,023,700**	**2,047,921,876**

Statement of Cash Flows

	For the year ended 31 December				For the six months ended 30 June	
	2019	2020	2021	2022	2022	2023
		AED			*AED (Unaudited)*	
Net cash generated from operating activities	135,927,361	**(61,286,788)**	**116,914,855**	**457,307,681**	**107,834,004**	**251,615,105**
Net cash (used in)/generated from investing activities	(222,873,237)	(60,086,892)	33,777,170	(454,330,420)	(152,723,608)	(133,133,913)
Net cash used in financing activities	96,931,792	**(3,681,851)**	**(4,418,219)**	**-**	-	-
Cash and cash equivalents at end of the period	210,997,891	**85,942,360**	**232,216,166**	**235,193,427**	**187,326,562**	**353,678,346**

RISK FACTORS

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

Risks Relating to the Company and its Business and the Industry in which it Operates

The Company's business is almost entirely concentrated in Dubai and revenue primarily comes from its taxi business, and any adverse developments in the taxi and mobility solutions sectors in Dubai may have a material adverse effect on its business, results of operations, financial condition and prospects.

All of the Company's assets are located in Dubai, the Company's taxis and last mile delivery bikes are only licenced to operate in Dubai and the significant majority of its current services are provided in Dubai. The Company therefore relies almost entirely on the revenue, profits and cash flows generated by its operations in Dubai to pay operating expenses, fund its capital expenditure and meet its other obligations. As a result of this concentration, the Company's results of operations will be negatively affected by adverse economic or political developments in or affecting Dubai or the UAE more generally. See "An economic downturn could result in a decline in business and leisure travel activities, which could materially adversely affect the Company's business". These factors could negatively impact the Company's results of operations, including by materially adversely impacting its customers, or the local Dubai or broader UAE economy.

In addition, the Company's taxi services are its main revenue contributor, with 87.0% and 87.4% of revenue generated by taxi services in 2022 and the six months ended 30 June 2023, respectively. As a result of this concentration, if demand for the Company's taxi services were to significantly decrease in size, if the Roads and Transport Authority ("**RTA**") were to revoke the Company's taxi licences or if taxi services generally became less popular in Dubai it could have a material adverse effect on the Company's business, results of operations, financial condition and prospects.

The Company could be adversely affected if its fleet is underutilised, if it fails to reach its utilisation targets or if a substantial portion of its fleet were out of operation for an extended period due to maintenance or due to driver shortages.

The Company's revenue and profitability depend on its ability to effectively deploy its fleet and maintain high vehicle utilisation at favourable costs. In particular, the Company's utilisation targets aim to have both its taxi and limousine fleet deployed 24 hours a day, seven days a week, with only a small portion of its taxi fleet not being utilised at any particular time due to maintenance or repairs. During any period when its fleet is not at the Company's targeted utilisation level, whether as a result of seeking customers or as a result of maintenance or otherwise, it continues to incur monthly franchise fees for taxis and limousines to the RTA and other costs, while generating no revenue. The Company therefore deploys a number of technologies and strategies to maximise its taxi and limousine fleet utilisation, including using artificial intelligence ("**AI**") and heatmaps to identify the best pick-up points to reduce kilometre wastage (i.e., kilometres driven without a paying customer). Although the Company tries to optimise the deployment and utilisation of its taxi and limousine fleet by deploying its assets strategically, its attempts to maintain high utilisation levels may not be successful for various reasons. In particular, maintaining or increasing its utilisation rates requires having a sufficient supply of qualified drivers readily available to operate its vehicles on successive shifts, and the Company is currently and may in the future continue to experience shortages of or challenges in recruiting drivers who meet its performance standards. See also, "If the Company fails to cost-effectively attract and retain qualified drivers for its taxi and other mobility services, or to increase the utilisation of its existing drivers, its business, financial condition and results of operations could be harmed".

In addition, elements of the Company's vehicle fleet could be out of operation longer than expected for maintenance in the event of vehicle or other supply shortages, as its fleet ages, or otherwise. For example, as a result of global supply chain shortages, including semi-conductor shortages, and disruptions resulting from the novel strain of coronavirus causing COVID-19 (**"COVID-19"**), the Company has in the past experienced delays in delivery of new vehicles and in some instances, smaller shipments of new vehicles than it had planned for. As a result, the Company experienced an increased need for vehicle maintenance and higher rates of breakdown as it attempted to extend the life of its assets. Maintenance was also made more difficult due to the lack of spare parts and further delays in the availability of spare parts for delivery. Although the Company does its maintenance in-house to manage its costs, a significant increase in maintenance needs could require increased hiring and training of maintenance staff, which could be costly to the business. If the Company were to again face disruptions or delays in delivery of its new vehicles or parts for its fleet, whether due to problems in production or distribution, unanticipated demand or other conditions, this could materially and adversely affect the Company's results of operations while it establishes alternative supplier and distribution channels, and there can be no assurance that it will continue to be able to identify or negotiate on terms that are commercially reasonable to it. If the Company's existing vehicle and maintenance suppliers or distributors are unable to fulfil their obligations under their contracts, or if the Company is unable to identify alternative sources, it could encounter supply shortages and incur higher costs, each of which could have a material adverse effect on its business, financial condition and results of operations.

In the event of a significant and unanticipated decline in customer demand, the Company has in the past and may in the future elect to or be required to redeploy, "defleet" (i.e. park and store its vehicles and take them out of operation) or sell its assets such as its taxis or limousines. It has in the past and may in the future reduce its purchases of new vehicles while continuing to sell old ones or redeploy vehicles to maintain effective utilisation rates. Selling its assets or redeploying them could take longer than expected, affecting the inflow of the sale proceeds from the assets or resulting in extended periods of lower utilisation rates and lower profitability. During 2020 and 2021, as a result of the extraordinary changes to market conditions arising from COVID-19, the Company experienced a number of factors that impacted its utilisation rates including a decline in demand and a shortage of drivers that impacted its ability to keep its fleet fully deployed for 24 hours, seven days a week (which resulted in certain of its fleet not being deployed and utilised). As a result, it elected to sell part of its limousine fleet and parked certain taxis to manage its utilisation rates during the period of reduced demand. At times of reduced demand, if the Company fails to manage its fleet effectively, there can be no assurance that sales cannibalisation, where the Company's business lines compete against each other with one business line benefiting and another losing business, will not occur since elements of its fleet, particularly its taxi and limousine business lines, compete with one another to a certain extent (for example amongst those customers who are willing to pay the higher limousine tariff, or at times of increased price sensitivity, the Company's taxi business may attract customers that have historically used its limousine services). If any of the above were to occur, it could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

If the Company fails to cost-effectively attract and retain qualified drivers for its taxi and other mobility services, or to increase the utilisation of its existing drivers, its business, financial condition and results of operations could be harmed.

In each of 2020, 2021 and 2022, and in the first six months of 2023, staff costs represented the Company's second greatest direct cost item after plate and licence fees, comprising 32.0%, 35.9%, 35.3%, and 36.3% of its total Direct Costs, respectively. A considerable portion of the Company's staff costs each year are those related to its drivers, including salary (principally bus driver salaries) and benefits, performance-based commission slabs (as defined below) for its taxi, limousine and delivery drivers, as well as costs associated with its internal training for trainee drivers, which support its driver recruitment efforts. As drivers' performance-based commissions are partially based on experience and seniority, these costs could continue to increase as a proportion of revenue as its drivers gain in seniority, or due to inflation or other factors, which may materially adversely affect the Company's business, financial condition, results of operations and prospects.

Adequate recruitment and retention of qualified drivers is key to maintaining optimal utilisation rates for the Company's vehicle fleet, as having the right number of drivers per vehicle enables the Company's fleet to be continuously operated in shifts to meet its target utilisation levels. Although the Company's taxi driver-to-vehicle ratio has increased from 1.55x drivers per vehicle as at 30 June 2022 to approximately 2.37x as at 30 June 2023, there is no guarantee that the Company will be able to achieve or maintain its target ratio of 2.5x taxi drivers per vehicle or that its current ratio will not fall in the future. The Company's results and continued growth depends in part on its ability to cost-effectively attract and retain qualified drivers who satisfy its recruitment criteria.

The Company's recruitment process takes up to 180 days from the date of interview and includes security screening, behavioural and psychometric testing for candidates, work permit and visa issuance (if applicable), driving licence checks and enrolment in various training programmes. See "*Business Description–Human Capital: Drivers and Employees–Drivers–Driver Recruitment, Training and Retention"*. To attract and retain qualified drivers, the Company must offer, among other things, sufficient rewards and incentives to attract drivers who are eligible for rewards on an annual basis through various programmes. If drivers become dissatisfied with the Company's programs and benefits, or its recruitment efforts are not successful, it may fail to attract sufficient new drivers, retain current drivers or maintain or increase the utilisation rate of the vehicles in its fleet, or it may experience complaints, negative publicity around its specific brand, or more generally around taxi services in Dubai, could adversely affect the Company's customers and its business. Furthermore, any new drivers being recruited will require time before they are available to work, or they may fail their interviews, which could result in prolonged driver shortages as the Company completes its recruitment process.

The Company is experiencing, and may continue to experience in the future, prolonged driver shortages or challenges in recruiting drivers. To the extent that driver availability is limited and the Company offers increased incentives to improve supply, its profitability and results of operations may be negatively impacted. Following COVID-19, in 2020, 2021 and 2022, the Company experienced significant driver shortages for the first time due to the restrictions on immigration and international travel and in response restructured its driver shifts to enable it to utilise its taxi and other mobility assets closer to its target levels. Furthermore, the Company has in the past and may in the future adjust its performance-based commission slabs for its drivers. For example, in 2023 the increased number of drivers and higher driver-to-vehicle ratio meant that the percentage of performance-based commissions decreased in relation to the Company’s revenue as a result of a decline in the number of drivers working multiple shifts. In the event changes that the Company makes, such as increasing the driver-to-vehicle ratio, result in less overall pay for drivers as part of their overall driver compensation package, this could negatively affect driver retention and incentivisation, and therefore contribute to an increased driver churn. In addition, if the Company is again subject to an extended shortage of drivers, it may again be necessary to increase the compensation paid to its drivers, which could have a negative impact on its costs and profitability. In addition, the third-party recruitment agencies the Company uses to recruit new drivers could also increase their prices or otherwise alter their terms in a way that is detrimental to the Company's business.

In addition, changes in certain laws and regulations, including immigration, labour and employment laws or background check requirements, may result in a decrease in the size or quality of the pool of qualified drivers, which may result in increased competition for qualified drivers and higher costs of recruitment, operation and retention. Other factors outside of the Company's control, such as the recurrence of COVID-19 or other pandemics, or concerns about personal health and safety, may also make it difficult to attract and retain drivers, or maintain driver morale, as a result of which, there is a risk that driver churn could increase. If the Company fails to attract qualified drivers on favourable terms, or fails to retain a sufficient number of its qualified drivers, it may not be able to meet customer demand, and may be unable to increase the utilisation rate of its fleet assets (see, "*The Company could be adversely affected if its fleet is underutilised, if it fails to reach its utilisation targets, or if a substantial portion of its fleet were out of operation for an extended period due to maintenance or due to driver shortages*"), or fail to maintain or grow its customer base, and its business, financial condition, results of operations and prospects could be adversely affected.

Dubai taxi tariffs, including the Company's tariffs for its taxis, are determined by the Government of Dubai through the RTA, and as a result the Company's tariffs may fail to reflect its operating costs or demand within the market.

The Company's taxi services charges tariffs to customers in line with regulated tariff amounts established by the RTA. These customer tariffs are applicable to all taxi franchisees and regularly adjusted across all the regulated taxi companies in Dubai to reflect fuel price movements, inflation and other factors. Customer tariffs for the Company's limousine services are not directly regulated by the RTA, but the RTA does require that all limousine tariffs must be, at a minimum, at least 30% higher than regulated taxi tariffs. As a result, the pricing model the Company uses to set rates for its limousine services generates customer tariffs that are indirectly determined by regulated taxi pricing. The Company therefore has no flexibility, in the case of its taxi tariff, and only limited flexibility, in the case of its limousine tariffs, to adjust its tariffs according to demand, cost or other factors.

Although the taxi franchisees in Dubai, such as the Company, have the right to recommend to the RTA a tariff review to account for increased fuel or operating costs, ultimately the RTA has discretion as to whether or not to increase or otherwise alter tariff levels. The RTA may, for any reason, reject the Company's tariff review proposals or mandate that the Company keeps the tariffs at the existing level or proposes a lower level, contrary to the economic interests of the Company. If the tariffs that the Company can charge are reduced, fail to reflect its costs (including its costs for fuel, driver salaries or performance-based commissions or new vehicles) or fail to reflect market demand for its services, it could adversely affect its business, financial condition, results of operations and prospects. Conversely, should the RTA decide to raise tariffs, the higher tariffs may result in customers being less willing to pay for certain transportation services, which could result in lower customer volumes and reduced revenues.

The Company is exposed to the effects of changing fuel prices for the time period it takes for the RTA to fully adjust the tariff for price increases for its taxis, or in the case of any services or contracts without fuel price adjustments for its buses, limousines and delivery bikes, for the period of such services or contracts. It is also exposed to price increases arising from interruptions in fuel supplies.

Fuel costs have a significant impact on the Company's operations. While as at 30 June 2023 approximately 80% of the taxi fleet was hybrid vehicles and approximately 77% of its limousine fleet was electric or hybrid vehicles, the Company still requires significant quantities of fuel for its vehicles and is exposed to the risks associated with variations in the market price for fuel products, primarily gas and diesel. For the years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023, fuel costs (which are shown as part of the Company's Direct Costs) represented 13.7%, 12.1%, 15.1% and 11.8%, respectively, as a proportion of its revenue for those periods. While the RTA takes into account fuel prices in setting the regulated tariff for taxis and has adjustment mechanisms to track fuel price changes in setting the taxi tariff, the timing of adjustments permitted by the RTA tariff may fail to fully insulate the Company from any increase in fuel costs and will be limited to tariffs for its taxis and the minimum tariff permitted for limousines. The Company's contracts for its other services may not contain contractual provisions that allow the Company to adjust the prices for its bus, limousine and delivery bike services in response to increases in fuel costs. If the RTA tariff or Company's fuel-related price provisions in its contracts fail to be adjusted in a manner or at the time that corresponds to fuel price increases, higher fuel costs could materially adversely impact the Company's operating results and profitability. Even if the Company is able to offset changes in fuel costs with higher prices for certain of its services by increasing its tariff or through contractual protections, such adjustments could in the future result in an overall reduction in customer demand for and the volume of its services and negatively impact its revenue and profitability. There can also be no assurance that the tariffs set by the RTA, or the Company's contractual fuel price provisions, will be effective as fuel price mitigation strategies.

Furthermore, while, since 2021, the Company's fuel costs have benefitted from a supply contract with Emirates National Oil Company (**"ENOC"**) that meets most of its annual fuel requirement and allows it to obtain this fuel at a discount to the market price (up to a certain total volume per year), its current contract with ENOC expires on 29 February 2024, and can be terminated with three months' notice, so may not be available to the Company for the entirety of its term. Moreover, there is no guarantee the Company will be able to renew its supply agreement on the same terms or as favourable terms as its current supply agreement, or that the Company's competitors will not be offered similarly advantageous terms for fuel purchases.

Moreover, various factors may affect fuel supply and could result in fuel price increases or interruptions to its delivery in the future: weather-related events; natural disasters; political disruptions or wars involving oil-producing countries; economic sanctions imposed against oil-producing countries or specific industry participants; changes in governmental policy concerning fuel production, transportation, taxes or marketing; changes in refining capacity; environmental concerns; cyber-attacks; public and investor sentiment or other factors beyond the Company's control. In addition, if the ENOC fuel supply in particular is affected in the future, it may not be possible for the Company to find similarly competitive prices for its fuel. Any of the foregoing could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Company's business requires regular capital and other investments; if it does not accurately forecast its future investment needs, it may have a sub-optimal fleet size or utilisation rates of its assets, and its business could be materially adversely affected.

The Company's business requires regular capital investments, principally for vehicle purchases (of taxis, limousines, buses and motorbikes used for its delivery bikes business), as well as investments in technology and maintenance equipment. In addition to forecasting the Company's capital investment requirements, its business planning function adjusts other elements of its operations and cost structure in response to economic and regulatory conditions, anticipated growth in customer demand, and in line with its strategy. These investments support both the Company's existing business and anticipated growth in its business. Forecasting amounts, types and timing of investments involves many factors, which are subject to uncertainty and may be beyond the Company's control, such as general economic trends, levels of customer demand, salary and fuel costs, changes in governmental regulation (in respect of tariff levels and other matters) and competition. If the Company fails to accurately forecast its future capital investment needs, it could under- or over-invest, or have excess vehicle capacity or insufficient vehicle capacity to support its business plans and strategy, any of which would negatively affect its revenues and profitability. See "*The Company could be adversely affected if its fleet is underutilised, if it fails to reach its utilisation targets or if a substantial portion of its fleet were out of operation for an extended period due to maintenance or due to driver shortages*". The Company's delivery bike services are still in a relatively early stage of growth and development and this segment of the market is also unregulated, exposing it to a higher risk of inaccurate forecasting.

If the Company does not purchase a sufficient number of vehicles to meet the requirements of its fleet strategy, or if it is unable to do so due to supply chain shortages or other factors, it may lose revenue or market share to its competitors. Furthermore, if the Company were to win further licence plates and then was unable to put sufficient vehicles on the road within the three-month window provided by the RTA, these licence plates could then be revoked, causing it to lose market share. If it purchases too many vehicles, its fleet size could be too large and the utilisation rates of its operating assets could be adversely affected if it is unable to dispose of excess assets in a timely and cost-effective manner. Furthermore, if the Company's forecasts for its utilisation rates, trip distances and kilometre wastage do not accurately estimate future levels of activity, its forecasts may fail to produce the appropriate mix of vehicles to purchase and maintain for its mobility services, which could result in obsolescence and premature aging of its fleet, the inability to sell its fleet at the end of its expected lifetime at adequate prices, sub-optimal fleet size and utilisation, increased fleet costs, higher fleet maintenance costs, reduced margins and cash flows and other unfavourable consequences which may materially adversely affect the Company's business, financial condition, results of operations and prospects.

The Company is subject to risks related to its ESG activities and disclosures, and its reputation and brand could be harmed if it fails to meet its public sustainability targets and goals.

There is increased focus, including from governmental organisations, investors, employees and customers, on Environmental, Social and Governance ("**ESG**") related concerns including environmental stewardship, climate change, diversity and inclusion, racial justice and workplace conduct. Negative public perception, adverse publicity or negative comments in social media could damage the Company's reputation if it does not, or is not perceived to, adequately address these ESG issues. Any harm to the Company's reputation could impact employee engagement and retention and the willingness of its customers to use its services and for organisations to partner with it.

In addition, organisations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. If the Company, or the mobility services sector, is granted an unfavourable rating in the future, this may contribute to negative investor, customer or employee sentiment, which could lead to the diversion of investment or business to other companies or industries. Although approximately 80% of the Company's taxi fleet was hybrid vehicles, and approximately 77% of its limousine fleet was electric or hybrid vehicles as at 30 June 2023, automobiles are often seen as environmentally harmful which could cause the Company to receive a low ESG rating. Further, ESG ratings may have limited, if any, utility for investors in assessing the Company's past, current or future financial performance. As a result, any negative ESG-related attention, a failure to live up to current standards, achieve its ESG targets or negative reports around the metrics the Company uses to assess its ESG performance could have a material adverse effect on its business, financial condition, results of operations and prospects.

The mobility and taxi services industries are competitive, with well-established direct competitors and low customer switching costs. If the Company is unable to maintain its market share and compete effectively in these industries because other providers are perceived to offer lower cost or higher quality services or otherwise increase their own market share, its business and financial prospects could be adversely impacted.

The Company provides services to customers, and competes with other providers in the mobility solutions industry. It faces significant competition in Dubai from existing, well-established alternatives, and existing taxi companies could in the future secure more new licence plates than the Company. In addition, within the taxi and limousine business lines, the cost to switch between mobility services providers is low, while its delivery bikes customers are generally permitted to change providers after a three months' notice period. As a result, most of the Company's customers could easily switch to competitors who are available or which are perceived to offer lower cost or higher quality services, at any time in the case of the Company's taxi and limousine services or after the requisite contractual term in case of the Company's delivery bikes and bus services.

The Company faces competition in each of its business lines:

- **Taxi Services:** The Company's taxi services have a number of key competitors. It competes against four other Dubai-based taxi companies for customers, and for additional taxi licence plates needed to grow its business. The RTA periodically puts a limited number of these licence plates out for auction, which are then bid for by the Company and its competitors. If the Company overbids for new licence plates, it may overpay for new licence plates which could negatively affect profitability, or it may bid too low, and thereby lose profitable work and market share to its competitors. The Company could also overestimate the number of new plates it requires, which could negatively affect its utilisation ratios if all new plates that it bid for were awarded. The Company's taxi business also competes with personal vehicle ownership and usage, limousine services, as well as public transport options, including from possible expansions of or new metro lines in Dubai, and other forms of transport. The Company has historically benefitted from e-hailing aggregators like Hala (an app provided by a joint venture ("**RTA Careem**") between the RTA and Careem Inc (**"Careem"**) which offers a technology platform providing passenger access to the Company's fleet and the fleets of other taxi companies in Dubai (**"Hala"**). However, if Hala or new market entrants come to rely more on the Company's competitors, whether due to more favourable pricing or other terms, or if Dubai's regulations on e-hailing are changed and become less favourable towards taxis, the Company could lose customer volume and be negatively affected. Additionally, the Company benefits from a number of exclusivity contracts. Were it to lose these contracts to its competition, this could have a material adverse effect. For more information on the Company's exclusivity contracts see "*The Company generates a significant percentage of its revenue from trips originated from locations where it has exclusive access to pick-up points for its taxis and limousines, particularly through its agreement with the Dubai Airports. If the Company's exclusive access to these pick-up points were negatively affected or lost, its financial results and future prospects would be adversely impacted".*
- **Limousine Services:** The Company's limousine services compete with other limousine services. Although the RTA requires limousine prices to be at least 30% higher than taxi tariffs, limousine companies have the flexibility to set prices above the minimum threshold. If the pricing set by the Company is not competitive, or if the Company alone introduces surge pricing which is not likewise introduced by its competitors, it could lose business and market share. Other companies, including smaller limousine companies with pooled driver consortia, could further compete with the Company by centralising their ownership structure and expanding their fleet size, or one of the other large Dubai taxi companies could decide to expand into the limousine market.
- **Bus Services:** The Company's buses compete with other public and private bus companies for contracts with government entities and education providers that contract for such transport through tenders for long term contracts. The Company believes it has been selected over its competitors for certain service contracts, such as with the Emirates Schools Establishment ("**Ministry of Education**"), because of its perceived trustworthiness and due to the company's ability to demonstrate the level of services offered through advanced technological capabilities. However, if this perception were to change, including as a result of no fault of its own, or if other companies become able to offer better alternatives in other ways, the Company may face greater competition to have its current contracts renewed or be selected for new contracts. The Company's contracts with the Ministry of Education contract accounted for 87% of its total bus revenues in the six months ended 30 June 2023, so if another company were to take over these contracts, it could have a significant impact on the Company's revenues from its bus services.
- **Other Services**: The Company's delivery bikes and other services compete with other providers. Since these services are unregulated, there is potential for increased competition on price or other factors. The Company currently provides delivery bike services for Careem, Noon and other aggregators of delivery bike services. However, should Careem or any of its other delivery partners decide to develop their own delivery fleet rather than outsourcing and using the Company's fleet, it would be difficult for the Company to incorporate these types of services into its own app. In particular, its current contract with Careem provides that it will not compete with Careem for one year after the termination of the contract, which would limit the Company's ability to develop its own services until such period expired.

As the Company and its competitors introduce new services and offerings, and as existing services evolve, the Company also may become subject to additional competition. Changes in regulations, such as the end of the RTA's exclusivity on e-hailing through Hala in July 2023 for local alternatives and in April 2024 for international alternatives (see, "*The Company relies on other third-party service providers and if such third parties do not perform adequately or terminate their relationships with the Company, its costs may increase and its business, financial condition and results of operations could be adversely affected*."), may expose the Company to heightened competition by allowing domestic and international players to operate e-hailing apps in Dubai for taxi services. Even if these e-hailing apps include the Company's taxis, they may be more effective at booking customers through their apps than through any e-hailing app the Company may introduce at such time. Since the Company's contracts with such e-hailing companies typically pay a fee per trip booked, its costs may be greater for rides generated by these providers than those it would generate through its own DTC app if extended to its taxis. Furthermore, to the extent any of its competitors negotiate more favourable agreements with such e-hailing providers, including priority bookings for their services over those of the Company, this could have a negative impact on the Company's operations, market share and financial results.

Furthermore, the RTA may at any time decide to incentivise other modes of transportation over taxis, especially in light of recent technologies such as driverless cars and increased metro routes. In addition, the increase in micro-mobility transport options such as e-scooters and e-bikes may create additional competition for mobility service providers for short distance trips.

In addition, its competitors may grow their fleets to be larger than or comparable to the Company's, making them more attractive to locations like the Dubai airports, where the Company currently maintains exclusivity in part due to having the fleet size required to provide such services on an exclusive basis. Its key competitors may also adopt certain of the Company's service features or other innovations, which would render its services less attractive or reduce its ability to differentiate its services. For example, much of the Company's business is generated by being able to effectively deploy its taxis to locations where demand exists. If a competitor were able to do this more effectively, it might win customers ahead of the Company being able to deploy its assets to such locations, negatively impacting the Company's results. Furthermore, the Company's people of determination taxis, which are highly valued by customers, are not charged franchise fees by the regulator. Were other taxi services granted permission by the RTA to provide similar services, this could make it more difficult for the Company to differentiate its services and compete for such services. Increased competition could result in, among other things, a reduction in the revenue the Company generates from the use of its services, the number of customers it is able to serve, the frequency of use of its services and its margins.

For all these reasons, the Company may not be able to compete successfully against its current and future competitors or maintain or grow its market share. Were the Company unable to compete effectively, it would have an adverse effect on, or otherwise harm, its business, financial condition, results of operations and prospects.

Damage to the Company's brand, image or reputation could materially adversely impact its business, financial condition and results of operations.

The Company has developed a strong and trusted brand that has contributed to the success of its business. The Company's brand has been established for almost three decades and is predicated on the idea that businesses will trust it and find value in choosing its services for exclusivity contracts in certain areas over those of other taxi companies. In particular, maintaining, protecting, and enhancing the Company's brand is key to maintaining its exclusive access to Dubai International Airport and Al Maktoum International Airport (collectively, the "**Dubai Airports**") and certain other important venues, and in increasing customers, such as government or commercial companies, like the Ministry of Education for its Emirates Schools Establishment contract for its bus services or with aggregators like Careem and Noon for its delivery bike services. The Company's success depends largely on its ability to maintain trust and provide and continue to provide high quality services and meet certain service level expectations included in its arrangements with certain businesses that generate business from exclusive pick-up points.

Any negative publicity about the Company, even if unfounded, could adversely affect its reputation with customers and the organisations it works with, and their confidence in and use of its services. Individual customers seeking taxi and limousine services are often not fully aware of the differences between the DTC brand and other Dubai taxi services, which means that negative publicity about taxis operated by the Company's competitors could also be associated with the Company's brand and negatively affect its reputation as well. Harm to the Company's brand and reputation can arise from many sources, including failure by it, or third parties that provide services to it, to satisfy expectations of service and quality; to provide high quality customer support; or to inadequately protect sensitive information, or the actions of other mobility solution providers actions being attributed to the Company. For example, the Company has agreements with various e-hailing aggregators for its taxi, limousine and delivery bike services and negative experiences with their platform or publicity about these partners could also harm the Company's brand or reputation. Harm could also stem from driver or employee misconduct, rumours or false stories or for other reasons. In addition, the Company undertakes certain sales and marketing activities to promote its bus and limousine services. If it is unable to market and promote its brand effectively or does not successfully maintain a strong and trusted brand, this could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Company relies on third parties for both recruitment and screening of new drivers.

The Company relies on third parties to recruit drivers from abroad, particularly from South Asia, and primarily from Sri Lanka, India, Pakistan, Nepal and Bangladesh. Third-party recruitment agencies find, screen and bring potential drivers to Dubai. If such third-party recruiters terminate their relationships with the Company or refuse to renew their agreement with the Company on commercially reasonable terms, may need to find an alternate provider, and may not be able to secure similar terms or replace such third parties in an acceptable time frame. Furthermore, if these third-party recruitment agencies fail to locate suitable drivers, the Company's driver utilisation ratios could be negatively affected and the Company could be forced to increase its incentives for drivers, any of which could increase costs and have a material adverse effect on the Company's business, financial condition, results of operations and prospects. In addition, if any recruiters were to use bribery, favouritism or engage in other improper conduct when recruiting drivers, there could be negative reputational consequences for the Company and the Company may spend time and resources interviewing unsuitable drivers.

In addition, the Company relies on certain third parties, including the Dubai Police and Dubai Crime Investigation Department (**"CID"**), to undertake background checks and otherwise screen the records of potential and existing drivers to help identify those who are not qualified to drive for the Company pursuant to applicable laws or its internal standards. The Company's business has been and may be adversely affected to the extent it cannot attract or retain qualified drivers as a result of such providers being unable to complete certain background checks, or being significantly delayed in completing certain background checks, because of data access restrictions, or to the extent that they do not meet their contractual obligations or the Company's expectations. If the Company cannot complete these checks in a timely manner, it may delay the Company's recruitment of new drivers, which could impact the Company's ability to meet its obligations under its Franchise Agreements with the RTA. Further, if the background checks by the CID do not identify problematic drivers or meet the standards expected, unqualified drivers may be permitted to drive for the Company, and as a result, its reputation and brand could be adversely affected. The Company is also subject to laws and regulations applicable to background checks for potential and existing drivers. If it or its drivers fail to comply with applicable laws, rules and legislation, the Company's reputation, business, financial condition and results of operations could be adversely affected. Any negative publicity related to the CID, the Company's background check provider, including publicity related to safety incidents or data security breaches or incidences, could adversely affect its reputation and brand, and could potentially lead to increased regulatory or litigation exposure. Any of the foregoing risks could adversely affect the Company's business, financial condition, results of operations and prospects.

If the global supply chain for the Company's new vehicles and repair parts faces disruptions or delays, it may be unable to acquire new vehicles or repair its vehicles when needed and it may incur higher costs.

The Company's supply chain, particularly with respect to access to new vehicles, is complex and reliant on raw goods and finished materials that are obtained from or manufactured by many different market participants. The global automotive supply chain is still experiencing lingering impacts from COVID-19, especially with regard to the supply of semiconductors, and certain supplies needed for new vehicle production and parts for repairs remains constrained. Shortages in materials and increased costs for transportation, energy and raw materials, which are important to the vehicle manufacturing industry, have had an impact on vehicle production volumes, delivery schedules and costs. In addition, the global supply chain can be impacted by logistics provider capacity issues, inflation, increased freight costs, depleted inventory levels, labour shortages and demand peaks.

As a result of the foregoing factors, various automotive manufacturers have been forced to delay or limit new vehicle production in recent years, which caused limitations in supply and delays in the Company receiving new vehicles. For example, during 2021, in order to satisfy the Company's contract with the Ministry of Education, the Company had to lease approximately 130 buses from third parties after the buses it had agreed to purchase from its own suppliers were delayed. Although the availability of new vehicles has improved, such conditions may recur, or other global and regional supply chain disruptions may in the future cause similar issues. Consequently, there is no guarantee that the Company will be able to purchase a sufficient number of new vehicles at competitive prices and on competitive terms and conditions to fulfil demand or to do so efficiently, which could result in heightened vehicle maintenance requirements, higher service costs, reduced service quality and customer satisfaction, or otherwise have a material adverse effect on its business, financial condition, results of operations and prospects.

The Company may be unable to purchase adequate supplies of competitively priced vehicles or the cost of the vehicles it purchases for its fleet may increase significantly without a compensating increase in the tariffs the Company is able to charge for services or residual values.

In line with its strategy and its focus on providing a quality service and its Franchise Agreements with the RTA, the Company replaces 25 to 30% of its taxis every year. The Company's vehicle purchase strategies have in the past and may in the future be affected by commercial, economic, market and other conditions, including a reduction of supply from auto dealers and an adjustment in the level of rebates and other incentives offered by them for its purchases. Purchases of vehicles from dealers are generally made pursuant to procurement contracts. Although these contracts carry a penalty clause for late deliveries and do not allow suppliers to unilaterally cancel, receipt of new vehicles is still subject to potential delay or cancellation. In addition, most vehicle dealers currently are paid by the Company on 12-month terms. If the Company's vehicle dealers were to shorten this period, it could require the Company to hold more working capital, which could have a negative effect on its growth.

Although the Company works with dealers on a continual basis to gain a mutual understanding of their supply of, and the Company's demand for, the specific vehicles desired by the Company, the process by which it normally purchases vehicles does not always guarantee the availability of the desired vehicles on a timely basis. Furthermore, if the Company were to face an unanticipated growth in demand and attempted to bid for additional licence plates from the RTA, its current buffer of spare vehicles of approximately 5% could prove insufficient requiring the purchase of a higher number of additional vehicles on relatively short notice if it wins further licence plates from the RTA. Consequently, there is no guarantee that the Company will be able to purchase a sufficient number of vehicles, at competitive prices and on competitive terms and conditions. If the Company were to win further licence plates and then was unable to purchase sufficient vehicles within the three month window provided by the RTA, these licence plates could then be revoked, which could have a negative material effect on the Company's business, financial condition, results of operations and prospects.

Furthermore, although the RTA has in the past taken into account the cost of replacement vehicles in its annual tariff adjustment, and has generally raised the permitted rate of customer tariffs to include increases in vehicle costs faced by the Company and other companies in the market, there can be no guarantee that such tariff increases will occur, or such increases, combined with the residual value of such vehicles upon their sale, would be able to fully compensate the Company for any increased vehicle acquisition costs.

Finally, if the Company is unable to purchase new vehicles at competitive prices to refresh its fleet, increased maintenance costs in relation to its existing fleet may put further pressure on its business, financial condition, results of operations and prospects.

An economic downturn could result in a decline in business and leisure travel activities, which could materially adversely affect the Company's business.

The macroeconomic environment in the UAE has faced and may continue to face numerous challenges. Between 2018 and 2020, the gross domestic product (**"GDP"**) of the UAE economy declined, hit by the twin shocks of declining oil prices and the impact of COVID-19 on the private sector. Although the economy has recovered to more normalised levels since 2020, with Dubai's real GDP growth up to 4.4% at the end of 2022 (from a decline of 6.4% in 2020) according to the Industry Consultant, there is no guarantee that this growth will continue, that there will not be another pandemic or similar global event or that the economy will not decline again. Social unrest, the threat of domestic or international terrorism and the potential for armed conflict or war in the Middle East and North Africa ("**MENA**") regions and elsewhere may contribute to economic volatility in the UAE. Economic conditions in the UAE are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in the UAE.

The performance of the mobility solutions sector in Dubai is driven by the number of available customers and the volume of the journeys they undertake, which is correlated with macroeconomic factors that impact economic conditions in Dubai, particularly in respect of population growth, consumer spending, tourism and business travel as well as changes in laws and regulations. Moreover, any actual or perceived threat of a monetary or financial crisis in the UAE could have an adverse impact on the mobility solutions industry, including a tightening of the credit markets, reduced levels of business and leisure travels, reduced customer confidence and spending and volatile fuel prices.

In response to any perception of uncertainty in economic conditions, the Company's prospective customers may be less likely to travel to or within Dubai, or they may choose different transportation options that they perceive to be more affordable. Although the Industry Report projected GDP growth in the UAE of approximately 4.0% in 2023 and 3.7% in 2024, there can be no assurance that this growth rate will occur or that if it does, that it will result in the right conditions for growth in the mobility solutions sector. In addition, in 2022, the UAE introduced new visa rules, with the objective of attracting more skilled professionals to the country, as it sought to recover from the effects of COVID-19 and generate economic growth. As a result of these new visa rules, there has been significant recent growth in the migrant population in the UAE, further expanding the Company's customer base. Since 2022, the UAE also updated various regulations and economic initiatives to make itself more attractive to foreign business, increasing the number of foreign visitors and migrants. Any changes to UAE immigration or economic policy could reduce the number of immigrants or visitors to Dubai, which could lessen demand for the Company's services. To the extent the above or any other factors which have an impact on the UAE economy, and Dubai in particular, significantly affect the Company's customers' demand for its services or change their spending habits, there could be a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company generates a significant percentage of its revenue from trips originated from locations where it has exclusive access to pick-up points for its taxis and limousines, particularly through its exclusivity with the Dubai Airports. If the Company's exclusive access to these pick-up points were negatively affected or lost, its financial results and future prospects would be adversely impacted.

The Company has been granted exclusivity at certain pick-up points for its taxi and limousine services. The Company's exclusivity arrangements with these locations are subject to contracts of certain defined periods, from three months to three years depending on the arrangement, and may fail to be renewed on favourable terms or at all. These agreements may cover pick-ups at the whole venue, as is the case of its agreement with Dubai Airports, or only cover certain pick-up points at the venue, such as the agreements in place with the Atlantis and Dubai Mall. Furthermore, for the exclusivity agreements in place for limousine pick-up points, with the exception of Dubai Airports, other limousine companies are always permitted to pick-up passengers, with the exclusivity provisions limited to restricting competition from other limousine services from utilising the agreed exclusive pick-up points. With the exception of pick-up points at the Dubai Airports and Port Rashid, any exclusivity agreement entered into, including those that the Company has for its limousines, are not permitted to restrict taxis from any pick-up location as a result of RTA regulations. If the Company faces a decline in performance quality or perceived reliability, fails to be able to meet certain quality key performance indicators (**"KPIs"**) as defined in its exclusivity arrangements for a prolonged period or otherwise experiences reputational damage, if its competitors offer the venues a higher fee per trip originating from such venue or a higher percentage revenue share, or the venue owners with whom it has agreements elect to create or utilise other companies instead of the Company for this purpose, it may lose its contractual exclusivity benefit of these locations. In addition, if the Company is unable to make available to each exclusive pick-up point the minimum number of vehicles as specified in its exclusivity agreements, which requires up to 350 taxis at a time in the case of Dubai Airports, it could be in breach of the terms of these agreements, and lose exclusive pick-up access to certain venues if it is not able to meet such venue's expectations. The Company could also fail to renew its exclusivity agreements if it loses market share, as other competitors may have the fleet size to sustain these types of arrangements as they grow larger and offer attractive alternatives. The loss of such exclusive arrangements at one or one or more pick-up points, whether due to competition, reputational damage, or otherwise, including as a result of the expiration or termination of the Company's exclusivity arrangements, may cause loss of competitive advantage and could materially adversely affect its business, financial condition, results of operations and prospects.

The Company may fail to adequately respond to changes in technology that are impacting the mobility industry.

The mobility industry has recently been characterised by rapid changes in technology innovation and deployment to address evolving customer demands, improve operational efficiency and disrupt competitive dynamics. This includes technology solutions designed to both save costs and enhance revenues. In the mobility solutions sector, e-hailing technologies are becoming increasingly common. Although the Company continues developing and using its own e-hailing app for its limousine services and is working with RTA Careem to incorporate e-hailing using the Hala app into its taxi services, as well as partnering with other third parties to provide e-hailing services for its other mobility services, there is no guarantee that the technology it uses will be effective, or that third parties including its competitors will not adopt better e-hailing technology or adapt to these changes more successfully. In addition, there are global technological changes in the transport industry and increased and improved public transport options that could make it increasingly difficult for the Company's taxi services to compete. See, "*The mobility and taxi services industries are competitive, with well-established direct competitors and low customer switching costs. If the Company is unable to maintain its market share and compete effectively in these industries, its business and financial prospects could be adversely impacted"*. In addition, recent innovations in mobility-as-a-service, fleet transition to electric and hybrid vehicles, driverless transportation, mobility alternatives like electric bicycles and scooters, data driven and automated management services, electric vertical take-off and landing aircrafts (which are expected to foster urban air mobility) and other technologies that raise customer expectations and improve vehicle maintenance and utilisation could disrupt current its market. The Company's ability to continually improve its technology platforms, processes and products and adapt to technological innovations in this environment is essential to maintain a competitive position in customer satisfaction, market share and cost effectiveness.

Due to the inherent complexity and unpredictability in technology innovation, the potential for higher than anticipated costs of certain initiatives, and the competition for talent in its technology offerings, the Company may experience technical or other difficulties that could delay or prevent the development, introduction or marketing of new products or enhanced product offerings. These challenges related to emerging technology may result in loss of competitive differentiation, margin erosion, declining market share, inability to achieve the Company's strategic initiatives, inefficient or outdated service delivery platforms, inability to attract or retain key talent and other unfavourable consequences. For example, the Company is currently in the process of developing and incorporating new technologies aimed at reducing its administrative and fuel costs, as well as technologies aimed at minimising empty taxis and limousines by using AI to identify pick-up points that generate the highest demand. However, there is no guarantee that these technologies will be effective, which could have a material adverse effect on its growth. There is also no guarantee that the Company's technology initiatives and innovations will be as effective as those of the Company's competitors. In particular, although the Company has its own e-hailing app (the "**DTC App**"), it is currently only in use for the Company's limousine services, and if extended in use to include the Company's taxis, its app may fail to generate as much customer recognition or use as other e-hailing apps, which may mean the company will need to continue to rely on third-party hailing apps, which charge the Company a fee for each customer, to generate significant customer bookings. Any inability to adequately respond to changes in technology could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company's success largely depends on certain key employees, and it may not be able to attract, retain and develop the highly skilled employees it needs to support its business.

The Company's performance depends on the continued services and contributions of its senior managers, operational directors and highly skilled employees, particularly in maintenance, operations and fleet management roles. The loss of services of the senior managers or other key employees could significantly impair the success of the Company's strategy. Furthermore, recruitment or training of replacement employees for any such key positions could take significant time and it can be challenging to find senior employees with expertise in the mobility and transportation sectors. The loss of the services of one or more of the Company's senior managers, operational directors or other key operational employees, for any reason, could negatively affect its operations and performance, require significant amounts of time, training and resources to find suitable replacements and integrate them within its business, and could negatively affect its business, operations or corporate culture, any of which could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Company allows customers to pay for rides using cash, which raises certain regulatory, operational and safety issues. If the Company does not successfully manage those concerns, it could become subject to adverse regulatory actions and suffer reputational harm or other adverse financial and accounting consequences.

The Company allows customers to use cash to pay drivers and approximately half of its customer tariffs are paid in cash. The use of cash in connection with the Company's services raises certain operational and safety issues. The use of cash can increase safety and security risks for drivers and customers, including potential robbery, assault, violent or fatal attacks and other criminal acts, which if not managed could have a negative effect on its reputation. In addition, establishing the proper infrastructure to ensure that it receives the correct service fee on cash trips is complex. The Company has created systems for drivers to collect and deposit the cash received for cash-based trips, as well as systems for it to collect, deposit and properly account for the cash received, including blocking a driver's system and imposing fines if they do not deposit the cash within 48 hours. However, maintaining, and improving these systems requires significant effort and resources, and the Company cannot guarantee these systems will be effective in collecting amounts due to it. Further, operating a business that uses cash raises compliance risks with respect to a variety of rules and regulations. If drivers fail to pay the Company under the terms of its agreements or if its collection systems fail, it may be adversely affected by both the inability to collect amounts due and the cost of enforcing the terms of its contracts, including litigation. Such collection failure and enforcement costs, along with any costs associated with a failure to comply with applicable rules and regulations, could, in the aggregate, impact the Company's financial performance, which could adversely affect its business, financial condition, results of operations and prospects.

The Company relies on other third-party service providers and if such third parties do not perform adequately or terminate their relationships with the Company, its costs may increase and its business, financial condition and results of operations could be adversely affected.

The Company's success depends in part on its relationships with other third-party service providers. Through RTA Careem's customer app, Hala, the Company has given RTA Careem the exclusive right to provide all e-hailing for the Company’s taxis, thereby preventing the Company from using its own e-hailing technology or that of other e-hailing companies for its taxi services as well. The exclusive use of Hala for taxi e-hailing remains a requirement for the Company, under its contract with RTA Careem, through December 2024. See "*Related Party Transactions and Material Contracts–Contracts with Related Parties–Taxi Commercial Agreement between the Company and RTA Careem LLC"*. As a result, the Company relies on e-hailing service providers like RTA Careem, for acquisition of taxi customers who use e-hailing apps. The Company also relies on several car, bus and limousine dealerships and on third-party bus and electric vehicle maintenance providers. If any of the Company's key third-party partners terminates its relationship with the Company or refuses to renew its agreement with it on commercially reasonable terms, the Company would need to find an alternative provider, and may not be able to secure similar terms or replace such providers in an acceptable time frame. Similarly, in the event that its key third-party partners experience a disruption in their operations, its ability to continue providing support to the Company could become constrained. While there are other substitutes available in the market, any of these risks could increase the Company's costs and adversely affect its business, financial condition and results of operations. Further, any negative publicity related to any of its third-party partners, including any publicity related to quality standards or safety concerns, could adversely affect its reputation and brand, and could potentially lead to increased regulatory or litigation exposure.

The exclusivity provisions of the Company's contract with RTA Careem for e-hailing access for its taxi services on Hala lasts through the end of 2024, at which point in time the Company may choose to try to compete with Hala by extending use of its own DTC app, which it currently uses for limousines, to its taxi business line as well. If the Company were to start using its own DTC app for taxi e-hailing, it will likely also wish to continue utilising RTA Careem's Hala app for e-hailing, but it is possible that RTA Careem may be unwilling to contract for its services on a non-exclusive basis, or otherwise on commercially reasonable terms. Furthermore, if the Company's use of its own DTC app for taxi e-hailing should fail to gain widespread customer acceptance, the Company may lose some of the business it currently receives through e-hailing, particularly if the Company is not able to renew its use of the Hala app. Furthermore, since other taxi companies are now permitted by regulation to use other taxi e-hailing services, if another e-hailing platform gains more strength than Hala, the Company may not be as successful at gaining customers through e-hailing and lose market share through 31 December 2024 when the exclusivity it granted to RTA Careem ends, or longer if it is not able to gain sufficient access to such other e-hailing platform.

The Company incorporates technology from third parties into its operations and certain parts of its services, including that utilised by its operations control centre, as well as through API integrations with other third parties. If the Company is unable to obtain necessary technology from third parties or loses access to the technology it uses now, it may be forced to acquire or develop alternative technology, which may require significant time and effort and may be of lower quality or performance standards and may subject it to certain risks discussed in the preceding paragraph that are currently borne by third parties. This would limit and delay its ability to provide new or competitive offerings and increase its costs. If alternate technology cannot be obtained or developed or if the Company is unable to develop such alternate technology at commercially reasonable levels of risk, it may not be able to offer certain functionality as part of its offerings, which could adversely affect its business, financial condition, results of operations and prospects.

In addition, the Company relies on a third-party payment processor to process approximately half of the payments made by customers and payments made to drivers on its app and in its taxis and limousines, with the other half being made in cash. If this third-party payment processor terminates its relationship with the Company or refuses to renew its agreement with it on commercially reasonable terms, the Company would need to find an alternate payment processor and may not be able to secure similar terms or pricing, or replace such payment processor in an acceptable time frame. While there are other substitutes available in the market, as a change would require the Company to replace the payment machines in all of its taxis, if the Company were required to switch providers without sufficient warning and planned transitioning, it could result in the unavailability of certain of its taxis as it made updates. Further, the software and services provided by the Company's third-party payment processor may fail to meet its expectations, contain errors or vulnerabilities, be compromised or experience outages. Any of these risks could cause the Company to lose its ability to accept online payments or other payment transactions for a period of time, any of which could make its services less convenient and attractive to customers and adversely affect its ability to attract and retain customers.

The Company is required by its payment processor to pay interchange and processing fees. These fees are subject to increases, which could adversely affect the Company's business, financial condition, results of operations and prospects. Additionally, the Company's payment processor requires it to comply with operating rules, which include, among other obligations, requirements to comply with security standards. The payment processor could adopt new operating rules or interpret or re-interpret existing rules in ways that might be costly to implement or difficult to follow, and if the Company fails or is alleged to fail to comply with applicable rules or requirements of a payment card network, it may be subject to fines or higher transaction fees and may lose its ability to accept online payments or card transactions. Any of the foregoing risks could adversely affect the Company's business, financial condition, results of operations and prospects.

If the Company fails to comply with applicable rules and regulations, it may be subject to civil or criminal penalties, fines or higher transaction fees and may lose its ability to accept online payments or card transactions, which could make its offerings less convenient and attractive to customers. If any of these events were to occur, it could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company may have difficulties implementing its growth strategy, which could have a material adverse effect on its business, financial condition and existing operations.

The Company has developed its growth strategy based on trends and assumptions which may prove inaccurate. The Company's targets include certain assumptions regarding the addition of assets inventory in taxis, limousines, buses and delivery bikes, the availability of sufficient amounts of drivers, the Company's ability to secure a certain number of taxi licence plates at auction and the successful implementation of automation and smart service upgrades. Its targets also assume certain increases in the average trip length and revenue per kilometre (with continued adjustments for inflation and fuel price increases), continued growth in high-end tourism and executive-level business travel in Dubai, and a degree of improved fuel economy of its vehicles and utilisation rates. Its targets also generally assume it will be able to retain its existing exclusivity contracts and current maintenance costs. There can be no guarantee that these assumptions will occur as anticipated or that the Company will be able to achieve its targets within the timescale envisaged, or at all. In addition, in line with its growth strategy, the Company is working on expanding its bus and delivery bike platforms by obtaining and negotiating new contracts for these services and expects to increase its percentage of trips acquired through e-hailing. Implementing the Company's strategy to achieve its targets will also require the Company's senior managers to make appropriate operational and relevant decisions, including hiring additional drivers. If any of the aforementioned factors fail to be achieved, it could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company may fail to detect, deter or prevent driver misconduct or errors, or may be unable to prevent workplace accidents and other incidents, and may suffer financial loss either directly or as a consequence of damage to its reputation.

Although drivers are responsible for their own speeding fines and the Company insures its drivers and carries comprehensive insurance for accidents, its vehicles have in the past and may in the future be involved in significant traffic accidents or other health and safety-related incidents which cause significant property damage or loss of life and could result in negative publicity, resulting in the loss of public's confidence in the safety of its services. In the event any of these incidents were to garner significant publicity, they may reduce demand for its services and impede its ability to win and retain exclusivity and other contracts for pick-up and other services. Furthermore, although the Company is able to collect money for these fines monthly, to the extent its drivers leave the Company's service before paying back speeding and other fines they have incurred, the Company may be unable to collect these amounts, which could be significant. Even for those fines that can be collected, it has in the past and will likely in the future continue to take significant amounts of time for the Company to be fully reimbursed for these fines, as there is a cap on the amount that the Company can collect from drivers' salaries on a per month basis, which increases the risk that funds will not be collected in the event the driver leaves or their employment is terminated. While the Company collects cash from drivers every month to limit this exposure, there is no guarantee that the funds the Company holds will be sufficient to cover these costs. Such incidents could also expose the Company to other financial risks, including higher annual insurance premiums, lawsuits and criminal proceedings and additional fees due to the RTA pursuant to the terms of its Franchise Agreements with the RTA.

The Company's drivers or the Company's employees could be injured in accidents or hijacks, potentially resulting in claims from them or their families, as well as reputational damage and difficulty recruiting and retaining drivers. In addition, negligent or criminal actions by drivers or employees, can give rise to significant reputational or other damage. As the Company seeks to increase the size of its taxi and delivery bike fleet, it may need to hire drivers with less experience or in need of more training, or may assign its drivers longer shifts, which could increase the likelihood of accidents or other health and safety incidents. Furthermore, there is no guarantee of the effectiveness of the Company's training programmes for any of its drivers and any flaws in the Company's training programmes could also result in increased accidents or other health and safety incidents. Furthermore, operating a motor vehicle is inherently dangerous. For example, urban hazards such as uneven roadways increase the risk and severity of potential injuries. In addition, drivers, in particular those on two-wheel vehicles, need to share, navigate, and at times contend with narrow and heavily congested roads occupied by cars, buses and tram, especially during "rush" hours, all of which heighten the potential risk of injuries or death. These incidents may subject the Company to liability and negative publicity. In addition, serious traffic incidents involving other mobility solution companies may have a negative impact on the reputation of the industry as a whole and affect the public's use of the Company's mobility solutions, which would in turn decrease customer demand for its services. In addition, the growth of the Company's delivery offering has led to an increase in drivers on two-wheel vehicles such as delivery bikes, who are more vulnerable road users and face a more severe level of injury in the event of a collision than that faced while driving in a vehicle. Any serious operational incident may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

In addition, if drivers engage in criminal activity, misconduct, or inappropriate conduct, customers may not consider the Company's services safe, and the Company may receive negative press coverage as a result, which would adversely impact its brand, reputation, and business. See, "*Damage to the Company's brand, image or reputation could materially adversely impact its business, financial condition and results of operations*".

The Company is subject to climate change risks, including physical and transitional risks, and if it is unable to manage such risks, its business may be adversely impacted.

The Company faces climate change-related physical and transition risks, which include the risk of market shifts toward electric vehicles and lower carbon business models and risks related to extreme weather events or natural disasters. Climate-related events, including the increasing frequency, severity and duration of extreme weather events and their impact on critical infrastructure in the UAE and elsewhere, have the potential to disrupt the Company's business, its third-party suppliers and the business of customers using the Company's services, and may cause it to experience higher losses and additional costs to maintain or resume operations. Additionally, the Company may become subject to new climate policies, laws or regulations that could require it to make changes to its fleet or operations. Any of the aforementioned could have a material adverse effect on its business, financial condition, results of operations and prospects.

Difficulties in complying with the financial covenant included in the Company's CTA could have an adverse effect on the Company's financial position.

The Company's CTA for its Facilities includes representations, general undertakings and a financial covenant testing its leverage ratio. If the Company is unable to comply with the financial covenant, general undertakings and other conditions included in its CTA or if it is unable to make the required payments on time, the counterparty to the CTA may require early payment of amounts owed under the financing. Furthermore, compliance with the above mentioned requirements can result in decisions that limit the operations of the business and thus negatively impact the Company's performance. The Company could also be required to renegotiate its financial arrangements, request waivers or refinance its financial indebtedness in order to prevent a default. There can be no assurance that the Company would be able to take any such action on terms that are acceptable to it, or at all. If the Company is not able to comply with the financial covenant included in its CTA, this, or any of the foregoing, could have a material adverse effect on the Company's business, financial condition, results of operations and prospects, as well as make it difficult for the Company to obtain additional financing on reasonable terms, or at all. For more information, see "*Related Party Transactions and Material Contracts—Contracts with Related Parties—Commercial Terms Agreement for term and revolving murabaha facilities*".

Risks Relating to the UAE, the MENA Region

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

Deterioration of economic conditions in Dubai, the UAE and globally for any reason, such as due to a new pandemic or a resurgence of the COVID-19 pandemic or other factors outside of the Company's control, could adversely affect the Company's business by decreasing the amount of travel within and to Dubai and contributing to a reduction in customer volumes, and therefore, revenues and profits. Normally, robust economic growth results in additional customers using the Company's services, while slow economic growth or economic contraction adversely affects customer demand. Even in the absence of a market downturn, the Company is exposed to risks relating to volatility in consumer spending, business investment, government spending and price inflation, all of which affect the business and economic environment in the UAE and, consequently, the size and profitability of the Company's business. Unfavourable economic conditions could lead to lower revenues as a result of reduced travel and reduced demand for its services. In certain conditions, the RTA could also decide to lower taxi tariff rates to assist customers, which would also result in lower revenues for the Company.

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

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

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

The UAE and the economies in the MENA region are significantly affected by volatility in international oil prices and these economies have in the past been, and are likely in the future to continue to be, materially adversely affected by lengthy periods of low oil prices.

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

- economic and political developments both in oil-producing regions, particularly in the MENA region, and globally;
- global and regional supply and demand, and expectations regarding future supply and demand, for oil

and gas products;

- the ability of the members of OPEC and OPEC+ to agree upon and maintain specified global production levels and prices;
- the impact of international environmental regulations designed to reduce carbon emissions, and global weather and environmental conditions; and
- prices, availability and trends relating to the use of alternative fuels and technologies.

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

The ongoing Russia-Ukraine war and the consequential sanctions imposed on Russia by numerous countries may increase volatility of crude oil prices, both in the UAE and globally. Any of the factors described above, including OPEC or OPEC+ agreements and the Russia-Ukraine war, could have a material adverse effect on the economic, political and fiscal position of Dubai (and the UAE generally), and may consequently have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Deteriorating global macroeconomic conditions, and continued instability and unrest in the MENA region may materially adversely affect the UAE economy.

The UAE's economy may be adversely affected by tightening global economic conditions and external shocks, including financial market volatility, trade disruptions, the widespread implementation of protectionist trade policies or threats thereof and continued instability and unrest in the MENA region.

A global shift in policies, including towards protectionism, with lower global growth due to reduced trade, migration and cross-border investment flows, could slow non-oil growth in the UAE. Economic competition within the region might affect the UAE's development plans to diversify and develop a non-oil based economy and undermine the UAE's position as the regional hub, despite recent measures by the UAE to increase its attractiveness to foreign investment and talent. Increased financial market volatility could also affect investor sentiment and slow tourism, trade and investment in the UAE, which could, in turn, have an adverse effect on the UAE's non-oil sectors and the economy as a whole.

Furthermore, although the UAE enjoys domestic political stability and generally healthy international relations, since early 2011 there has been political unrest in a number of countries in the MENA region, including Bahrain, Egypt, Iran, Iraq, Libya, Syria, Tunisia and Yemen. The unrest has ranged from public demonstrations to, in extreme cases, armed conflict and civil war, and has given rise to a number of regime changes and increased political uncertainty across the region. The MENA region currently is subject to a number of active and potential armed conflicts, including the Israel-Gaza conflict arising in October 2023. Unrest in the region has implications for the wider global economy and may negatively affect market sentiment towards other countries in the region, including the UAE. Although the UAE continues to exercise de-escalation diplomacy and self-restraint, any continuation of, or increase in, international or regional tensions or any military action may have a destabilising impact on the MENA region. There can be no assurance that tensions will not continue to escalate in the region, or that further unrest will not happen.

Any incidents, including terrorism or cyber-terrorism, in or affecting the UAE and increased regional geopolitical instability (whether or not directly involving the UAE), or any heightened levels of military conflict in the region or globally, including the conflict in Ukraine, may have a material adverse effect on the UAE's attractiveness for foreign investment and capital, its ability to engage in international trade, its tourism industry and, consequently, its economic, external and fiscal positions.

It is not possible to predict the occurrence of events or circumstances such as war or hostilities, or the impact such occurrences may have on the jurisdictions in which the Company operates. The occurrence of any of the above factors could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Unrest in the wider MENA region could impact the UAE, and the Company, through reduced levels of foreign direct investment into the region, capital outflows or increased volatility in the global and regional financial markets. Regional volatility could also lead to higher refugee population inflows to the UAE, which the country might not be able to easily absorb, leading to increased social unrest. Such unrest may also have negative implications on securities issued by companies operating in the region, including those in the UAE. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company's results of operations could be materially adversely affected by the introduction of new laws and regulations, including any increase to the newly implemented general corporation tax in the UAE.

The governments of Dubai and the UAE may decide to change existing laws and regulations or introduce new laws and regulations, including the introduction of a higher corporate income tax rate, which could adversely affect the way in which the Company is able to conduct its businesses and its results of operations and financial condition. However, as the economy of the UAE continues to mature, and in part due to the desire of certain countries in the MENA region, including in particular the UAE, to accede to the World Trade Organisation, the governments of these countries have begun to implement new laws and regulations which could impact the way the Company conducts its business. Existing laws, such as UAE competition law, could also be altered and adversely impact the Company. Any new laws, regulations or requirements could result in the Company incurring additional expenses or otherwise adversely affect its business, financial condition and results of operations.

Furthermore, existing laws and regulations may be applied inconsistently, or in a manner that could affect the Company's ability to enforce its rights under its contracts or to defend its business against claims by others.

Changes in investment policies or in the prevailing political climate in the UAE could result in the introduction of changes to government regulations with respect to:

- price controls;
- export and import controls;
- corporate income and other taxes;
- foreign ownership restrictions;
- foreign exchange and currency controls; and
- labour and welfare benefit policies.

Although the UAE historically did not have any corporate income tax, the Company is now subject to the UAE's new corporate income tax regime, which came into effect on 1 June 2023 and will apply to the Company from 1 January 2024. Under this new regime, as a public company it will be subject to a 9% federal corporate tax in the UAE on adjusted accounting net profits above a threshold of AED 375,000. The Company is also subject to VAT on input cost items such as fuel and maintenance and customers are subject to VAT on delivery bike services. Were corporate income tax rates to increase significantly, were taxi customer tariffs or its other exempt mobility services to become subject to VAT or if VAT were to increase to a level sufficient to dampen customer demand, this could have a negative impact on the Company's overall costs and revenue. There can be no assurance that the introduction of the corporate income tax regime or any other changes to current laws or taxation would not increase the Company's costs or otherwise materially adversely affect its business, financial condition, results of operations and prospects.

Any adjustment to, or ending of, the UAE's currency peg could negatively affect the UAE's finances and economy.

The Company maintains its accounts and reports its results in UAE dirhams, the currency in which its revenues are earned and its costs are incurred. Consequently, although there can be no assurance that foreign currency fluctuations will not adversely affect its profits and financial performance in the future, its management believes that its operations are not generally directly subject to significant foreign exchange risk. However, the UAE dirham is currently pegged to the U.S. dollar at a fixed exchange rate of AED 3.6725 to U.S.$1.00. If the UAE Central Bank cannot maintain a stable exchange rate or the peg to the U.S. dollar, it could reduce confidence in the UAE's economy, reduce foreign direct investment and adversely affect the UAE's finances and economy, as well as those of the individual Emirates within the UAE. As a result, the performance of the Company's business is indirectly exposed to foreign currency fluctuations relative to the UAE dirham. In addition, there can be no assurance that the government of the UAE will not de-peg the UAE dirham from the U.S. dollar in the future.

Furthermore, because of the peg to the U.S. dollar, the UAE Central Bank does not have any flexibility to devalue the UAE dirham to stimulate the UAE's exports market, and the UAE Central Bank's ability to independently manage interest/profit rates is constrained, which may impair its ability to respond to financial crises or downturns. For example, if the US Federal Reserve increases interest/profit rates and the UAE Central Bank delays significantly in increasing its own rates, this could result in significant pressure on the peg. This lack of flexibility could have an adverse effect on the UAE's foreign trade and, in turn, on its economy and those of the individual Emirates within the UAE, including Dubai. Any of the foregoing may materially adversely affect the Company's business, financial condition, results of operations and prospects

Regulatory, Legal and Tax Risks

Various government policies on transport control and management, such as licence plate issuance and restrictions on vehicle purchases and ownership, may increase the Company's operating costs, limit its future expansion or otherwise adversely affect its business, results of operations and prospects.

The Company is subject to a wide variety of laws and regulations as a mobility solutions provider in the UAE. It is governed by extensive regulations that apply to nearly every aspect of its taxi service, including but not limited to, market entry, transfer of control, fleet size, franchises, tariff setting, airport flagfall (or fixed initial charge incurred at the start of a taxi journey, as part of the overall tariff), driver requirements, limitations on the number of permits, vehicle requirements, insurance coverage, geographic coverage, access for disabled riders, anti-discrimination provisions and traffic and pollution. The Company's limousine, bus and other services are also subject to similar regulations. In addition, if the Company fails to meet the KPIs and other expectations in its agreements with the RTA, including certain KPIs with regards to driver qualifications and vehicle quality standards, the RTA may not look on its bids as favourably in future auctions or, in extreme cases, could revoke its current licence plates. During COVID-19, the Company failed to meet certain KPIs, such as having a certain number of drivers per vehicle. Although, in that instance the RTA recognised the extraordinary circumstances and there were no negative consequences, there is no guarantee that should they fail to meet these KPIs in the future, it would meet the same outcome. The RTA could also make the regulatory decision to reduce the Company's market share and exclude it from certain licence plate bidding auctions if were to prioritise growing the market share of the Company's existing competitors or new entrants to the market.

Any inability of the Company to adapt or deliver services that are compliant with new regulations could hinder its competitive position or have a material adverse effect on its business, financial condition, results of operations or prospects. The costs of making those adaptations or otherwise complying with such regulations may result in substantial additional costs, thereby reducing profitability. There is also a possibility that further regulations or reforms may be introduced that may adversely affect the Company's business or may introduce requirements or rules that the Company is unable to meet. Any of the aforementioned could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Company's business depends on insurance coverage for its fleet and on other types of insurance for additional risks related to its business. If insurance carriers change the terms of such insurance in a manner not favourable to the Company, if it is required to purchase additional insurance for other aspects of its business, or if it fails to comply with regulations governing insurance coverage, its business could be harmed.

The Company relies on a limited number of insurance providers, and should such providers discontinue or increase the cost of coverage, the Company cannot guarantee that it would be able to secure replacement coverage on reasonable terms or at all. In the past the Company has received discounted insurance rates, but if these discounts are not available in the future or if the Company's insurance carriers change the terms of its policies in other manners unfavourable to it or its customers, its insurance costs could increase. Further, if the insurance coverage the Company maintains is not adequate to cover losses that occur, it could be liable for significant additional costs.

The Company's cars may be damaged or stolen while they are being used by its drivers, and an increase of damage or theft losses covered by insurance could result in increasing insurance premiums. The Company may be subject to claims of significant liability based on traffic accidents, personal injuries, deaths, property damages or other incidents that are claimed to have been caused by its drivers. As the Company grows its fleet of vehicles and expands to include more offerings on its platform, its insurance needs will likely extend to those additional offerings. As a result, its comprehensive liability and general liability insurance policies may not cover all potential claims related to traffic accidents, personal injuries, deaths, property damages or other incidents that are claimed to have been caused by its drivers, and may not be adequate to indemnify it for all liability that it could face. Even if these claims do not result in liability, the Company could incur significant costs in investigating and defending against them. If insurers become insolvent, they may not be able to pay otherwise valid claims in a timely manner or at all. If the Company is subject to claims of liability relating to the acts of its drivers, it may be subject to negative publicity and incur additional expenses, which could harm its business, financial condition and results of operations.

In addition, the Company is subject to local laws, rules and regulations relating to insurance coverage which could result in proceedings or actions against it by the Insurance Regulatory Authority under the Central Bank of the UAE or other governmental entities or others. Any failure, or perceived failure, by it to comply with local laws, rules and regulations or contractual obligations relating to insurance coverage could result in proceedings or actions against it by governmental entities or others. These lawsuits, proceedings, or actions may subject the Company to significant penalties and negative publicity, require it to increase its insurance coverage, require it to amend its insurance policy disclosure, increase its costs and disrupt its business.

The Company may be exposed to uninsured liability at levels in excess of its historical levels resulting from multiple payouts or otherwise, to liabilities in respect of existing or future claims which exceed the level of its insurance or reserves, and may fail to have sufficient capital available to pay any uninsured claims. Moreover, sufficient and market standard insurance coverage with reliable unaffiliated carriers may cease to be available to the Company on economically reasonable terms, or at all. Therefore, should an uninsured loss or a loss in excess of the Company's insured limits occur, it would lose the capital invested in, and the anticipated revenue from, the affected assets, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Company's business is subject to various legal and regulatory compliance risks, including those involving anti-trust, anti-money laundering, anti-bribery or anti-corruption laws and regulations and sanctions.

The Company is subject to various legal and regulatory requirements or risks involving compliance with sanctions, anti-money laundering, anti-bribery and anti-corruption laws and regulations. There can be no assurance that the procedures, policies and controls that the Company has in place to detect and prevent instances of non-compliance with such requirements will be fully effective at all times and any failure to comply with sanctions, anti-money laundering, anti-bribery and anti-corruption laws and regulations may expose the Company to significant fines, penalties and reputational damage.

According to Transparency International's corruption perceptions index, the UAE ranked 27 out of 180 countries. While the Company has anti-corruption policies in place, there can be no assurance that such policies will be effective or prevent it from being exposed to violations of anti-corruption or bribery laws. Furthermore, the Financial Action Task Force (**"FATF"**) includes the UAE on a list of jurisdictions subject to increased monitoring, known as its 'grey' list. In addition, to further FATF scrutiny on the UAE, companies which are located in countries on the 'grey' list may face increased risk of reputational damage, ratings adjustments, difficulty obtaining global financing in global markets, higher transaction costs and additional compliance issues.

Any failure to comply with the above laws or regulations could result in significant sanctions, including fines or more onerous compliance requirements, or otherwise have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company faces risks related to liabilities resulting from the use of its vehicles by its drivers.

The Company is exposed to claims for personal injury or death and property damage as a result of automobile accidents involving vehicles driven by its drivers. In addition to other means such as regular preventative maintenance, the Company depends on its drivers for daily pre-use inspections in order to help identify any apparent or potential damage or safety concerns with the vehicles. While the Company has comprehensive insurance coverage (including third-party liability) which also covers their drivers, if a driver fails to notice an issue during their daily check and uses a car that has worn tires or has some mechanical or other problem, including a manufacturing defect, which contributes to a motor vehicle accident that results in a death or property damage, the Company may find itself a defendant of the claims for the alleged liabilities of the accident and the damage resulting from it. Since judicial proceedings determining the cause of a motor vehicle accident can be lengthy and costly, and the results of such proceedings may be uncertain, the Company may not be successful in defending itself each time such an incident occurs. In addition, if there are a significant amount of these incidents, the Company's insurance premiums could increase significantly or the Company's reputation could suffer. Furthermore, the entry into force of new laws, the imposition of new or more stringent requirements or a stricter application of existing regulations may introduce new liabilities, increase the Company's costs or impose new responsibilities, leading to lower earnings and liquidity available for its activities. Any of the aforementioned could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company may be subject to various claims and lawsuits that could result in significant expenditures which may materially adversely affect its business.

At any given time, the Company may be a party to litigation or be subject to regulatory disputes or government inquiries or claims arising out of the normal operations of its business. As a growing company with expanding operations, including entry into new markets, it may face increasing risks of claims, lawsuits and investigations, including proceedings by governments and other regulatory authorities, involving a wide range of issues, including labour and employment, personal injury, property damage, business practices, environmental liability and other matters. In addition, the Company may be subject to tax audits, disputes, claims and complaints, including adversarial actions, by customers, employees, third parties and others in the ordinary course of business.

The Company cannot predict the outcome of such inquiries and disputes, and such inquiries or disputes could have an adverse impact on it because of legal costs, diversion of management resources, reputational impact and other factors. Determining provisions for any litigation is a complex, fact-intensive process that is subject to management assumptions and judgment. Legal proceedings or inquiries could also result in fines or penalties. Litigation and other claims and regulatory proceedings against it could result in unexpected expenses and liabilities, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Company holds certain personally identifiable information relating to its customers, employees, drivers and other third parties and it and the third parties it works with may fail to appropriately handle this data, which could increase its costs or adversely affect its business and reputation.

For its limousine services, the Company electronically receives, processes, stores, and transmits certain of its customers' and other third parties' sensitive personal information, including names, addresses, and banking information. The Company also holds similar sensitive personal information on its employees and drivers. There are inherent risks associated with handling sensitive data, including potential data breaches, unauthorised access, loss, or disclosure of sensitive information. Despite the Company's compliance measures and security protocols, it remains exposed to the evolving nature of cyber threats.

Additionally, ensuring compliance depends on the actions of its employees, drivers, partners, data providers, and related parties. While the Company has contracts, policies, and procedures in place, absolute adherence to these legal and ethical standards cannot be guaranteed. Furthermore, as the Company contemplates expanding its services to include taxi services through its mobile app, it may entail the collection of a significantly larger volume of sensitive personal information. Managing this increased data responsibly and securely remains a top priority, as the heightened data exposure could attract the attention of cyber criminals or overwhelm the Company's system, which could result in data breaches that lead to legal and reputational consequences.

Any perceived or actual failure by the Company, or its third-party service providers, to protect confidential data or any material non-compliance with privacy or data protection laws, including those mandated by the Dubai Digital Authority, or other consumer protection regulations, may severely impact its reputation, revenue, customer retention, and expose it to potential legal and regulatory actions, including significant fines. Such events could have a material adverse effect on the Company's business, financial condition, results of operations, and prospects.

The Company may be unable to adequately protect or enforce its intellectual property rights, or third parties may allege that it is infringing on their IP rights, which could adversely affect business.

To protect its trademark and other individually and jointly owned intellectual property rights, the Company relies on intellectual property law, which only offers limited protection. Despite the Company's precautions to protect its trademark and other intellectual property in proprietary systems, operations and applications which the Company has developed and utilised in the operations of its business, it may be possible for third parties to infringe on the Company's intellectual property rights. The Company's ability to police misappropriation or infringement is uncertain. Protecting against the unauthorised use of the Company's intellectual property and confidential information is expensive, difficult and not always possible. Litigation may be necessary in the future to enforce or defend the Company's intellectual property rights. This litigation could be costly and divert management resources, either of which could have a material and adverse impact on the Company's business, financial condition, results of operations or prospects. Accordingly, despite the Company's efforts, it may not be able to prevent third parties from infringing upon or misappropriating its intellectual property.

In addition, third parties could claim that the Company's technologies and processes underlying its products and services infringe their intellectual property. Moreover, to the extent that the Company gains greater visibility and market exposure as a public company, it may face a higher risk of being the target of intellectual property infringement claims asserted by third parties. The Company may in the future receive notices alleging that it has misappropriated or infringed a third-party's intellectual property rights. Third parties may hold intellectual property rights, including patents and pending patent applications, that cover significant aspects of the Company's technologies, processes or business methods. Any claims of infringement or misappropriation by a third-party, even those without merit, could cause the Company to incur substantial defence costs and could distract the Company's management from its business, and there can be no assurance that it will be able to prevail against such claims. Some of the Company's competitors may have the capability to dedicate substantially greater resources to enforcing their intellectual property rights and to defending claims that may be brought against them. Furthermore, a party making such a claim, if successful, could secure a judgment that requires the Company to pay substantial damages. A judgment could also include an injunction or other court order that could prevent the Company from offering its products and services. In addition, the Company might be required to seek a licence for the use of a third-party's intellectual property, which may not be available on commercially reasonable terms, or at all. Alternatively, the Company might be required to develop non-infringing technology, which could require significant effort and expense and might ultimately not be successful. Third parties may also assert infringement claims against the Company's customers relating to their use of the Company's technologies or processes. If such a claim were to occur, it could require the Company to defend potentially protracted and costly litigation on their behalf, regardless of the merits of these claims. If any of the foregoing were to occur, it could have a material and adverse impact on the Company's business, financial condition, results of operations or prospects.

Risks Relating to the Global Offering and to the Offer Shares

The Global Offering may not result in an active or liquid market for the Offer Shares, and trading prices of the Offer Shares may be volatile and may decline.

Prior to the Global Offering, there has been no public trading market for the Offer Shares. The Company cannot guarantee that an active trading market will develop or be sustained following the completion of the Global Offering, or that the market price of the Offer Shares will not decline thereafter below the price at which each Offer Share is to be sold pursuant to the Global Offering (the "**Offer Price**"). The failure of an active trading market to develop may affect the liquidity of the Offer Shares. The Offer Shares may therefore be difficult to sell compared to the shares of companies with more liquid trading markets, and the price of the Offer Shares may be subject to greater fluctuation than might otherwise be the case. The trading price of the Offer Shares may be subject to wide fluctuations in response to many factors, including stock market fluctuations and general economic conditions or changes in political sentiment, regardless of the Company's actual performance or conditions in Dubai.

Substantial sales of Shares by the Selling Shareholder following the expiry of the underwriting or statutory lock-up period could depress the price of the Offer Shares.

Sales of a substantial number of Shares by the Selling Shareholder following the completion of the Global Offering may significantly reduce the Company's share price. Pursuant to the Underwriting Agreement, the Shares held by the Selling Shareholder following Admission shall be subject to a lock-up that starts on the date of Admission and ends 180 days thereafter, subject to certain permitted transfers as set out in the Underwriting Agreement, described in further detail in *"Sale and Subscription - Underwriting Agreement"* below, or through certain waivers by the Joint Global Coordinators. Furthermore, the Company is unable to predict whether, following the expiry of the statutory lock-up period, substantial amounts of Shares (in addition to those which will be available in the Global Offering) will be sold in the open market following the completion of the Global Offering. Any sales of substantial amounts of Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Offer Shares.

After the Global Offering, the Selling Shareholder will continue to maintain a controlling interest in the Company and to be able to exercise significant influence over the Company as a result of its shareholding which may result in potential conflicts of interests with other shareholders to arise.

Immediately following the Global Offering, and assuming that the Selling Shareholder sells all of the Shares being offered and that the size of the Global Offering is not increased, the Selling Shareholder will hold 75.01% of the Company's share capital. The Articles of Association and the Amending Decree provide that the Government of Dubai's equity in the Company may not fall below 60% of its subscribed share capital. As a result, the Selling Shareholder will be able to exercise significant control over the Company's management and operations and over its shareholders' meetings, such as in relation to the payment of dividends and the appointment of the some of the Directors to the Board and other matters. There can be no assurance that the interests of the Selling Shareholder will coincide with the interests of purchasers of the Offer Shares. See "*Subscription and Sale*" and "*Principal Shareholders and Selling Shareholder*" below.

Furthermore, the Selling Shareholder's significant Share ownership and the restrictions on the Government of Dubai's ownership levels set out in the Company's Articles of Association and in the Amending Decree may: (i) delay or deter a change of control of the Company (including deterring a third-party from making a takeover offer for the Company); (ii) deprive shareholders of an opportunity to receive a premium for their Offer Shares as part of a sale of the Company; and (iii) affect the liquidity of the Offer Shares, each of which could have a material adverse effect on the market price of the Offer Shares.

Trading activity in the DFM is significantly smaller than other established securities markets and there can be no assurance that a liquid market in the Offer Shares will develop.

The Company has applied for the Offer Shares to be admitted to the Official List of Securities of the DFM. The DFM has been open for trading since September 2005, but its future success and liquidity in the market for the Offer Shares cannot be guaranteed. The activities at DFM are limited compared to other established securities markets, such as those in the United States and the United Kingdom. As of 30 June 2023, there were 66 companies with securities traded on the DFM with a total market capitalisation of approximately AED 652 billion. Brokerage commissions and other transaction costs on the DFM are generally higher than those in Western European countries.

These factors could generally decrease the liquidity and increase the volatility of the share prices which, in turn, could increase the price volatility of the Offer Shares and impair the ability of a holder of Offer Shares to sell any Offer Shares on the DFM in the desired amount and at the price and time achievable in more liquid markets.

The Company may not pay dividends on the Shares.

While the Company intends to pay dividends in respect of the Shares, there can be no assurance or guarantee that it will do so. Any decision to declare and pay dividends in the future will be made at the discretion of the Company's Board and will depend on, among other things, the availability of distributable reserves (which could be negatively impacted by the UAE corporate tax applicable to the Company from 1 January 2024), its capital expenditure plans and other cash requirements in future periods and other factors that the Company's Board may deem relevant. As a result, investors may fail receive any return on an investment in the Offer Shares.

Holders of the Offer Shares in certain jurisdictions outside the UAE may not be able to exercise their pre-emptive rights if the Company increases its share capital.

Under the Company's Articles of Association to be adopted with effect from, and conditional upon, Admission, and under the CCL, holders of the Offer Shares generally have pre-emptive rights to subscribe and pay for a sufficient number of the Company's Shares in order to maintain their relative ownership percentages prior to the issuance of any new Shares in exchange for cash consideration. However, securities laws of certain jurisdictions may restrict the Company's ability to allow participation by shareholders in future offerings. The Company currently does not intend to register the Offer Shares under the laws of any other jurisdiction, and no assurance can be given to holders of the Offer Shares outside the UAE that there will be exemptions available to enable them to exercise their pre-emptive rights or, if available, that the Company will utilise such exemption. To the extent that non-UAE holders of the Offer Shares are not able to exercise their pre-emptive rights, the pre-emptive rights would lapse and the proportional interests of such holders would be reduced.

USE OF PROCEEDS

The Company will not receive any proceeds from the Global Offering and no transaction costs of the Global Offering will be borne by the Company. The net proceeds generated by the Global Offering (after deduction of all expenses related to the Global Offering including but not limited to any selling commissions and any discretionary fees paid) will be received by the Selling Shareholder.

The Global Offering is being conducted, among other reasons, to allow the Selling Shareholder to sell part of its shareholding, while providing increased trading liquidity in the Shares and raising the Company's profile with the international investment community. Assuming that the Selling Shareholder sells all of the Shares being offered and that the size of the Global Offering is not increased, the Selling Shareholder will continue to be a significant shareholder following the Global Offering with a controlling stake of at least 75.01% of the share capital of the Company.

DIVIDEND POLICY

The Company’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 the Company 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 the Company, at the discretion of the Board of Directors and General Assembly. Subject to the foregoing, the Company intends to pay dividends twice each fiscal year after the Global Offering in April and October of each year. A first dividend of at least AED 71 million for the fourth quarter of 2023 is expected to be distributed in April 2024.

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

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

CAPITALISATION

The following table sets forth the Company's cash and cash equivalents, other current assets, non-current assets, current liabilities and non-current liabilities and total capitalisation as of 30 September 2023, on an actual basis and as adjusted to give effect to the board resolution passed by the board of directors of the RTA on 3 November 2023 towards (i) the reduction in the Company's share capital from AED 200 million to AED 100 million following 30 September 2023 and the Company's payment to the RTA of AED 100 million in connection with the reduction in its share capital (the "**Share Capital Reduction and RTA Payment**") and (ii) the Company's payment of an AED 150 million pre-IPO dividend to the RTA prior to the Global Offering (the "**pre-IPO dividend**"). As a result, the "As Adjusted" column in the table below reflects the Company's cash and cash equivalents, other current assets, non-current assets, current liabilities and non-current liabilities and total capitalisation as at 30 September 2023 as though the Share Capital Reduction and RTA Payment and pre-IPO dividend had occurred on or before 30 September 2023.

You should read this table together with *"Presentation of Financial and Other Information",* "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Description of Share Capital*" and the Financial Statements contained elsewhere herein.

	Actual	Adjustment	Adjustment	As Adjusted
	As at 30 September 2023[(1)]	**Share Capital Reduction and RTA Payment Adjustments**[(2)]	**Pre-IPO Dividend**[(3)]	**As at 30 September 2023**
		(AED) (unaudited)		
Non-current assets	**1,278,988,841**	-	-	**1,278,988,841**
Cash and cash equivalents	537,236,576	(100,000,000)	(150,000,000)	287,236,576
Inventories	2,555,653	-	-	2,555,653
Trade and other receivables	184,286,622	-	-	184,286,622
Investment in financial assets	107,445,933	-	-	107,445,933
Current assets	**831,524,784**	(100,000,000)	(150,000,000)	**581,524,784**
Total assets	**2,110,513,625**	(100,000,000)	(150,000,000)	**1,860,513,625**
Pension and post-employment benefits	31,822,344	-	-	31,822,344
Loans and borrowings	996,902,500	-	-	996,902,500
Non-current liability	**1,028,724,844**	-	-	**1,028,724,844**
Trade and other payables	569,339,871	-	-	569,339,871
Due to related parties	31,643,050	-	-	31,643,050
Current liabilities	**600,982,921**	-	-	**600,982,921**
Total Liabilities	**1,629,707,765**	-	-	**1,629,707,765**
Equity:				
Capital	200,000,000	(100,000,000)	-	100,000,000
Statutory reserve	100,000,000	-	(50,000,000)	50,000,000
General reserve	100,000,000	-	(100,000,000)	-
Retained earnings	80,805,860	-	-	80,805,860
Total equity	**480,805,860**	(100,000,000)	(150,000,000)	**230,805,860**
Total capitalisation[(4)]	**1,477,708,360**	(100,000,000)	(150,000,000)	**1,227,708,36**

(1) Reflects the historical financial information of the Company for the period ended 30 September 2023, which has been derived from the 9m 2023 Interim Financial Statements.

(2) Reflects the reduction in capital of AED 100 million, in accordance with the board resolution passed by the board of directors of the RTA on 3 November 2023 to give effect to the share capital reduction of the Company. As a result of the reduction in capital, an amount of AED 100 million has been paid by the Company to the RTA on 4 November 2023.

(3) In accordance with the Board Resolution passed by the board of directors of the RTA on 3 November 2023, the Company has reduced the general reserve from AED 100 million to AED nil and its statutory reserve by AED 50 million as the Company is required to maintain a statutory reserve equivalent to 50% of the capital. These reductions were transferred to retained earnings and were announced as a pre-IPO dividend from retained earnings to the RTA, and accordingly, the Company paid a pre-IPO dividend amounting to AED 150 million to the RTA on 3 November 2023.

(4) Reflects loans and borrowings plus total equity.

See also "*Description of Share Capital*" for a discussion in changes to the Company's share capital and total equity following 30 September 2023 as a result of the implementation of the board resolution passed by the board of directors of the RTA on 3 November 2023 and the Amending Decree.

SELECTED FINANCIAL INFORMATION AND OPERATIONAL DATA

The selected financial information set forth below shows the Company's financial information and other unaudited operating information as at and for the years ended 31 December 2019, 2020, 2021 and 2022 and as of and for the six months ended 30 June 2022 and 2023.

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

The financial information set forth below under the captions "Statement of Profit or Loss and Other Comprehensive Income", "Statement of Financial Position" and "Statement of Cash Flows" has been derived from, and should be read in conjunction with, the Financial Statements included elsewhere in this Offering Memorandum.

Included in this Offering Memorandum are certain measures that are not measures defined by IFRS. The definition of each of these non-IFRS measures is set forth in "Presentation of Financial and Other Information—Non-IFRS Information" above. Where applicable, for a reconciliation of certain of these measures to the most nearly comparable IFRS measure, see "—Reconciliations of Non-IFRS Financial Measures" below.

The selected financial information and operational data presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Statement of Profit or Loss and Other Comprehensive Income

	For the year ended 31 December				For the six months ended 30 June	
	2019[(1)]	2020[(1)(2)]	2021[(1)]	2022[(1)]	2022	2023
	AED				*AED (Unaudited)*	
Revenue	1,655,867,838	887,410,704	1,341,342,010	1,762,822,650	864,107,346	956,678,554
Plate and licence fees	(307,335,864)	(221,174,523)	(242,536,046)	(318,504,169)	(155,510,400)	(155,660,400)
Other direct costs	(1,096,411,530)	(739,616,508)	(887,312,107)	(1,176,845,494)	(578,567,249)	(584,772,845)
Other income	48,850,193	34,054,943	29,263,819	43,079,061	18,990,804	23,228,388
General and administrative expenses	(100,354,437)	(76,674,686)	(67,817,953)	(68,764,056)	(33,233,881)	(36,053,080)
Impairment loss on financial assets	(13,887,421)	(36,151,871)	(20,573,199)	(11,773,143)	(3,837,473)	(15,654,524)
Operating profit/(loss) before bonus	**186,728,779**	**(152,151,941)**	**152,366,524**	**230,014,849**	**111,949,147**	**187,766,093**
Finance income	6,803,927	7,265,474	5,396,918	6,228,057	2,891,003	8,448,964
Finance cost	(690,078)	(533,612)	(388,641)	(58,177)	(113,416)	(75,771)
Finance income - net	6,113,849	6,731,862	5,008,277	6,169,880	2,777,587	8,373,193
Profit/(loss) for the period before bonus	**192,842,628**	**(145,420,079)**	**157,374,801**	**236,184,729**	**114,726,734**	**196,139,286**
Staff bonus	-	-	(7,868,740)	(11,809,236)	(5,736,337)	(9,806,964)
Profit/(loss) for the period	**192,842,628**	**(145,420,079)**	**149,506,061**	**224,375,493**	**108,990,397**	**186,332,322**

(1) In the H1 2023 Interim Financial Statements, the Company changed the presentation of its income statement to report the plate and licence fee line item as an operating cost (which is reflected in gross profit) rather than an expense item (which is reflected in operating profit). This presentation is more consistent with how the Company's management analyses the performance of the Company. As a result of reclassifying this line item as an operating cost from an expense, the gross profit line item which is included in the Audited Financial Statements and Interim Financial Statements is not included in the presentation here, as it is not comparable across the different periods. In addition, the Company's results for the years ended 31 December 2019, 2020, 2021, 2022 and H1 2022 have been presented here on the same basis as the presentation adopted in the H1 2023 Interim Financial Statements for comparability. Except for the change to plate and licence fee, these changes are presentational and have no material impact.

(2) The figures for revenue, other direct costs, general and administrative expenses, operating profit/(loss) and finance income - net in the 2020 Audited Financial Statements were reclassified in the 2021 Audited Financial Statements and have been represented here as presented in the 2021 Audited Financial Statements.

Statement of Financial Position

	As of 31 December				As of 30 June
	2019(1)	2020(1)	2021(1)	2022(1)	2023
	AED				AED (Unaudited)
Assets					
Non-current assets					
Property and equipment	480,541,695	438,005,658	412,062,088	569,784,574	644,546,433
Intangible assets	556,708,240	556,708,240	556,708,240	556,708,240	556,708,240
Investment in financial assets(2)	73,349,288	73,147,259	45,576,693	263,397,027	164,904,068
Right-of-use-asset	13,373,749	9,631,553	5,899,581	-	-
Non-current assets	**1,123,972,972**	**1,077,492,710**	**1,020,246,602**	1,389,889,841	**1,366,158,741**
Current assets					
Inventories	3,388,412	2,983,010	3,731,511	2,393,153	3,839,902
Trade and other receivables	57,577,607	80,659,990	97,841,880	147,147,043	198,495,309
Investment in financial assets(2)	119,510,916	97,509,908	29,510,959	18,491,719	125,841,061
Cash and cash equivalents	210,933,483	85,924,871	232,120,956	235,101,944	353,586,863
Current assets	391,410,418	**267,077,779**	**363,205,306**	403,133,859	**681,763,135**
Total assets	**1,515,383,390**	**1,344,570,489**	**1,383,451,908**	**1,793,023,700**	**2,047,921,876**
Equity and liabilities					
Equity					
Share capital	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Statutory reserve	70,299,224	70,299,224	86,036,704	100,000,000	100,000,000
General reserve	70,299,224	70,299,224	86,036,704	100,000,000	100,000,000
Total equity	**340,598,448**	**340,598,448**	**372,073,408**	**400,000,000**	**400,000,000**
Liabilities					
Non-current liabilities					
Pension and post-employment benefits	22,811,549	23,813,468	23,924,872	28,556,992	30,764,580
Lease liability	11,466,155	7,581,547	2,668,324	-	-
Non-current liabilities	34,277,704	**31,395,015**	**26,593,196**	**28,556,992**	**30,764,580**
Current liabilities					
Trade and other payables(2)	282,544,576	306,130,327	352,730,704	542,207,802	575,765,914
Due to a related party(2)	854,280,812	662,028,480	626,752,736	822,258,906	1,041,391,382
Lease liability	3,681,850	4,418,219	5,301,864	-	-
Current liabilities	1,140,507,238	**972,577,026**	**984,785,304**	**1,364,466,708**	**1,617,157,296**
Total liabilities	1,174,784,942	**1,003,972,041**	**1,011,378,500**	**1,393,023,700**	**1,647,921,876**
Total equity and liabilities	**1,515,383,390**	**1,344,570,489**	**1,383,451,908**	**1,793,023,700**	**2,047,921,876**

(1) The Company's results as at 31 December 2019, 2020, 2021, 2022 and H1 2022 have been presented here using the presentation of name of the line items adopted in the H1 2023 Interim Financial Statements for comparability. These changes are presentational and have no material impact.

(2) The figures presented on this line item as at 31 December 2022 are presented as they appear on in the 2022 Annual Financial Statements, however, these numbers were reclassified in the comparative balance sheet as at 31 December 2022 included as part of the H1 2023 Interim Financial Statements. See the H1 2023 Interim Financial Statements for the reclassifications made.

Statement of Cash Flows

	For the year ended 31 December				For the six months ended 30 June	
	2019[(1)]	2020[(1)]	2021[(1)]	2022[(1)]	2022	2023
	AED				*AED (Unaudited)*	
Profit/(loss) for the period	192,842,628	(145,420,079)	149,506,061	224,375,493	108,990,397	186,332,322
Adjustments for:						
Depreciation of property and equipment	151,792,870	132,428,949	93,073,325	97,752,439	47,143,978	61,506,347
Recovery of allowance for slow moving inventories	(82,095)	-	-	-	-	-
Impairment loss on financial assets[(2)]	13,887,421	36,151,871	20,573,199	11,773,143	3,837,473	15,654,524
Finance income	(6,803,927)	(7,265,474)	(5,396,918)	(6,228,057)	(2,891,003)	(4,538,860)
Dividend income		-	-	-	-	(475,543)
Provision for employees' end of service indemnity	2,859,334	4,538,189	2,750,899	5,633,950	2,011,815	2,820,185
Gain on derecognition of lease liability	-	-	-	(2,585,945)	(2,585,945)	-
Gain/(loss) on disposal of property and equipment	3,024,919	(338,921)	215,088	(1,458,746)	(1,339,314)	(1,992,054)
Depreciation/amortisation of right-of-use asset[(3)]	3,731,971	3,742,196	3,731,972	475,443	475,443	-
Interest expenses on lease liability	646,212	533,612	388,641	39,895	39,895	-
Gain/ (loss) on investment in equity securities measured in FVTPL	-	-	-	18,282	-	(3,434,561)
Gross cash flows from operations	**361,899,333**	**24,370,343**	**264,842,267**	**329,795,897**	**155,682,739**	**255,872,360**
Working capital adjustments:						
Trade and other receivables	(9,551,887)	(59,279,761)	(37,832,948)	(61,359,111)	(60,868,810)	(67,006,517)
Inventories	(368,759)	405,402	(748,501)	1,338,358	379,327	(1,446,749)
Trade and other payables	(39,059,026)	23,585,751	46,600,377	189,477,098	109,347,863	37,668,238
Due to a related party	(172,914,072)	(46,832,253)	(153,306,845)	(942,731)	(96,296,591)	27,140,370
Cash (used in)/generated from operating activities	140,005,589	**(57,750,518)**	**119,554,350**	**458,309,511**	108,244,528	252,227,702
Payment of employees' end of service benefits	(4,078,228)	(3,536,270)	(2,639,495)	(1,001,830)	(410,524)	(612,597)
Net cash (used in)/generated from operating activities	135,927,361	**(61,286,788)**	**116,914,855**	**457,307,681**	**107,834,004**	**251,615,105**
Proceeds from matured investment in financial assets[(2)]	28,222,750	126,064,958	169,839,600	29,786,813	50,215,230	-
Purchase of investments in financial assets	(100,000,000)	(103,863,333)	(75,000,000)	(231,010,001)	(128,491,718)	-
Purchase of property and equipment	(148,110,115)	(101,705,029)	(92,196,106)	(284,043,763)	(85,329,409)	(146,730,089)
Purchase of intangible assets	(30,666,600)	-	-	-	-	-
Proceeds from disposal of property and equipment	20,876,801	12,151,038	24,851,263	30,027,584	10,667,451	12,453,937
Finance income received	6,803,927	7,265,474	6,282,413	908,947-	214,838	666,696
Dividend income received	-	-	-	-	-	475,543
Net cash (used in)/generated from investing activities	(222,873,237)	(60,086,892)	33,777,170	(454,330,420)	(152,723,608)	(133,133,913)
Repayment of lease liability	(3,068,208)	(3,681,851)	(4,418,219)	-	-	-
Increase in share capital	100,000,000	-	-	-	-	-
Net cash used in financing activities	96,931,792	**(3,681,851)**	**(4,418,219)**	**-**	-	-
Net increase/(decrease) in cash and cash equivalents	9,985,916	(125,055,531)	146,273,806	2,977,261	(44,889,604)	118,481,192
Cash and cash equivalents at beginning of the period	201,011,975	210,997,891	85,942,360	232,216,166	232,216,166	235,197,154
Cash and cash equivalents at end of the period	**210,997,891**	**85,942,360**	**232,216,166**	**235,193,427**	**187,326,562**	**353,678,346**

(1) Unless otherwise indicated, the Company's results for the years ended 31 December 2019, 2020, 2021, 2022 and H1 2022 have been presented here using the presentation of name of the line items adopted in the H1 2023 Interim Financial Statements. These changes are presentational and have no material impact.

(2) Presentation of this line item reflects that in the Audited Financial Statements.

(3) Presentation of this line item combines the presentation of the Audited Financial Statements and Interim Financial Statements.

Segment breakdown

The following table sets forth the revenue for the periods indicated. The revenue has been presented according to the revenue streams the Company reports in its Financial Statements. See note 4 of the Audited Financial Statements and note 6 of the H1 2023 Interim Financial Statements. See also "*Presentation of Financial and Other Information—Financial Statements—Segment Reporting and Presentation*" for a discussion of the presentation of the Company's segments.

	For the year ended 31 December				For the six months ended 30 June	
	2019	2020	2021	2022	2022	2023
	AED				*AED (Unaudited)*	
Regular taxi(1)	1,439,469.572	797,316,319	1,180,571,878	1,533,642,335	739,764,620	835,749,377
Limousine service	176,670,664	69,689,535	114,959,687	137,275,680	73,784,705	58,088,371
School bus(1)	39,727,602	20,404,850	45,810,445	89,741,235	49,470,647	57,106,952
Other revenues(1)	-	-	-	2,163,400	1,087,374	5,733,854
Total	**1,655,867,838**	**887,410,704**	**1,341,342,010**	**1,762,822,650**	**864,107,346**	**956,678,554**

(1) See "*Presentation of Financial and Other Information—Financial Statements—Segment Reporting and Presentation*" for a discussion of the preparation and presentation of these figures.

Reconciliations of Non-IFRS Financial Measures

The following tables set forth reconciliations of non-IFRS financial measures to the most nearly comparable IFRS measures.

EBITDA

	For the year ended 31 December				For the six months ended 30 June	
	2019	2020	2021	2022	2022	2023
	AED				*AED (Unaudited)*	
Profit/(loss) for the period	192,842,628	(145,420,079)	149,506,061	224,375,493	108,990,397	186,332,322
Finance income – net(1)	(6,157,715)	(6,731,862)	(5,008,277)	(6,188,162)	(2,851,108)	(4,538,860)
Depreciation of property and equipment	151,792,870	132,428,949	93,073,325	97,752,439	47,143,978	61,506,347
Amortisation of right of use asset	3,731,971	3,742,196	3,731,972	475,443	475,443	-
EBITDA	342,209,754	(15,980,796)	241,303,081	316,415,213	153,758,710	243,299,809

(1) Finance income - net as reported in the Financial Statements includes dividend income and gain/(loss) on equity securities measured at FVTP, loss on disposal of investment in financial assets and bank charges. As these expenses are not reflective of an interest expense, they have been deducted from finance income - net in this table and in the calculation of EBITDA. See Note 8 of the 2022 Audited Financial Statements and Note 8 of the H1 2023 Interim Financial Statements for the specific amounts that are removed here.

EBITDA Margin

	For the year ended 31 December				For the six months ended 30 June	
	2019	2020	2021	2022	2022	2023
	AED				*AED (Unaudited)*	
EBITDA	342,209,754	(15,980,796)	241,303,081	316,415,213	153,758,710	243,299,809
Revenue	1,655,867,838	887,410,704	1,341,342,010	1,762,822,650	864,107,346	956,678,554
EBITDA Margin %	20.7%	(1.8)%	18.0%	17.9%	17.8%	25.4%

Direct Costs and Gross Profit

	For the year ended 31 December				For the six months ended 30 June	
	2019(1)	2020(1)	2021(1)	2022(1)	2022	2023
	AED (except %)				*AED (except %) (Unaudited)*	
Plate and licence fees	(307,335,864)	(221,174,523)	(242,536,046)	(318,504,169)	(155,510,400)	(155,660,400)
Other direct costs	(1,096,411,530)	(739,616,508)	(887,312,107)	(1,176,845,494)	(578,567,249)	(584,772,845)
Direct Costs	(1,403,747,394)	(960,791,031)	(1,129,848,153)	(1,495,349,663)	(734,077,649)	(740,433,245)
Gross Profit	252,120,444	(73,380,327)	211,493,857	267,472,987	130,029,697	216,245,309
Direct Costs as % of Revenue	84.8%	108.3%	84.2%	84.8%	85.0%	77.4%
Gross Profit Margin	15.2%	(8.3)%	15.8%	15.2%	15.0%	22.6%

(1) In the H1 2023 Interim Financial Statements, the Company changed the presentation of its income statement to report the plate and licence fee line item as an operating cost.

This presentation is more consistent with how the Company's management analyses the performance of the Company. As a result of reclassifying this line item as an operating cost from an expense, this affects the calculation of gross profit. In this table, the Company has presented Direct Costs and Gross Profit as though plate and licence fees were reported as an operating cost in the Audited Financial Statements. As a result, Direct Costs and Gross Profit as presented in this table for the years ended 31 December 2019, 2020, 2021 and 2022 will not match the presentation or figures in the Audited Financial Statements.

Net Capex

	For the year ended 31 December				For the six months ended 30 June	
	2019	2020	2021	2022	2022	2023
	AED				AED (Unaudited)	
Purchase of property and equipment	(148,110,115)	(101,705,029)	(92,196,106)	(284,043,763)	(85,329,409)	(146,730,089)
Purchase of intangible assets (plate capex)	(30,666,600)	-	-	-	-	-
Proceeds from disposal of property and equipment	20,876,801	12,151,038	24,851,263	30,027,584	10,667,451	12,453,937
Net Capex	(157,899,914)	(89,553,991)	(67,344,843)	(254,016,179)	(74,661,958)	(134,276,152)

Cash Conversion

	For the year ended 31 December				For the six months ended 30 June	
	2019	2020	2021	2022	2022	2023
	AED				AED (Unaudited)	
EBITDA	342,209,754	(15,980,796)	241,303,081	316,415,213	153,758,710	243,299,809
Net Capex	(157,899,914)	(89,553,991)	(67,344,843)	(254,016,179)	(74,661,958)	(134,276,152)
Cash Conversion	184,309,840	(105,534,787)	173,958,238	62,399,034	79,096,752	109,023,657
Cash Conversion Ratio	53.9%	n.m.(1)	72.1%	19.7%	51.4%	44.8%

(1) n.m. means not meaningful.

Net Working Capital

	For the year ended 31 December				For the six months ended 30 June	
	2019	2020	2021	2022	2022	2023
	AED				AED (Unaudited)	
Inventories	3,388,412	2,983,010	3,731,511	2,393,153	3,352,184	3,839,902
Trade and other receivables	57,577,607	80,659,990	97,841,880	147,147,043	154,873,217	198,495,309
Trade and other payables	(282,544,576)	(306,130,327)	(352,730,704)	(542,207,802)	(462,078,567)	(575,765,914)
Net Working Capital	(221,578,557)	(222,487,327)	(251,157,313)	(392,667,606)	(303,853,166)	(373,430,703)

Changes in Working Capital

	For the year ended 31 December				For the six months ended 30 June	
	2019	2020	2021	2022	2022	2023
Changes between period ends in:	AED				AED (Unaudited)	
Inventories	(450,854)	405,402	(748,501)	1,338,358	379,327	(1,446,749)
Trade and other receivables	4,271,128	(23,082,383)	(17,181,890)	(49,305,163)	(57,031,337)	(51,348,266)
Trade and other payables	(38,998,763)	23,585,751	46,600,377	183,817,314	109,347,863	39,217,896
Changes in Working Capital	(35,178,489)	908,770	28,669,986	135,850,509	52,695,853	(13,577,119)

Free Cash Flow

	For the year ended 31 December				For the six months ended 30 June	
	2019	2020	2021	2022	2022	2023
	AED				*AED (Unaudited)*	
EBITDA	342,209,754	(15,980,796)	241,303,081	316,415,213	153,758,710	243,299,809
Net Capex	(157,899,914)	(89,553,991)	(67,344,843)	(254,016,179)	(74,661,958)	(134,276,152)
Changes in Working Capital	(35,178,489)	908,770	28,669,986	135,850,509	52,695,853	(13,577,119)
Free Cash Flow	149,131,351	(104,626,017)	202,628,224	198,249,543	131,792,605	95,446,538
Free Cash Flow Conversion	43.6%	n.m.(1)	84.0%	62.7%	85.7%	39.2%

(1) n.m. means not meaningful.

Net Income Margin

	For the year ended 31 December				For the six months ended 30 June	
	2019	2020	2021	2022	2022	2023
	AED				*AED (Unaudited)*	
Profit for the period (i.e. net income)	192,842,628	(145,420,079)	149,506,061	224,375,493	108,990,397	186,332,322
Revenue	1,655,867,838	887,410,704	1,341,342,010	1,762,822,650	864,107,346	956,678,554
Net Income Margin %	12%	-16%	11%	13%	13%	19%

Return on Equity (ROE)

	As at and for the year ended 31 December				As at and for the six months ended 30 June	
	2019	2020	2021	2022	2022	2023
	AED				*AED (Unaudited)*	
Profit for the period (net income)	192,842,628	(145,420,079)	149,506,061	224,375,493	108,990,397	186,332,322
Total equity	340,598,448	340,598,448	372,073,408	400,000,000	400,000,000.	400,000,000
ROE %	57%	-43%	40%	56%	28%	47%

Net Debt

	As at 31 December				As at 30 June	
	2019	2020	2021	2022	2022	2023
	AED				*AED (Unaudited)*	
Long term debt	-	-	-	-	-	-
Cash and cash equivalents	(210,933,483)	(85,924,871)	(232,120,956)	(235,101,944)	(187,231,352)	(353,586,863)
Net Debt	(210,933,483)	(85,924,871)	(232,120,956)	(235,101,944)	(187,231,352)	(353,586,863)

Certain Operational Data

This Offering Memorandum also contains a discussion of certain key operating metrics, including fleet size, number of trips, taxi utilisation rate, average revenue per trip, average number of daily trips per operating taxi and average number of daily trips per limousine. The Company also presents certain financial and operational information by cluster and business description. See "*Presentation of Financial and Other Information—Non-IFRS Information and Certain Operational Data—Certain Operational Data*" for further information.

RECENT DEVELOPMENTS

The financial performance for the nine months ended 30 September 2023 set forth below is based upon the 9M 2023 Interim Financial Statements, which have been prepared in accordance with IAS 34. Results in the 9M 2023 Interim Financial Statements are not necessarily indicative of the results that can be expected for the full year. The financial performance for the nine months ended 30 September 2023 should be read in conjunction with the Financial Statements, including the related notes, included elsewhere in this Offering Memorandum. Certain differences exist in the presentation and accounting treatment in the Audited Financial Statements for the years ended 31 December 2020, 2021 and 2022 and the Interim Financial Statements which make certain financial information less comparable across the different financial periods. See "Presentation of Financial and Other Information—Financial Statements" for further information.

Included in this Offering Memorandum are certain measures that are not measures defined by IFRS. The definition of each of these non-IFRS measures is set forth in "Presentation of Financial and Other Information—Non-IFRS Information" above. Where applicable, for a reconciliation of certain of these measures to the most nearly comparable IFRS measure, see "—Reconciliations of Non-IFRS Financial Measures" below.

For developments after the 9M 2023 Interim Financial Statements see "Capitalisation".

This recent developments discussion contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Offering Memorandum, particularly under the headings "Information Regarding Forward-Looking Statements" and "Risk Factors".

Results of Operation for the Nine Months ended 30 September 2023 Compared to the Nine Months Ended 30 September 2022

The table below sets out the results of operations for the nine months ended 30 September 2023 and 2022.

	For the nine months ended 30 September		**Change**
	2022	**2023**	**%**
	AED (Unaudited) (Unreviewed)	*AED (Unaudited)*	
Revenue	1,272,131,555	1,413,736,479	11.1
Plate and license fees	(233,340,600)	(232,335,600)	(0.4)
Other direct costs	(871,443,477)	(869,538,500)	(0.2)
Gross profit	**167,347,478**	**311,862,379**	**86.4**
Other income	25,701,936	34,483,152	34.2
General and administrative expenses	(46,851,797)	(53,302,305)	13.8
Impairment loss on financial assets	(7,951,994)	(19,840,701)	149.5
Operating profit before staff bonus	**138,245,623**	**273,202,525**	**97.6**
Finance income	4,305,615	10,625,317	146.8
Finance cost	(869,696)	(2,629,756)	202.4
Net finance income	**3,435,919**	**7,995,561**	**132.7**
Profit for the period before bonus	**141,681,542**	**281,198,086**	**98.5**
Staff bonus	(7,084,077)	(14,059,904)	98.5
Profit for the period	**134,597,465**	**267,138,182**	**98.5**

Revenue

Revenue increased by AED 141.6 million, or 11.1%, from AED 1,272.1 million for the nine months ended 30 September 2022, to AED 1,413.7 million for the nine months ended 30 September 2023.

The following table sets forth a breakdown of revenue for the periods indicated.

	For the nine months ended 30 September		Change
	2022	**2023**	**%**
	AED (Unaudited) (Unreviewed)	*AED (Unaudited)*	
Regular taxis	1,106,103,293	1,246,680,499	12.7
Limousine service	105,115,435	86,586,157	(17.6)
School bus	59,313,976	69,110,457	16.5
Others	1,598,851	11,359,366	610.5
Total	**1,272,131,555**	**1,413,736,479**	**11.1**

The increase in revenue from the nine months ended 30 September 2022 to the nine months ended 30 September 2023 was mainly attributable to the increase in revenue from regular taxis by AED 140.6 million, or 12.7%, from AED 1,106.1 million to AED 1,246.7 million primarily as a result of 2.4 million additional trips, driven partially by increased e-hailing trips and higher average revenue per trip of approximately AED 1.6 during the nine months ended 30 September 2023 compared to the same period in prior year.

The increase in revenue from regular taxis was partly offset by the decrease in revenue from limousine service by AED 18.5 million, or 17.6%, from AED 105.1 million to AED 86.6 million during the period under review resulting from a decrease in the limousine fleet which resulted in a decrease in the number of trips (with approximately 347,000 less trips compared to prior period).

The increase in revenue from the nine months ended 30 September 2022 to the nine months ended 30 September 2023 was also partly attributable to the increase in revenue from school bus by AED 9.8 million, or 16.5%, from AED 59.3 million to AED 69.1 million due to the increase in number of bus fleet to provide additional services for the Ministry of Education. The increase was also due to the increase in revenue from others by AED 9.8 million from AED 1.6 million to AED 11.4 million during the period under due to the increase in number of delivery bikes to support the Company's new contracts with Careem, resulting in increased number of trips, compared to the prior period when the delivery bike services only launched in September 2022.

Plate and license fees

Plate and license fees stayed largely consistent throughout the period under review decreasing only by AED 1 million, or 0.4%, from AED 233.3 million for the nine months ended 30 September 2022, to AED 232.3 million for the nine months ended 30 September 2023. This decrease was due to the reduction in the size of the limousine fleet between periods, which reduced from 510 in August 2022 to 387 from September 2022 onwards.

Other direct costs

Other direct costs stayed largely consistent throughout the period under review decreasing only by AED 1.9 million, or 0.2%, from AED 871.4 million for the nine months ended 30 September 2022, to AED 869.5 million for the nine months ended 30 September 2023.

The following table sets forth a breakdown of other direct costs for the periods indicated.

	For the nine months ended 30 September		Change
	2022	2023	%
	AED (Unaudited) (Unreviewed)	*AED (Unaudited)*	
Staff costs	388,222,034	391,969,771	1
Fuel cost	202,083,954	174,473,169	(13.7)
Depreciation of property and equipment	69,562,180	93,794,434	34.8
Charges and commission	75,448,048	80,510,685	6.7
Vehicle maintenance	52,362,667	47,193,330	(9.9)
Insurance	36,082,712	41,716,240	15.6
VAT expenses	20,033,356	20,512,682	2.4
Rent expense	7,040,623	12,360,186	75.6
Amortisation of right-of-use assets	475,444	-	(100)
Others	20,132,459	7,008,003	(65.2)
Total	**871,443,477**	**869,538,500**	**(0.2)**

The decrease in other direct costs from the nine months ended 30 September 2022 to the nine months ended 30 September 2023 was mainly attributable to the decrease in fuel cost by AED 27.6 million, or 13.7%, from AED 202.1 million to AED 174.5 million, driven mainly due to the increase in the number of hybrid vehicles in the fleet and partially due to reduction in fuel prices. There has been an increase in depreciation of property and equipment by AED 24.2 million, or 34.8%, from AED 69.6 million to AED 93.8 million due to the Company's replacement of its taxi and limousine fleet and the addition of more buses in the fleet. The increase in charges and commission by AED 5.1 million, or 6.7%, from AED 75.4 million to AED 80.5 million, were mainly related to additional fees paid to Hala as the Company increased the number of rides originated from e-hailing. The decrease in costs relating to vehicle maintenance by AED 5.2 million, or 9.9%, from AED 52.4 million to AED 47.2 million and the increase in costs relating to insurance by AED 5.6 million, or 15.6%, from AED 36.1 million to AED 41.7 million, were primarily as a result of the increase in the bus fleet and new taxi and limousines, which required less maintenance, but had higher insurance costs. The increase in rent expense by AED 5.3 million, or 75.6%, from AED 7.0 million to AED 12.4 million due to increase in the facilities provided for drivers accommodation to accommodate the new drivers that were recruited during the period ended 30 September 2023 compared to the prior period. The decrease in costs relating to amortisation of right-of-use assets by AED 0.5 million, or 100%, from AED 0.5 million to AED nil during the period under review was because of the termination of the driver's accommodation in Jebel Ali, which was treated as a right of use assets as per IFRS 16. The decrease in direct costs from the nine months ended 30 September 2022 to the nine months ended 30 September 2023 was also partly attributable to the decrease in costs relating to others by AED 13.1 million, or 65.2%, from AED 20.1 million to AED 7 million mainly due to increased rent recovery from the drivers during the period (which rent recovery reflects the pay drivers contribute to their accommodation and reduces the Company's overall costs), which increased as a result of the increased number of drivers recruited during the period.

Gross profit

The Company's profitability measured by gross profit increased significantly over the period under review. Gross profit increased significantly by AED 144.5 million, or 86.4%, from AED 167.3 million for the nine months ended 30 September 2022, to AED 311.9 million for the nine months ended 30 September 2023.

Other income

Other income increased significantly by AED 8.8 million, or 34.2%, from AED 25.7 million for the nine months ended 30 September 2022, to AED 34.5 million for the nine months ended 30 September 2023 due to AED 4.7 million received from drivers and staff penalties and AED 3 million profit on disposal of property and equipment as the Company engaged in ordinary course fleet replacement.

General and administrative expenses

General and administrative expenses increased by AED 6.5 million, or 13.8%, from AED 46.9 million for the nine months ended 30 September 2022, to AED 53.3 million for the nine months ended 30 September 2023 mainly due to AED 4.5 million additional administrative staff costs arising from increase in salaries applied during Q4 2022 and during 2023.

Impairment loss on financial assets

Impairment loss on financial assets increased significantly by AED 11.9 million from AED 8 million for the nine months ended 30 September 2022, to AED 19.8 million for the nine months ended 30 September 2023 due to an AED 16 million provision against receivables from the drivers and staff penalties which was partially offset by AED 4.3 million release in provision against bus receivables relating to the Ministry of Education receivables.

Operating profit before staff bonus

Operating profit before staff bonus almost doubled by AED 135 million, or 97.6%, from AED 138.2 million for the nine months ended 30 September 2022, to AED 273.2 million for the nine months ended 30 September 2023.

Finance income

Finance income increased significantly by AED 6.3 million from AED 4.3 million for the nine months ended 30 September 2022, to AED 10.6 million for the nine months ended 30 September 2023 due to gain on equity securities and interest income on sukuk.

Finance cost

Finance cost almost tripled by AED 1.8 million from AED 0.9 million for the nine months ended 30 September 2022, to AED 2.6 million for the nine months ended 30 September 2023 is mainly due to loss on disposal of equity securities.

Net finance income

Net finance income increased significantly by AED 4.6 million from AED 3.4 million for the nine months ended 30 September 2022, to AED 8 million for the nine months ended 30 September 2023.

Staff bonus

Staff bonus almost doubled by AED 7 million, or 98.5%, from AED 7.1 million for the nine months ended 30 September 2022, to AED 14.1 million for the nine months ended 30 September 2023 due to increase in profit for the period.

Liquidity and capital resources

Cash flows

The following table sets out financial information extracted from the cash flow statements for the nine months ended 30 September 2022 and 2023.

	For the nine months ended 30 September	
	2022	**2023**
	AED (Unaudited) (Unreviewed)	*AED (Unaudited)*
Net cash flows (used in)/ generated from operating activities	174,611,225	(131,809,992)
Net cash used in investing activities	(331,247,499)	(61,262,025)
Net cash flows from financing activities	-	495,206,649
Cash and cash equivalents as at 1 January	232,120,956	235,101,944
Cash and cash equivalents as at 30 September	75,484,682	537,236,576

Net cash flows (used in)/ generated from operating activities

The following table provides a breakdown of net cash flows (used in)/ generated from operating activities for the periods indicated.

	For the nine months ended 30 September	
	2022	**2023**
	AED (Unaudited) (Unreviewed)	*AED (Unaudited)*
Profit for the period	134,597,465	267,138,182
Adjustments for:		
Depreciation of property and equipment	73,338,663	97,954,901
Impairment loss on financial assets	7,951,994	19,840,701
Finance income	(4,305,615)	(5,101,074)
(Gain)/loss on equity securities measured at FVTPL	649,839	(4,625,764)
Provision for employees' end of service indemnity	2,956,706	4,379,034
Gain on disposal of property and equipment	(626,203)	(3,645,635)
Loss on disposal of investment in financial assets	-	1,940,312
Interest on loans and borrowings	-	495,464
Dividend income	-	(898,479)
Amortisation of arrangement fee	-	52,500
Amortisation of right of use asset	475,444	-
Gain on derecognition of lease liability	(2,585,945)	-
Interest expenses on lease liability	39,895	-
Gross cash flows from operations	**212,492,243**	**377,530,142**
Changes in:		
Inventories	305,602	(162,500)
Trade and other receivables	(137,203,305)	(57,058,401)
Trade and other payables	129,287,768	29,959,060
Due to related parties	(29,536,367)	(480,964,611)
Cash (used in)/generated from operating activities	**175,345,941**	**(130,696,310)**
Payment of employees end of service benefits	(734,716)	(1,113,682)
Net cash flows (used in)/ generated from operating activities	**174,611,225**	**(131,809,992)**

Net cash flows used in operating activities was an outflow of AED 131.8 million for the nine months ended 30 September 2023, compared to net cash flows generated from operating activities of an inflow of AED 174.6 million for the nine months ended 30 September 2022.

The change to net cash flows in operating activities from the nine months ended 30 September 2022 to the nine months ended 30 September 2023 was mainly attributable to the higher cash flow used from operating activities due to related parties for the nine months ended 30 September 2023 due to increased payments made to RTA by the Company in connection with the Company settling the amounts it owed to the RTA relating to its monthly franchise fees and plate capex which it paid following its receipt of the proceeds from the Facilities in September 2023.

Net cash used in investing activities

The following table provides a breakdown of net cash used in investing activities for the periods indicated.

	For the nine months ended 30 September	
	2022	**2023**
	AED (Unaudited) (Unreviewed)	*AED (Unaudited)*
Purchase of property and equipment	(215,363,730)	(269,705,255)
Proceeds from disposal of investment in debt instruments	29,563,822	181,093,281
Proceeds from disposal of property and equipment	18,177,547	22,899,962
Dividend income received		898,479
Finance income received	1,884,864	3,551,508
Purchase of investments in financial assets, net	(165,510,002)	-
Net cash used in investing activities	**(331,247,499)**	**(61,262,025)**

Net cash used in investing activities decreased significantly by AED 270 million, or 81.5%, from an outflow of AED 331.2 million for the nine months ended 30 September 2022, to an outflow of AED 61.3 million for the nine months ended 30 September 2023.

The decrease in net cash used in investing activities from the nine months ended 30 September 2022 to the nine months ended 30 September 2023 was mainly attributable to the increase in purchase of investments in financial assets, net by AED 165.5 million, or 100%, from an outflow of AED 165.5 million to none because there were no financial assets purchased in the nine months ended 30 September 2023.

The increase in purchase of investments in financial assets, net was partly offset by the increase in purchase of property and equipment by AED 54.3 million, or 25.2%, from an outflow of AED 215.4 million to an outflow of AED 269.7 million during the period under review due to the ordinary course replacement of its taxi and limousine fleet and the purchase of additional buses for its fleet in connection with new contract awards.

The decrease in net cash used in investing activities from the nine months ended 30 September 2022 to the nine months ended 30 September 2023 was also partly attributable to the increase in proceeds from disposal of investment in debt instruments by AED 151.5 million from AED 29.6 million to AED 181.1 million during the period under review due to the higher value of debt instruments which were liquidated during the current year compared to prior year as the Company disposed of certain debt instructions in connection with its entry into the CTA in September 2023.

Net cash flows from financing activities

The following table provides a breakdown of net cash flows from financing activities for the periods indicated.

	For the nine months ended 30 September	
	2022	**2023**
	AED (Unaudited) (Unreviewed)	*AED (Unaudited)*
Proceeds from borrowings	-	1,000,000,000
Repayment of due to related party	-	(501,643,351)
Payment for arrangement fee	-	(3,150,000)
Net cash flows from financing activities	**-**	**495,206,649**

Net cash flows from financing activities increased significantly by AED 495.2 million from none for the nine months ended 30 September 2022, to a net cash inflow of AED 495.2 million for the nine months ended 30 September 2023 as a result of the Company's entry into the CTA and its financings under the Facilities and its payment of the arrangement fees. The AED 501.6 million repayment of related party represents the accumulated profit for the period from 2021 through the six months ended 30 June 2023 which were due to the RTA.

Key Performance Indicators and Non-IFRS Financial Measures

The following tables sets forth the Company's reconciliations of non-IFRS financial measures to the most nearly comparable IFRS measures for the nine months ended 30 September 2022 and 2023. The definition of each of these non-IFRS measures is set forth in "*Presentation of Financial and Other Information—Non-IFRS Information*" above.

Reconciliations of Non-IFRS Financial Measures

EBITDA

	For the nine months ended 30 September	
	2022	**2023**
	AED (Unaudited) (Unreviewed)	*AED (Unaudited)*
Profit for the period	134,597,465	267,138,182
Finance income (1) – net	(4,265,720)	(4,553,110)
Depreciation of property and equipment	73,338,663	97,954,901
Amortization of right of use asset	475,444	-
EBITDA	**204,145,852**	**360,539,973**

(1) Finance income - net as reported in the Financial Statements includes dividend income and gain/(loss) on equity securities measured at FVTP. As these expenses are not reflective of an interest expense, they have been deducted from finance income - net in this table and in the calculation of EBITDA. See Note 8 of the 2022 Audited Financial Statements and Note 8 of the H1 2023 Interim Financial Statements for the specific amounts that are removed here.

EBITDA Margin

	For the nine months ended 30 September	
	2022	**2023**
	AED (Unaudited) (Unreviewed)	*AED (Unaudited)*
EBITDA	204,145,852	360,539,973
Revenue	1,272,131,555	1,413,736,479
EBITDA Margin %	**16%**	**26%**

Direct Costs and Gross Profit

	For the nine months ended 30 September	
	2022	**2023**
	AED (Unaudited) (Unreviewed)	*AED (Unaudited)*
Plate and licence fees	(233,340,600)	(232,335,600)
Other direct costs	(871,443,477)	(869,538,500)
Direct costs	(1,104,784,077)	(1,101,874,100)
Gross profit	167,347,478	311,862,379
Direct costs as % of revenue	87%	78%
Gross profit margin	13%	22%

Net Capex

	For the nine months ended 30 September	
	2022	**2023**
	AED (Unaudited) (Unreviewed)	*AED (Unaudited)*
Purchase of property and equipment	(215,363,730)	(269,705,255)
Proceeds from disposals of property and equipment	18,177,547	22,899,962
Net capex	(197,186,183)	(246,805,293)

Cash Conversion

	For the nine months ended 30 September	
	2022	**2023**
	AED (Unaudited) (Unreviewed)	*AED (Unaudited)*
EBITDA	204,145,852	360,539,973
Net capex	(197,186,183)	(246,805,293)
Cash conversion	6,959,669	113,734,680
Cash conversion ratio	3.4%	31.5%

Net Working Capital

	For the nine months ended 30 September	
	2022	**2023**
	AED (Unaudited) (Unreviewed)	*AED (Unaudited)*
Inventories	3,425,909	2,555,653
Trade and other receivables	227,095,191	184,286,622
Trade and other payables	(482,020,472)	(569,339,871)
Net working capital	(251,499,372)	(382,497,596)

Changes in Working Capital

	For the nine months ended 30 September	
	2022	**2023**
Changes between periods ends in:	*AED (Unaudited) (Unreviewed)*	*AED (Unaudited)*
Inventories	305,602	(162,500)
Trade and other receivables	(129,253,311)	(37,139,579)
Trade and other payables	129,289,768	32,791,853
Changes in working capital	342,059	(4,510,226)

Free Cash Flow

	For the nine months ended 30 September	
	2022	2023
	AED (Unaudited) (Unreviewed)	*AED (Unaudited)*
EBITDA	204,145,852	360,539,973
Net capex	(197,186,183)	(246,805,293)
Changes in working capital	342,059	(4,510,226)
Free Cash Flow	7,301,728	109,224,454
Free Cash Flow Conversion	3.6%	30.3%

Net Income Margin

	For the nine months ended 30 September	
	2022	2023
	AED (Unaudited) (Unreviewed)	*AED (Unaudited)*
Profit for the period (i.e. net income)	134,597,465	267,138,182
Revenue	1,272,131,555	1,413,736,479
Net income margin %	11%	19%

Return on Equity (ROE)

	For the nine months ended 30 September	
	2022	2023
	AED (Unaudited) (Unreviewed)	*AED (Unaudited)*
Profit for the period (i.e. net income)	134,597,465	267,138,182
Total equity	400,000,000	480,805,860
ROE %	34%	56%

Net Debt

	For the nine months ended 30 September	
	2022	2023
	AED (Unaudited) (Unreviewed)	*AED (Unaudited)*
Long term debt	-	996,902,500
Cash and cash equivalents	(75,484,682)	(537,236,576)
Net debt	(75,484,682)	459,665,924

Business Highlights

The total number of trips by the Company's regular taxis increased from 30.9 million (2.9 million for airport trips and 28.0 million for non-airport trips) in the nine months ended 30 September 2022 to 33.3 million (3.8 million for airport trips and 29.5 million for non-airport trips) in the nine months ended 30 September 2023.

The average number of vehicles in the Company's limousine segment decreased from 496 in the nine months ended 30 September 2022 to 387 in the nine months ended 30 September 2023 as part of the Company's optimisation of its limousine fleet, resulting in a decrease of revenue from AED 105.1 million to AED 86.6 million and in number of trips from 1.2 million to 0.8 million in the same periods. However, the average revenue per trip in the limousine segment increased from AED 91 per trip in the nine months ended 30 September 2022 to AED 108 per trip in the nine months ended 30 September 2023, primarily as a result of the increase in tariff during the period.

Pursuant to commercial terms agreement dated 28 September 2023 (the "**CTA**"), AED 1.2 billion of term and revolving commodity murabaha facilities (the "**Facilities**") were made available to the Company by Emirates NBD Bank (P.J.S.C), consisting of an AED 1.0 billion term murabaha facility and an AED 200 million revolving commodity murabaha facility. For more information, see "*Related Party Transactions and Material Contracts—Contracts with Related Parties—Commercial Terms Agreement for term and revolving murabaha facilities*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*".

Pre-IPO Dividend

The Company paid a pre-IPO dividend of AED 150 million from retained earnings to the RTA on 3 November 2023 and paid AED 100 million to the RTA on 4 November 2023 in connection with the share capital reduction. See "*Capitalisation*" for additional information.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the Company's financial condition and results of operations as of and for the years ended 31 December 2020, 2021 and 2022, and as of and for the six months ended 30 June 2022 and 2023, should be read in conjunction with the Financial Statements and the information relating to the Company's business included elsewhere in this Offering Memorandum. Selected financial information in this section has been derived from the Financial Statements, in each case without material adjustment, unless otherwise stated. Investors should read the whole of this Offering Memorandum and not just rely upon summarised information. For further information and recent developments after the H1 2023 Interim Financial Statements, see "Recent Developments".

Certain differences exist in the presentation and accounting treatment in the Audited Financial Statements for the years ended 31 December 2020, 2021 and 2022 and in the Interim Financial Statements which make certain financial information less comparable across the different financial periods. See "Presentation of Financial and Other Information—Financial Statements" for further information. Unless otherwise indicated, the financial information has been presented in accordance with how the information is presented in the Audited Financial Statements and Interim Financial Statements. Where information from the Audited Financial Statements and Interim Financial Statements are presented together, the presentation of the Interim Financial Statements has been used, unless otherwise indicated.

The discussion includes forward-looking statements that reflect the current view of the Company's management and involves risks and uncertainties. See "Risk Factors" and "Information Regarding Forward Looking Statements" for a discussion of important factors that could cause the Company's actual results to differ materially from the forward-looking statements contained herein.

Overview

The Company is a leading provider of comprehensive mobility solutions in Dubai. With an approximately 44% market share (by size of taxi fleet) as at 30 June 2023 according to the Industry Consultant, it is currently the number one taxi operator in Dubai, with its next largest taxi competitor having only a 22% market share. Having been established as a taxi company in 1994, with operations starting in 1995 with only 81 taxi cars, the Company has since expanded to other mobility businesses by leveraging its dominant leadership in the taxi sector and operational strength. It offers an extensive range of transportation solutions across its four key business lines, including taxi services through its large, eco-friendly fleet; VIP limousine services made up of chauffeur-driven vehicles for luxury service; its bus services; and its last mile delivery bike services. Between 1 July 2022 and 30 June 2023, the Company's taxis and limousines made 44 million trips, 42 million of which were taxi trips. Across its business lines, as at 30 June 2023, the Company operated more than 7,000 vehicles (of which 5,216 were taxis) and managed a workforce of more than 14,000 driver partners. The Company generated revenue of AED 1,763 million in 2022 and AED 957 million in the six months ended 30 June 2023. Its EBITDA was 316.4 million and 243.3 million in 2022 and in the six months ended 30 June 2023, respectively, with its EBITDA Margin growing from 17.8% to 25.4% during this same period mainly driven by higher operating leverage and improved unit economics.

Segment Reporting

In the six months ended 30 June 2023, the Company began reporting its results using three financial segments as part of its financial statements, with its segments being regular taxis, limousine service and school bus, with “other revenues” presented as part of the regular taxis segment. See Note 5 of the H1 2023 Interim Financial Statements. These segmental results are part of the reviewed and unaudited H1 2023 Interim Financial Statements. In each of the Audited Financial Statements, the Company included a "Directors' Report" in which it presented its segment reporting and analysis of the Company's operating profit (the "**Directors' Report**"). The segmental reporting and analysis in the "Directors' Report are based on the Company's management accounts and are unaudited and unreviewed. During the years ended 31 December 2020 and 2021, the Directors' Report presented its segmental operating profit results using three financial segments: (i) regular taxis, (ii) limousine service, (iii) school bus and other revenues. In the year ended 31 December 2022, the Directors' Report presented its segmental operating profit results using four financial segments, with “other revenues” being reporting separately from the school bus segment in connection with the Company's launch of its delivery bike services in September 2022. Prior to the 2022 Director's Report, the Company reported revenue from its pilot for delivery services, which started in September 2021, as part of its school bus and other revenues. When the Company began reporting its segmental reporting and analysis for revenue, gross profit, profit for the period using three financial segments within its H1 2023 Interim Financial Statements, the Company's other revenue was included within the regular taxis segment since the amounts were deemed insignificant from an *IFRS 8* and segmental reporting perspective. As a result of the changes in presentation to the segment in the Directors' Reports and in the H1 2023 Interim Financial Statements the segment results presented in the Offering Memorandum are not directly comparable across the different periods. The discussion of the Company's segment's in "Management's Discussion and Analysis of Financial Condition and Results of Operations" presented here includes a segmental discussion that is based on the preparation and presentation of the Company's as described above. See also "*Presentation of Financial and Other Information—Financial Statements—Segment Reporting and Presentation*".

The following describes the types of products or services that fall within each of its financial segments as presented in the Company's Interim Financial Statements:

- ***Regular taxis*** consist of revenue generated from the Company's regular taxi service; it also includes other revenue generated from the Company's delivery bikes (which commenced in September 2022) and "My Driver" services.
- ***Limousine service*** consists of revenue generated from the Company's limousine transportation service.
- ***School bus*** consists of revenue generated from the Company's bus transport service, which arises from contracts with schools, nurseries and other commercial entities to provide bus transport service. This segment encompasses all of the Company's bus services and not just the bus services it provides to schools.

Key Factors Affecting the Company's Results of Operations

The results of the Company's operations have been, and will continue to be, affected by various factors, some of which are beyond the Company's control. This section sets out certain key factors the Directors believe have affected the Company's results of operations in the period under review and could affect its results of operations in the future.

Economic conditions in Dubai

The Company's revenue is almost entirely derived from Dubai. Therefore, the economic conditions of Dubai and the UAE in general have a direct effect on the Company's operations. Normally, robust economic growth results in increased demand for the Company's services, while slow economic growth or economic contraction adversely affects demand. For example, between 2018 and 2020, the GDP of the UAE economy declined, hit by the twin shocks of declining oil prices and the impact of COVID-19 on the private sector. The economy has recovered to more normalised levels since 2020, with Dubai's real GDP growth up to 4.4% at the end of 2022 from a decline of 6.4% at the end of 2020 according to the Industry Consultant. Further, according to the Industry Consultant, Dubai's real GDP grew to 2.8% year on year in the first quarter of 2023 to reach AED 111.3 billion, surpassing average global growth rates for the same period while the European Union grew by 1.1%, the United States by 1.8% and the Organization for Economic Cooperation and Development ("**OECD**") by 1.6%. In July 2023 Fitch Ratings rated the UAE's federal government AA- with a stable outlook, citing moderate public debt, its strong net external asset position, and high GDP per capita (while earlier in the year the UAE government was also given an Aa2 creditworthiness rating by Moody's, indicating a stable outlook for its economy). However, there is no guarantee that this growth will continue, that there will not be another pandemic or similar global event or that the economy will not decline again. See "*Risk Factors—An economic downturn could result in a decline in business and leisure travel activities, which could materially adversely affect the Company's business".*

Additionally, the UAE continues to implement different social and policy reforms to attract and retain talent in-country and draw in foreign investment which could positively impact the economy and demand for the Company's services. Recent announcements include reforms in visa status (including the golden visa, long-term stay visa, freelance visa, remote work visa, and other related reforms) and ease of conducting business (for which the UAE is currently ranked sixteenth in the global ranking from 190 countries as per the World Bank's *Doing Business 2020 Report*). Furthermore, the UAE announced recent changes to its commercial company law that now allows foreign investors to own 100% of their companies, and adopted the new workweek (Monday through Friday) on 1 January 2022, aligning itself with global markets to promote international trade. Moreover, in the mid—1990s, with a decline in oil production, Dubai sought to diversify its economy with a successful outcome. Dubai is now recognized as a hub for real estate, tourism, and trade, and it is seen as one of the premier financial capitals in the Middle East. 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. Economic innovation has continued with key recent initiatives launched to support growth, innovation and sustainability which include Dubai Integrated Energy Strategy 2030 (an initiative aimed at securing sustainable supply of energy) and Dubai Industrial Strategy 2030 (seeking to increase the industrial sector's contribution towards Dubai's GDP).

The Company may also be impacted by conditions in Dubai in respect of consumer spending, business investment, government spending, and price inflation, all of which affect the local business and economic environment and, consequently, demand for the Company's services. In particular, the performance of the mobility solutions sector in Dubai is driven by the number of available customers and the volume of the journeys they undertake, which is correlated with macroeconomic factors that impact economic conditions in Dubai, particularly in respect of population growth, consumer confidence or spending, tourism and business travel as well as changes in laws and regulations. Moreover, any actual or perceived monetary or financial crisis in the UAE could have an adverse impact on the mobility solutions industry, including a tightening of the credit markets, reduced levels of business and leisure travel, reduced customer confidence and spending and volatile fuel prices. In response to any perception of uncertainty in economic conditions, the Company's customers may be less likely to travel to or within Dubai, or they may choose different transportation options that they perceive to be more affordable.

In terms of its population, in recent years, the UAE has introduced a variety of visa reforms, with the objective of attracting more skilled professionals to the country, as it sought to recover from the effects of the COVID-19 pandemic and generate economic growth. As a result of these visa reforms, there has been significant recent growth in the expatriate population in the UAE, further expanding the Company's customer base, which is likely to have contributed to the Company's growth in revenue in 2022 and in the six months ended 30 June 2023. As expatriates represent over 90% of the population of Dubai, any decline in the global or UAE economy that leads to an exodus of expatriates could materially negatively impact Dubai's economic outlook, as well as demand for the Company's services. However, according to the Industry Consultant, 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 forecasted approximately 20% CAGR growth in tourism in Dubai from, 2022 to 2025 supported by the initiatives in place under the Dubai Urban Master Plan 2040 and with more than 425 annual events being held in Dubai. Moreover, according to the Industry Consultant, Dubai's school population is expected to increase from 343,000 in 2023 to 550,000 by 2040, which is expected to have a positive impact on the Company's bus segment. 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 consolidate Dubai's position among the top three global cities, and 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.

Fleet Size, Customer Tariffs, Number of Trips and Utilisation

The Company earns revenues through the use of its vehicle fleet by customers, and its revenue and profitability therefore depends on its fleet size and on its ability to effectively deploy its fleet and maintain high utilisation of its fleet assets at favourable costs. In particular, revenue from its regular taxis and limousine segments, which combined contributed more than 90% of revenue each year over the period 2019 to 2022 and for the six months ended 30 June 2023, are driven by:

(i) the average revenue per trip, which for the taxi segment is correlated with (a) customer tariffs set by the RTA (and periodically adjusted for fuel prices) and for the limousines set at least 30% above such tariff, and (b) trip length;

(ii) the average number of daily trips per operating vehicle; and

(iii) the average number of operating vehicles (with the average number of vehicles multiplied by the utilisation rate impacting revenue).

While the utilisation rate of each of the Company's taxis and limousines impacts overall revenue, the Company tracks the taxi utilisation rate in particular because the Company’s number of taxis is limited to the number of taxi plates it obtains from the regulator and it cannot increase its supply of taxis without winning auctions for additional plates. In addition, the Company pays the RTA higher monthly franchise fees for taxis than for limousines, so underutilisation of taxis will have a greater impact on the Company’s profitability than that of its limousines. See “—*Fleet Size*” for additional information about the costs of the licence plates for its taxis and limousines.

The fleet size, tariffs, number of trips and utilisation of the Company's taxi and limousine operations are discussed below. Where applicable, the Company's school bus and delivery bike services are also discussed.

Fleet Size

As at 30 June 2023, the Company has the largest vehicle fleet in Dubai, fully owning 7,145 vehicles, consisting of 5,216 taxis, 387 limousines, 946 buses and 597 delivery bikes. In order to increase its taxi fleet size, the Company would need to bid for additional licence plates from the RTA to operate more taxis. See "*Business Description—Business Lines—Regulatory Framework—Plate auction*" for additional information about the regulatory process for growing its taxi fleet. For most of the licence plates under the Franchise Agreements, the Company is required to pay the RTA an AED 5,000.0 per month franchise fee for each taxi plate over five years. However, a certain number of its taxi plate, 350 as of the date of this Offering Memorandum, which relate to its airport taxi plates, are subject to a reduced monthly franchise fee of AED 3,600 per month over five years. The Company also has 14 exempt licence plates for its people of determination taxis (and is expecting to receive 13 additional such plates in the near future), which are not subject to a monthly franchisee fee or plate capex. In addition, starting from the third quarter of 2023 the Company is not required to pay monthly franchise fees for 268 of its licence plates, which represents approximately 5% of its taxi fleet. This is to account for the fact that, typically, 5% of the fleet is undergoing maintenance on any given day. The Company does not have to bid for limousine licence plates, and the size of its fleet of limousines is therefore driven by the commercial environment, but from a cost perspective the Company must pay the RTA AED 1,200 monthly franchise fees for each limousine plate for as long as the Company operates the limousine. These monthly franchise fees represent "plate and license fees" in the Financial Statements.

Additionally, growth in the Company's revenue has historically been correlated to increases in fleet size. As at 30 June 2023, the Company's taxi fleet had increased by 48 taxis compared to its fleet size as at 31 December 2019, contributing to the growth in the taxi segment. By comparison, the Company's limousine fleet has declined by 115 limousines, from 557 limousines as at 31 December 2019 to 387 as at 30 June 2023 due to fleet optimisation measures taken due to decline in demand connected to COVID-19. While revenue in the limousine service segment has shown good recovery post COVID-19, the Company's limousine services overall revenue has decreased compared to 2019 as a result of its resized fleet.

The school bus segment and delivery bike revenue are similarly impacted by fleet size. For example, after the post COVID-19 rebound, the Company's school bus fleet size grew from 440 as at 31 December 2021 to 944 as at 31 December 2022 and 946 as at 30 June 2023, which contributed to an increase in revenue for its school bus segment for the same periods, particularly as services resumed following the COVID-19 downturn in demand. With respect to its delivery bike services, the number of delivery bikes increased from 26 as at 30 September 2022 (i.e. when the service launched) to 597 as at 30 June 2023, driving an increase in cumulative deliveries from approximately 2,000 as at 30 September 2022 to approximately 123,000 as at 30 June 2023, which in turn led to an increase in revenue for delivery bike services for the same period.

The table below provides an overview of the Company's fleet size by revenue stream as at the end of the periods indicated.

	As of 31 December				As of 30 June
	2019	**2020**	**2021**	**2022**	**2023**
Regular taxis	5,168	5,199	5,204	5,214	5,216
Limousine service	557	610	510	387	387
School bus	436	440	440	944	946
Other revenues(1)	-	-	-	98	597
Total	**6,161**	**6,249**	**6,154**	**6,643**	**7,146**

(1) The figures under "Other revenues" show number of delivery bikes.

The Company replaces approximately 25% to 30% of its taxis and non-electric limousines fleet every year, resulting in a complete fleet overhaul approximately every four years. Its electric limousines are replaced every seven years. Buses are on a 15-year replacement schedule. With respect to the Company's fleet purchases, it incurs significant capital expenditures (though no income statement costs) for such purchases. Under the Franchise Agreements currently in place with the RTA, the Company is required to replace taxis four years after the date of their operation. The RTA extended this replacement period to five years during 2020 and 2021 as a result of COVID-19. The Company is currently targeting to convert 100% of its taxi and limousine fleet to hybrid or electric vehicles by the end of 2024. The gain or loss from the sale of vehicles from the Company's fleet as compared to the accounting residual value is reported as part of its other income in the Financial Statements. See also the "—*COVID-19*" discussion above for a description of how the Company managed its fleet during COVID-19. The Company's other income from the sale of its fleet is thus significantly impacted by the timing of its fleet procurement.

Customer Tariffs

As noted above, the Company's taxi and limousine services generated the significant majority of the Company's revenue during the period under review. The Company's taxi services charges customer tariffs to customers in line with regulated tariff amounts established by the RTA. These customer tariffs are applicable to all taxi franchisees and regularly adjusted across all the regulated taxi companies in Dubai to reflect fuel price movements, and are periodically reviewed and adjusted for inflation and other factors. Additionally, the Company generates higher revenue in its taxi segment from airport pick-ups due to the regulatory pricing framework that charges customers an airport surcharge of AED 25.0 for all trips originating at the airport. This results in off-peak pricing for taxi customer tariff from the Dubai International Airport for a 10-kilometre trip of approximately AED 47.5, which is 1.8x the customer tariff for all other taxi trips of comparable length in Dubai. Although taxi franchisees in Dubai, such as the Company, have the right to recommend to the RTA a tariff review to account for increased fuel or operating costs, ultimately the RTA has discretion as to whether or not to increase or otherwise alter customer tariff levels. During the period under review, the RTA's customer tariff increases or decreases have been in line with fuel prices increases or decreases and the customer tariff changes have not had a significant impact on the profitability of the Company during the period under review. Surge pricing could contribute to an increase in revenue for the Company in the near-term as the RTA has approved surge pricing for taxi e-hailing through the Hala app and it is expected to come into effect in the fourth quarter of 2023. Once introduced for taxis, the Company expects, subject to RTA approval, to also apply surge pricing to its Company's limousine services. Surge pricing is expected to apply during high demand periods, irrespective of the specific time of the day, and there will be no applicable cap to the tariffs permitted.

The table below provides an overview of taxi customer tariffs set by the RTA as at 30 June 2023 which apply to the Company and other Dubai taxi companies. Surge pricing with respect to taxis booked via e-hailing is expected to come into effect during the course of the fourth quarter of 2023.

	Starting Tariffs(1)	**AED per Km**	**Minimum Tariffs**
City taxi	6:00 AM to 9:00 PM: AED 5.0 10:00 PM to 5:00 AM: AED 5.5	AED 2.09	AED 12.0
Hala Taxi(2)	Off-Peak: AED 8.0 Night: AED 9.0 Peak: AED12.0	AED 2.09	AED 12.0
Airport Taxi	AED 25.0(3)	AED 2.19	-

(1) Excluding extra charges of: (1) AED 4.0 for passing through Salik toll gates, and (ii) AED 20.0 for passing through Sharjah Emirate.

(2) Off-Peak hours are 6:00 AM to 8:00 AM, 10:00 AM to 4:00 PM, and 8:00 PM to 10:00 PM. Night hours are 10:00 PM to 6:00 AM. Peak hours are 8:00 AM to 10:00 AM and 4:00 PM to 8:00 PM.

(3) The airport starting customer tariffs includes the airport surcharge of 20.0 AED and the flagfall fare of 5.0 AED.

Customer tariffs for the Company's limousine services are not directly regulated by the RTA, but must be, at a minimum, at least 30% higher than regulated taxi customer tariffs. See "*Business Description—Regulatory Framework—Customer Tariffs*".

Number of Trips and Utilisation

The size of the Company's taxi fleet is subject to regulatory constraints, since the Company must obtain further licence plates from the RTA at auction in order to increase its taxi fleet size. See "*Business Description—Business Lines—Regulatory Framework—Plate auction*". Moreover, because the customer tariffs the Company can charge customers for its taxi and limousine services are constrained by regulatory limits, see "—*Customer Tariffs*" discussion above, the utilisation of the Company's existing taxis is one of the key variables the Company can directly influence to increase its revenue. The number of trips provides some reflection of the utilisation rate of the Company's taxis and limousines, though utilisation does not reflect the distances travelled and other factors that can impact the overall revenue from the trip.

The total number of trips for the Company's regular taxis was 44.5 million (4.5 million for airport trips and

40.0 million for non-airport trips), 26.5 million (1.5 million for airport trips and 25.0 million for non-airport trips), 38.1 million (2.1 million for airport trips and 36.0 million for non-airport trips) and 41.5 million (4.2 million for airport trips and 37.7 million for non-airport trips) for the years ended 31 December 2019, 2020, 2021 and 2022, respectively, and 20.7 million (1.9 million for airport trips and 18.9 million for non-airport trips) and 21.8 million (2.5 million for airport trips and 19.3 million for non-airport trips) for the six months ended 30 June 2022 and 2023, respectively. The total number of trips for the limousine segment was 2.6 million, 1.0 million, 1.6 million and 1.5 million for the years ended 31 December 2019, 2020, 2021 and 2022, respectively, and 0.8 million and 0.6 million for the six months ended 30 June 2022 and 2023, respectively. Additionally, for the six months ended 30 June 2023, in the Company’s taxi segment the average revenue per trip was AED 38.5 and the average daily trips per operating taxi was 28.5. In the Company's limousine segment, the average revenue per trip was AED 69.0, AED 68.8, AED 73.4, and AED 92.5 for the years ended 31 December 2019, 2020, 2021 and 2022, respectively, and AED 92.0 and AED 101.3 for the six months ended 30 June 2022 and 30 June 2023, respectively.

The Company aims to have its taxis and limousines fleet fully utilised 24 hours a day, seven days a week, with only a small portion of the fleet not being utilised at any particular time due to maintenance or repairs. In its taxi segment, the Company's fleet utilisation was 81%, 58%, 75%, 64% and 80% for the years ended 31 December 2019, 2020, 2021 and 2022 and for the six months ended 30 June 2023, respectively, with the target to increase its taxi utilisation rate in the medium term. For its limousine segment, the Company keeps track of the number of trips per day instead of utilisation rate, which for the six months ended 30 June 2023 averaged to 9 to 10 trips per day.

Furthermore, during the period under review, the Company's number of taxi trips and utilisation have also been positively impacted by the increasing use of e-hailing. Since the Company began using RTA Careem’s Hala e-hailing app in May 2019, the proportion of e-hailing taxi trips as a percentage of the Company's total number of taxi trips were 8%, 14%, 18%, 23%, 20% and 28% for the years ended 31 December 2019 (last eight months), 2020, 2021 and 2022 and for the six months ended 30 June 2022 and 2023, respectively. This represented a 260% increase in the number of trips taken as a result of e-hailing between 2019 to 2022 and a greater than 40% increase in trips generated from e-hailing between 30 June 2022 and 30 June 2023. As at 30 June 2023, the Company's taxis provided 33% of the total rides booked on the Hala e-hailing app. After the expiration of the Company’s exclusivity agreement with Hala, which will be in place until the end of December 2024, the Company will have the opportunity to renew the agreement with Hala and/or explore additional opportunities for e-hailing for its taxi services, which could further increase the number of trips from e-hailing through added channels.

COVID-19

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak a pandemic. As a result of the outbreak, many governments, including the federal government of the UAE, implemented a series of measures intended to slow the spread of COVID-19, including closing major transit hubs, reducing public transportation, closing schools and launching e-learning programmes, requiring nationals and residents to remain at home and practice social distancing, and closing borders to non-nationals.

The government response to the COVID-19 pandemic impacted the Company's revenue and operations during 2020 and 2021, in particular, resulting in reduced demand for its services during this period due to reduced population mobility and lower levels of immigration and tourism. In response to reduced demand experienced during the COVID-19 pandemic and the loss of available drivers (which were more difficult to recruit and replace during this period due to travel and immigration restrictions), the Company voluntarily reduced its average operating taxi fleet per month from approximately 5,200 taxis to approximately 4,500 taxis between early 2020 and mid-2021, thereby reducing its vehicle operating costs and staff costs. In order to preserve the number of taxi plates it was granted by the RTA, it did not sell its taxi fleet, but instead took part of its fleet out of operation during this period, gradually reintroducing and/or replacing this part of its fleet during 2022. These changes resulted in both a smaller taxi fleet size and lower levels of vehicle utilisation during and as a result of the COVID-19 pandemic, contributing to the decline in taxi revenue from AED 1,439.4 million in 2019 to AED 797.3 million in 2020, a decline of 46.4%. Also as a result of COVID-19, during March 2020 the RTA reduced the normal monthly franchise fee charges payable by the Company, adopting a temporary variable model through which the monthly licence plate fee was charged in line with the underlying revenue generated. These measures helped to partially mitigate the impact of lower revenues, by helping to control the Company's fixed costs in relation to its taxi fleet, which monthly licence plate fees are typically among its highest category of fixed expenses each period. The RTA returned to normal calculations for the plate fee expense during 2021, resulting in higher monthly plate fees payable by the Company starting in September 2021.

The Company's limousine services do not require licence plates to be obtained through bids from the RTA. As a result, in connection with the slowdown of business in 2020 and 2021 during the COVID-19 period, the Company managed costs and demand levels by selling part of its older limousine fleet (223 vehicles), thus reducing its limousine fleet from 610 vehicles as at 31 December 2020 to 387 vehicles as at 30 June 2023, and only started replacing it during 2023 with hybrid limousine vehicles. Nevertheless, the reduced levels of customer demand, smaller fleet size (driven by the reduction in its limousine fleet) and lower levels of vehicle utilisation contributed to a significant decline in limousine revenue from AED 176.7 million in 2019 to AED 69.7 million in 2020, a decline of 60.6%.

Additionally, following the outbreak of the COVID-19 pandemic, the authorities in the UAE mandated schools to implement distance (online) learning from March 2020. This change to distance learning had a significant impact on the utilisation of the Company's school buses and on revenue generated by the school bus segment, which is driven by the distance travelled and not guaranteed at any minimum level. This also delayed certain receivables from the Company's bus segment customers from 2020 and 2021, which were later paid, as there were disputes as to whether these counterparties were required by contract to pay the full amount when schools were closed. The change to distance learning and lower levels of school buses utilisation contributed to a significant decline in buses revenue from AED 39.7 million in 2019 to AED 20.4 million in 2020, a decline of 48.6%. In Dubai, full time in-person learning was resumed on a mandatory basis from October 2021. As a result of the end of COVID-19 restrictions and the resumption of in person education in schools, and also boosted by the addition of a new contract with the Ministry of Education won by the Company in 2021, with further contract wins with the Ministry of Education awarded in 2022 and 2023, utilisation of the Company's school buses grew steadily during the course of 2021 and 2022 supported by the award of new contracts and the subsequent increase in the school bus fleet from 440 as at 31 December 2020 and 2021 to 944 as at 31 December 2022 (which includes 130 buses which were leased), driving revenue generated by the school bus segment from AED 20.4 million in 2020 to AED 45.8 million in 2021 and to 89.7 million in 2022, an increase of 339.7%.

Overall, the strong post COVID-19 rebound experienced by the Company beginning in 2021 and carrying into 2022 and the six months ended 30 June 2023 has been primarily due to the rapid reintroduction of its parked taxi fleet out of storage and back into operations as well as its ability to hire an increased number of drivers to address the shortfall experienced in connection with COVID-19 and the acquisition of new business and contracts (particularly in the school bus segment).

Exclusivity and Other Contractual Agreements

The Company's revenue is impacted by its ability to win key commercial contracts on an exclusive basis and at prime, sought-after locations, including agreements that either provide exclusive pick-up rights or create other contractual customer relationships that help the Company generate revenue. It also benefits from its agreement with RTA Careem, under which the Company has given RTA Careem the exclusive right to provide all e-haling for DTC taxis via RTA Careem's Hala app, which remains in effect through December 2024. While many of these contractual agreements are longstanding agreements which are renewed from time to time on similar terms, during the period under review the Company has entered into certain new agreements or amended certain terms that have continued to increased or new revenue streams for certain of its segments, including with the Dubai Mall for its limousine services (starting in June 2023). These agreements typically include revenue sharing provisions, as well as fees or charges due to the Company's counterparty. During the period under review, the Company benefited from changes in its fee with RTA Careem, while also increasing the number of rides booked through e-hailing. On 1 June 2022, the e-hailing fee (which is based on the number of rides the Company's taxis are matched with via the Hala app during the month), was reduced from AED 3.00 per trip to AED 0.90 per trip, resulting in a savings on rides booked via the Hala app from that point forward. These cost savings in fees and commissions to RTA Careem on a per trip basis were combined with other costs efficiency savings. See "—Cost Profile" below for further information. If the Company generates a higher proportion of its revenue from such arrangements than from street hailing or arrangements that do not include such costs, without corresponding efficiencies gained in its operations, this could have a negative impact on the Company's profitability and margins.

Under its contractual exclusivity arrangements, the Company's taxi and limousine services have the exclusive right to provide its pick-up services to customers at the taxi and limousine ranks of specified locations or areas. With the exception of pick-up points at the Dubai Airports and Port Rashid, any exclusivity agreement entered into, including those that the Company has for its limousines, are not permitted to restrict other taxis from any such pick-up location as a result of RTA regulations. DTC is the sole taxi franchise to provide its pick-up services from Dubai International Airport at Terminals 1, 2 and 3 and Al Maktoum International Airport (collectively with Dubai International Airport, the "**Dubai**

Airports"), from which it also provides limousine services, mainly due to its ability to manage peak passenger demand. Additionally, the Company has a staging area to park its vehicles opposite to Terminal 1 of Dubai International Airport in order to provide vehicles in a shorter period of time, and closely works with Dubai International Airport and Dubai Police through their control centres and signalling systems in order to allow a smooth flow of traffic. This gives the Company a unique value proposition in terms of scalability and operational efficiency and service levels, making it sustainable in medium to long term for exclusivity with Dubai International Airport. The Company also has agreements with Uber and Careem to provide limousine services required from the airport through their e-hailing apps. See "*Business Description—Exclusivity Agreements*" for further information. The Company's agreement with the Dubai Airports is one of the most significant contributors to the Company's revenue each year as a result of its trips that originated at the Dubai Airports. See "*Related Party Transactions and Material Contracts—Material Contracts with Related Parties—Taxi Service Agreement between the Company and the Dubai Airports Corporation*" for further information about this agreement. As mentioned under "*–Customer Tariffs*" above, as a result of the regulatory pricing framework that charges customers an airport surcharge for all trips originating at the airport, off-peak pricing for taxi customer tariffs from the Dubai International Airport for a 10-kilometre trip earns DTC approximately 1.8x the customer tariff for all other taxi trips of comparable length in Dubai. In exchange for the exclusive right of use at the Dubai International Airport and other such pick-up points, the Company typically pays the venue a service charge for each trip made by the Company's taxis or limousines from the designated ranks. These charges are shown as "others" within the Company's other direct costs. Additionally, the Company pays the RTA a lower monthly franchise fee (AED 3,600/ per plate) for its airport taxi plates compared to the one paid for its city taxis (AED 5,000/per plate). The Company's longstanding exclusivity partnership with the Dubai International Airport contributed to 19.8% of revenue and to 11.0% of trips from the regular taxis segments for the year ended 31 December 2022. The partnership also contributed to 48.8% of revenue and 39.6% of trips from the limousine services segments in that same period. The Company has 350 taxis dedicated to the Dubai International Airport, and another 98 are dedicated ladies and family taxis, while it operates through a free floating model for taxis it locates at Port Rashid.

The Company's agreements for its bus services typically provide for a set value that must be paid by the contracting party, which may have adjustments for additional mileage or trips that go above the agreed thresholds. As a result, revenue under these contracts is typically driven by the average revenue per vehicle and the number of vehicles.

With respect to the Company's delivery bike services, under the Company's contracts with Careem and Noon, it has agreed to supply sufficient delivery bikes and drivers for a particular period in exchange for a set fee per driver for the completion of a particular number of orders each week for Careem and each month for Noon. In addition to this fee, drivers may receive additional trip earnings based on the distance travelled, subject to them meeting certain service and availability requirements.

Cost Profile

The Company's most significant costs are Direct Costs, which include drivers' commissions and staff costs (described in further detail under "*—Drivers' Commissions and Staff Costs"* below), fuel costs (described in further detail under "*—Fuel Costs"* below), plate and license fees, and other costs such as vehicle maintenance, rent expense and insurance. In addition to Direct Costs, the Company's cost profile is also impacted by (i) general and administrative expenses, of which non-operating staff costs has historically made up a significant portion and which remained stable and below pre-COVID-19 levels in each of 2021, 2022 and for the six months ended 30 June 2023 and (ii) depreciation and amortisation, which experienced a significant reduction from 2021 due to a temporary revision in the useful life of the taxi fleet from four to five years granted by the RTA in 2020 and 2021. For the six months ended 30 June 2023, Direct Costs amounted to 77.4% of revenue and general and administrative expenses reflected 3.8% of revenue.

The Company has managed to gradually improve its cost profile by improving operational efficiency and reducing core operational costs relative to its revenue generation capacity. For the years ended 31 December 2020, 2021 and 2022, mainly due to COVID-19 and the post COVID-19 rebound period, Gross Profit Margin was affected by higher Direct Costs, with Direct Costs as a percent of the Company's revenue amounting to 108.3%, 84.2% and 84.8%, respectively. However, in the six months ended 30 June 2023, the Company managed to perform a structural shift in its Direct Costs composition, reflecting the Company's ability to control its Direct Costs while increasing its revenue generating services, leading to significant margin improvements and a much lower Direct Cost as a percentage of revenue, as noted above. The structural shifts improving the Company's Direct Costs were driven primarily by a reduction in drivers' commission and fuel cost savings realised by fuel efficiencies realised in the Company's fleet as a result of its increase in hybrid and electric vehicles, as well as other efficiencies gained through e-hailing and other technology applied to its street hailing services. On 1 June 2022, the e-hailing fee paid by the Company to RTA Careem (which is based on the number of rides the Company's taxis are matched with via the Hala app during the month), was reduced from AED 3.00 per trip to AED 0.90 per trip, resulting in a savings on rides booked via the Hala app from that point forward. As a result, the Company experienced a significant year-over-year reduction in other Direct Costs in the six months ended 30 June 2023 largely driven by operational efficiency, mainly due to broader adoption of fuel-efficient hybrid or electric vehicles, higher utilisation rates, an increase in e-hailing trips (which helps to reduce kilometre wastage and thus fuel costs), and lower drivers' commissions as a percentage of revenue due primarily to a higher driver-to-taxi ratio. As a result, for the six months ended 30 June 2023, Direct Costs as a percentage of revenue decreased to 77.4%, as compared to 85.0% for the six months ended 30 June 2022. The Company's Gross Profit Margin benefitted as well, rising to 22.6% from 15.0% over this same period.

Drivers' Commissions and Staff Costs

A significant proportion of the Company's Direct Costs consist of (i) staff costs and (ii) driver fees and commissions paid to its taxi and limousine drivers. Unlike the Company's other staff costs, driver commissions are variable and generally increase in line with increases in the Company's revenue since the Company's taxi and limousine drivers are compensated primarily through performance-based commission slabs. The Company's variable performance-based commission structure for its taxi, limousine and motorbike drivers operates on a commission slab based scale, taking into account both factors that reflect driver utilisation and revenue generation, as well as the seniority and experience level of the driver. As a result, as drivers become more senior and experienced, the Company's staff costs related to commissions will also increase as a proportion of the revenue they can generate per trip.

The pay for the Company's drivers varies based on the vehicle driven. Only its bus drivers are paid a monthly fixed salary, and earn no commission-based pay. For taxi drivers, the Company pays a variable performance-based commission based on a specific percentage of their revenue achieved at the end of each month. Limousine and delivery bike drivers also receive a variable commission based on performance.

The Company also provides drivers with various benefits, including health insurance services, annual awards through various programmes, and facilities and services at the Company's main depot, which also impact the Company's other direct costs, and increase according to the number of drivers. See "*Business Description—Human Capital: Employees and Drivers—Drivers*". The Company previously had a policy, which ended August 2023, which provided a six-month stipend to new drivers. Because this programme is no longer being provided, driver costs are expected to decrease going forward. In addition, as part of the structural shift in its Direct Costs as described above, the Company benefitted from improvements in its taxi and limousine drivers' commissions contribution to Direct Costs, which declined by AED 17 million, as the Company's driver-to-vehicle ratio improved during the period, reducing commission costs. The Company's average commission on an annual basis for its taxi and limousine drivers for 2019, 2020, 2022, 2023 and the six months ended 30 June 2023 were 26%, 27%, 25%, 24% and 22%, respectively.

For information on the number of drivers available for the Company's taxi, limousine and delivery bike services during the period under review, see "*Business—Human Capital: Employees and Drivers—Employee and Driver Numbers*".

Fuel Costs

Fuel costs are the third largest component of the Company's Direct Costs. However, they have a limited impact on the Company's profitability and Gross Profit Margin, as due to the RTA's tariff adjustment mechanism fuel costs increases or decreases are typically passed onto taxi and limousine customers within two months of such changes. As a result, the Company generally expects its revenue to increase in line with fuel cost increases or decline in line with fuel cost decreases. The price of fuel fluctuates depending primarily on international market conditions (including inflation, taxation and foreign exchange rates), geopolitical events (such as terrorist attacks and armed hostilities), environmental events or natural disasters. Much of the Company's business is protected against fuel cost increases, since the taxi tariff set by the RTA takes into account fuel price increases every two months, and makes adjustments to the taxi tariff based on pre-determined pricing adjustments, which also impacts the tariffs it can charge for its limousine services. For example, the taxi tariff per kilometre went from AED 2.09 in November 2022, to AED 1.97 in December 2022, to AED 2.03 in March 2023, to AED 2.09 in May 2023, driven by fuel price adjustments. However, certain of the Company's services, like that provided by its bus services, could be negatively impacted if there were significant fuel cost increases and such contracts did not contain fuel cost adjustments.

While approximately 80% of its taxi fleet are hybrid vehicles and approximately 77% of its limousine fleet is electric or hybrid vehicles, the Company still requires significant quantities of fuel for its vehicles and is exposed to the risks associated with variations in the market price for fuel products, primarily petrol and diesel. For the years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023, fuel costs within its Direct Costs represented 13.7%, 12.1%, 15.1% and 11.8%, respectively, of its revenue. Since 2021, the Company's fuel costs have benefitted from a supply contract with ENOC that allows it to obtain this fuel at a discount to the market price (up to a certain total volume per year). The contract is negotiated each year. The Company's drivers purchase the fuel from ENOC depots at market prices and ENOC applies a discount to the market price per litre when it bills the Company for such purchases. The Company's fuel agreement with ENOC is subject to an annual cap. Once the cap has been reached, the Company may purchase fuel from other suppliers or may continue to purchase from ENOC at the market price (i.e., without the discount). The current fuel contract with ENOC expires on 29 February 2024, and can be terminated without cause by ENOC with three months' notice.

Gross Profit Margin and EBITDA Margin

The Company’s gross profit margin for the six months ended 30 June 2023 (22.6%) was well above the gross profit margin for the year ended 31 December 2022 (15.2%), due to sustainable structural shifts and full post COVID-19 recovery. Such gross profit margin growth during the first half of 2023 was mainly due to a strong top-line expansion, driven by new contracts and the increase in fleet size, and to operational efficiency such as lower staff and fuel costs. In particular, the Company’s post COVID-19 rebound was mainly attributable to the rapid re-introduction of its parked taxis fleet being re-deployed accompanied by higher driver-to-taxi ratio as well as new business acquisitions (particularly in the school bus segment).

The Company has witnessed top-line expansion across all of its segments over the past few years, with the exception of its limousine services segment. The growth was primarily driven by organic fleet expansion in the taxi segment and the ongoing expansion of the school bus and delivery bike segments. The regular taxis segment is the Company’s highest earning segment, with a Gross Profit Margin of 24.0% as at 30 June 2023. Within the taxi segment, during the six months ended 30 June 2023, the Company's street hailing generated the lowest Gross Profit Margin, with e-hailing achieving a slightly higher Gross Profit Margin and its airport pickups generating significantly higher Gross Profit Margin. The Company expects the other three segments to increase in profitability in the long term, given their growth potential and ability to scale up.

The table below provides an overview of the Company’s Gross Profit Margin by segment for the periods indicated.

	For the year ended 31 December				For the six months ended 30 June	
	2019	**2020**	**2021**	**2022**	**2022**	**2023**
	%				% (Unaudited)	
Regular taxis	16.9	(5.1)	17.6	16.8	15.1	24.0
Limousine service	7.1	(38.3)	(1.8)	9.0	11.4	13.8
School bus	(9.4)	(28.7)	13.6	(2.5)	20.2	10.5
Other revenues(1)	N/A	N/A	N/A	N/A	N/A	N/A
Total	**15.2**	**(8.3)**	**15.8**	**15.2**	**15.0**	**22.6**

(1) The delivery bike segment launched in September 2022 with the Company introducing bikes for its delivery services. However, from September 2021 until September 2022, the Company pilot tested delivery services with its used cars (instead of bikes), and hence it generated revenue attributable to the segment even for the six months ended 30 June 2022. The delivery bike services has separately been disclosed in the 2022 Audited Financial Statements as “Delivery Revenue”, and the delivery bike services revenue reported as part of taxi revenue in Note 5 and separately from regular taxis revenue in Note 6 of the H1 2023 Interim Financial Statements. For the table above, the Gross Profit of the Company’s delivery bike services for the year ended 31 December 2022 and for the six months ended 30 June 2023 and 2022 have been combined with those of the regular taxis segment for comparability.

The Company’s EBITDA Margin expansion strategy also had a positive impact on its EBITDA Margin in the six months ended 30 June 2023. This is driven in part by the fact that the Company’s drivers’ commission slabs operate on a progressive scale, thus favouring the Company in a larger driver-to-taxi ratio environment. In the six months ended 30 June 2023, the driver-to-taxi ratio increased, contributing to an increase in revenues from higher utilisation, while drivers’ commission expense declined as a percentage of revenues – as commission slabs ensured that costs remained relatively stable. In the six months ended 30 June 2022, the Company also realised the cost benefits of increased fuel efficiency as a result of several beneficial factors including: hybrid and electric vehicles, purchased as part of their fleet replacement programme, by improving vehicle technology and efficiency, and due to tariff adjustments by the RTA as a result of fuel price rise.

Additionally, the Company managed to increase the utilisation of its taxis by switching to hybrid vehicles with lower maintenance requirements and by increasing the driver-to-taxi ratio, which in turn led to a larger number of drivers and a higher fleet utilisation. These three key growth levers have helped the Company to significantly improve its EBITDA from AED 153.8 million for the six months ended 30 June 2022 to AED 243.3 million for the six months ended 30 June 2023, and its EBITDA Margin from 17.8% to 25.4% over the same period. The Company believes that these growth levers, as well as an increase in the average trip length (as the Dubai city and urban areas expand), digitalisation investments that will improve the efficiency of its operations (including increased e-hailing, predictive analysis for pick-ups, which increase utilisation and reduce kilometre wastage), as well as the scaling up and further expansion beyond Dubai of its limousine, bus and delivery bike services, will also positively benefit the growth of the Company’s EBITDA margin and will drive further EBITDA Margin expansion in the medium term.

Taxation

Although the UAE historically has not had any corporate income tax, the Company is now subject to the UAE's new corporate income tax regime, which came into effect on 1 June 2023 and will apply to the Company from 1 January 2024. Under this new regime, as a public company it will be subject to a 9% tax. Federal corporate tax in the UAE on adjusted accounting net profits above a threshold of AED 375,000.

The Company has been and will also continue to be subject to VAT on input cost items such as fuel and maintenance. See "*Taxation—UAE Taxation*".

Seasonality

The Company's revenue is subject to a degree of seasonal impact. The Company typically experiences an increase in demand for its services during the first and fourth quarters of each year, primarily as a result of additional travel and tourism to Dubai during the cooler months, as well as due to the loss of certain Dubai residents during the hotter months of the year.

Description of Key Line Items

Revenue

The Company's revenue is principally derived from its taxi and limousine services, and recognises taxi and limousine service revenue upon the completion of each trip, as the Company's performance obligation is satisfied. Customers pay for the services through cash or credit card once the Company's performance obligation is satisfied. The revenue is based on meter reading and predetermined rates for trips both inside and outside the emirate of Dubai. Customers originate in Dubai but trips may take the Company's services outside of Dubai.

The Company also contracts with schools and other parties to provide daily bus transport service during a period of time specific by contract. The Company recognises revenue for bus service over a period of time, based on a pre-determined rate per seat or per bus. Invoices are issued according to the contractual agreement terms and are payable within 30 days.

Operating costs/other direct costs

The Annual Financial Statements report the following costs under the "operating costs" line item, whereas the Interim Financial Statements report these costs under the "other direct costs" line item.

The Company's operating costs/other direct costs primarily consist of staff costs (which include commission paid to drivers, who are not classified as employees) and staff incentives (such as health insurance), as well as fuel costs, and charges and commissions paid to partners such as Hala, Uber and Careem. Operating costs/other direct costs also include depreciation of property, plant and equipment (principally of vehicles, which are the Company's operating assets), costs for vehicle maintenance, insurance on operating assets, VAT expense, rent expense, amortisation of right-of-use assets, lease costs for drivers' accommodation, and other operating costs.

Other income

The Company's other income consists of penalties and fines (consisting primarily of penalty and quality check fines levied on the Company's drivers for violating its quality control policies), rental income, advertising (which includes income received from advertising agencies for displaying advertisements on the Company's taxis, in accordance with contracts which are compliant with the Franchise Agreements), and gain/(loss) on disposal of property and equipment (principally disposal of vehicles).

General and administrative expenses

The Company's general and administrative expenses consist of staff costs that are not attributed directly to the Company's three operating segments, including maintenance expenses, depreciation of non-vehicle property and equipment, security expenses, insurance expenses on non-operating assets, cleaning expenses, advertising and other expenses.

Impairment loss on financial assets

The Company's impairment loss on financial assets includes impairment of amounts due from staff (shown as other income) as well as of trade receivables, investments and cash and bank balances.

Plate and licence fees

The Company's plate and licence fees primarily consists of the monthly franchise fees paid by the Company to the RTA in respect of its taxi and limousine fleet.

Finance income – net

The Company's finance income – net is comprised of profit income on sukuk and wakala deposits, market value adjustment for equity investment as per IFRS and interest income on cash at banks. Sukuk and wakala deposits are investments in listed corporate financial assets classified as at amortised cost, with profits ranging between 3% and 5% with a maturity period within one to five years (see Note 13 to the Audited Financial Statements and Note 11 to the H1 2023 Interim Financial Statements). The Company expects to sell these sukuk and wakala deposit assets prior to the Global Offering.

Staff bonus

The Company's staff bonus historically represented a 5% bonus on net profit for the period which was paid to all employees (excluding bus drivers and conductors). Taxi, limousine and delivery bike drivers are not employees and therefore did not receive the staff bonus. This 5% bonus was part of the Company's decree which specifies that 5% of the Company's profit is for an employee bonus. The 5% staff bonus is not part of the Company's Amending Decree so the Company will have more flexibility in setting the staff bonus for the time periods after the effective date of the Amending Decree. However, the Company has assumed the staff bonus will continue to operate as it has historically as a percentage of net profit for the period in the medium term in setting its targets and objectives. See "*Business Description--Financial Targets and Objectives*".

Statement of Profit or Loss and Other Comprehensive Income

The table below sets out the results of operations of the Company the years ended 31 December 2020, 2021 and 2022 and for the six months ended 30 June 2022 and 2023. These have been extracted without material adjustment from the Audited Financial Statements and H1 2023 Interim Financial Statements, which are included in this Offering Memorandum beginning on page F-1.

	For the year ended 31 December				For the six months ended 30 June	
	2019(1)	2020(1)(2)	2021(1)	2022(1)	2022	2023
		AED			AED (Unaudited)	
Revenue	1,655,867,838	887,410,704	1,341,342,010	1,762,822,650	864,107,346	956,678,554
Plate and licence fees	(307,335,864)	(221,174,523)	(242,536,046)	(318,504,169)	(155,510,400)	(155,660,400)
Other direct costs	(1,096,411,530)	(739,616,508)	(887,312,107)	(1,176,845,494)	(578,567,249)	(584,772,845)
Other income	48,850,193	34,054,943	29,263,819	43,079,061	18,990,804	23,228,388
General and administrative expenses	(100,354,437)	(76,674,686)	(67,817,953)	(68,764,056)	(33,233,881)	(36,053,080)
Impairment loss on financial assets	(13,887,421)	(36,151,871)	(20,573,199)	(11,773,143)	(3,837,473)	(15,654,524)
Operating profit/(loss) before bonus	**186,728,779**	**(152,151,941)**	**152,366,524**	**230,014,849**	**111,949,147**	**187,766,093**
Finance income	6,803,927	7,265,474	5,396,918	6,228,057	2,891,003	8,448,964
Finance cost	(690,078)	(533,612)	(388,641)	(58,177)	(113,416)	(75,771)
Finance income - net	6,113,849	6,731,862	5,008,277	6,169,880	2,777,587	8,373,193
Profit/(loss) for the period before bonus	192,842,628	**(145,420,079)**	**157,374,801**	**236,184,729**	**114,726,734**	**196,139,286**
Staff bonus	-	-	(7,868,740)	(11,809,236)	(5,736,337)	(9,806,964)
Profit/(loss) for the period	192,842,628	**(145,420,079)**	**149,506,061**	**224,375,493**	**108,990,397**	**186,332,322**

(1) In the H1 2023 Interim Financial Statements, the Company changed the presentation of its income statement to report the plate and licence fee line item as an operating cost (which is reflected in gross profit) rather than an expense item (which is reflected in operating profit). This presentation is more consistent with how the Company's management analyses the performance of the Company. As a result of reclassifying this line item as an operating cost from an expense, the gross profit line item which is included in the Audited Financial Statements and Interim Financial Statements is not included in the presentation here, as it is not comparable across the different periods. In addition, the Company's results for the years ended 31 December 2019, 2020, 2021, 2022 and H1 2022 have been presented here on the same basis as the presentation adopted in the H1 2023 Interim Financial Statements for comparability. Except for the change to plate and licence fee, these changes are presentational and have no material impact.

(2) The figures for revenue, other direct costs, general and administrative expenses, operating profit/(loss) and finance income - net in the 2020 Audited Financial Statements were reclassified in the 2021 Audited Financial Statements and have been represented here as presented in the 2021 Audited Financial Statements.

Results of Operations for the Six Months Ended 30 June 2023 Compared to the Six Months Ended 30 June 2022

The table below sets out the results of operations for the six months ended 30 June 2022 and 2023.

	For the six months ended 30 June		Change
	2022	2023	%
	AED (Unaudited)		
Revenue	864,107,346	956,678,554	10.7
Plate and licence fees	(155,510,400)	(155,660,400)	0.1
Other direct costs	(578,567,249)	(584,772,845)	1.1
Other income	18,990,804	23,228,388	22.3
General and administrative expenses	(33,233,881)	(36,053,080)	8.5
Impairment loss on financial assets	(3,837,473)	(15,654,524)	307.9
Operating profit before staff bonus	**111,949,147**	**187,766,093**	**67.7**
Finance income	2,891,003	8,448,964	192.3
Finance cost	(113,416)	(75,771)	(33.2)
Finance income - net	2,777,587	8,373,193	201.5
Profit for the period before staff bonus	**114,726,734**	**196,139,286**	**71.0**
Staff bonus	(5,736,337)	(9,806,964)	71.0
Profit for the period	**108,990,397**	**186,332,322**	**71.0**

Revenue increased by AED 92.6 million, or 10.7%, from AED 864.1 million for the six months ended 30 June 2022 compared to AED 956.7 million for the six months ended 30 June 2023.

The following table sets forth a breakdown of revenue by segment for the periods indicated.

	For the six months ended 30 June		**Change**
	2022	**2023**	**%**
	AED (Unaudited)		
Regular taxis[1]	740,851,994	841,483,231	13.6
Limousine service	73,784,705	58,088,371	(21.3)
School bus	49,470,647	57,106,952	15.4
Total	**864,107,346**	**956,678,554**	**10.7**

(1) The Company's other revenue is included within the regular taxis segment for the Interim Financial Statements since the amounts were deemed insignificant from an IFRS 8 and segmental reporting perspective. The revenues related to "other revenues" are AED 1,087,374 and AED 5,733,854 for the six months ended 30 June 2022 and 2023, respectively, and primarily reflect revenue from the Company's delivery bikes service.

The increase in revenue for the six months ended 30 June 2023 compared to the six months ended 30 June 2022 was mainly attributable to the increase in taxi revenue by AED 95.9 million from AED 739.8 million to AED 835.7 million. This was mainly driven by an increase in the number of taxi trips by 1.09 million trips and consequently in improved utilisation through the improvement of the Company's driver-to-taxi ratio, coupled with higher customer tariffs in response to the increase in fuel prices. Revenue in the taxi segment also grew incrementally as a result of the inclusion of delivery bikes revenue, which had been shown in the other segment in the 2022 Directors' Report, which accounted for revenue of AED 5.7 million in the six months ended 30 June 2023 which was not present in the prior period.

The increase in revenue for the six months ended 30 June 2023 compared to the six months ended 30 June 2022 was also partly attributable to the increase in revenue from the school bus segment by AED 7.6 million, or 15.4%, from AED 49.5 million to AED 57.1 million. The additional revenue from the school bus segment was primarily due to an additional fleet of 217 buses acquired during the six months ended 30 June 2023 (with 946 operating buses per month on average) compared to the six months ended 30 June 2022 (with 728 operating buses per month on average). These additional buses were mainly deployed under the contract with the Ministry of Education - Emirates Schools Establishment Dubai and under the new contract for commercial buses operated in for Abu Dhabi, Alain and Al Dhafra regions which went into effect 9 September 2022.

Partly offsetting the increase in revenue was a decrease in revenue from limousine service, which declined by AED 15.7 million, or 21.3%, from AED 73.8 million for the six months ended 30 June 2022 to AED 58.1 million for the six months ended 30 June 2023. This decrease was mainly due to a reduction in the limousine fleet from 510 vehicles as of 30 June 2022 to 387 vehicles as of 30 June 2023 as a result of limousine fleet optimisation and to a reduction in the utilisation of the limousine fleet while certain limousines were being replaced with hybrid vehicles as there was a delay in between the time the old limousines were sold and new limousines were acquired, which represented ordinary course fleet replacement. While the old limousines were being replaced the Company's limousines fleet consisted of its electric limousine vehicles, which have a much lower utilisation capacity than the Company's other limousine vehicles due to the non-operational time each time required to charge their batteries.

Other direct costs

Other direct costs increased by AED 6.2 million, or 1.1%, from AED 578.6 million for the six months ended 30 June 2022 to AED 584.8 million for the six months ended 30 June 2023.

The following table sets forth a breakdown of other direct costs for the periods indicated.

	For the six months ended 30 June		Change
	2022	2023	%
	AED (Unaudited)		
Staff costs	268,685,851	268,535,750	(0.1)
Fuel cost	125,298,495	113,030,320	(9.8)
Charges and commission	49,330,846	55,180,430	11.9
Depreciation of property and equipment	44,692,042	58,668,118	31.3
Vehicle maintenance	36,767,064	30,976,259	(15.7)
Insurance	24,382,153	27,380,718	12.3
VAT expense	13,055,344	12,457,150	(4.6)
Rent expense	3,813,591	7,487,052	96.3
Amortisation of right-of-use assets	475,444	-	(100)
Others	12,066,419	11,057,048	(8.4)
Total	**578,567,249**	**584,772,845**	**1.1**

The increase in other direct costs for the six months ended 30 June 2023 compared to the six months ended 30 June 2022 was mainly attributable to the increase in depreciation by AED 14.0 million, or 31.3%, from AED 44.7 million to AED 58.7 million due to the purchase of new vehicles during the period and during the last quarter of the prior year, as well as an increase in charges and commissions (paid to Hala, Uber and Careem) by AED 5.9 million, or 11.9%, from AED 49.3 million to AED 55.2 million, due to the increase in the number of trips booked through these e-hailing apps. Also contributing to the increase in other direct costs was an increase in rent expenses by AED 3.7 million from AED 3.8 million to AED 7.5 million, on account of leasing of additional drivers' accommodation in order to replace leases which expired in the first quarter of 2022 and to provide new drivers' accommodation in the Sonapur and Al Khawaneej areas, an increase in insurance costs by AED 3.0 million, or 12.3%, from AED 24.4 million to AED 27.4 million, due to increase in vehicle insurance costs as a result of the new fleet being insured and health insurance cost due to the increased number of taxi drivers, bus drivers and conductors and other administrative staff. Staff costs for the six months ended 30 June 2023 are largely in line with the six months ended 30 June 2022, showing a decrease of only AED 0.1 million, mainly due to a reduction in taxi and limousine driver's commission by AED 17 million, which was offset by an increase in driver recruitment costs of AED 11 million, along with an increase in bus drivers and other operational staff costs of AED 6.0 million. The increase in other direct costs was partially offset by a decrease in fuel cost by AED 12.3 million, a reduction of 9.8% from AED 125.3 million to AED 113.0 million. The decrease in fuel cost was principally due to a decrease in fuel prices by AED 0.4 per litre on average between periods (in line with market movements in fuel prices), a decrease in vehicle maintenance costs by AED 5.8 million, or 15.7%, from AED 36.8 million to AED 31.0 million, which was primarily due to the proportion of new taxis, including those acquired in 2023, which require less maintenance. Also partly offsetting the higher level of operating expenses was a decrease in other costs by AED 1.0 million, or 8.4%, from 12.1 million to 11.1 million, mainly due to a reduction in the limousine fleet exclusivity fee from the contract with the Dubai Mall.

The following table sets forth the other direct costs by segment for the periods indicated. This information is derived from the Company's management accounts and are unaudited and unreviewed. See "*Presentation of Financial and Other Information—Financial Statements—Segment Reporting and Presentation*" for further information about its presentation and preparation.

	For the six months ended 30 June		Change
	2022	2023	%
	AED (Unaudited) (Unreviewed)		
Regular taxis[(1)]	(474,854,702)	(485,146,492)	2.2
Limousine service	(62,760,046)	(47,846,013)	(23.8)
School bus	(40,671,700)	(51,780,340)	27.3
Total	**(578,286,448)**	**(584,772,845)**	**1.1**

(1) Includes direct costs that are for "other direct costs" relating to delivery bikes amounting to AED 1,399,697 and AED 5,178,701 for the six months ended 30 June 2022 and 2023, respectively.

Other direct costs for the regular taxis business line increased by AED 6.5 million, or 1.4%, from AED 473.5 million for the six months ended 30 June 2022 to AED 480.0 million for the six months ended 30 June 2023, mainly as a result of an increase in vehicle depreciation costs and Hala taxi commission due to increased revenue being generated from e-hailing, partially offset by lower fuel costs and vehicle maintenance costs. The regular taxis segment other direct costs also grew as a result of the inclusion of the other segment from the 2022 Financial Statements as part of the regular taxis segment in the H1 2023 Interim Financial Statements. Other direct costs from other services in this segment increased significantly by AED 3.8 million, from AED 1.4 million for the six months ended 30 June 2022 to AED 5.2 million for the six months ended 30 June 2023, mainly due to the cost of delivery bike services for the operation of 597 delivery bikes in the six months ended 30 June 2023 (which delivery bike services were launched in September 2022, and therefore did not generate any costs in the six months ended 20 June 2022).

Other direct costs for the limousine service segment decreased by AED 15.0 million, or 23.8%, from AED 62.8 million for the six months ended 30 June 2022 to AED 47.8 million for the six months ended 30 June 2023, mainly due to a decrease in the fleet size from 510 to 387 vehicles, which resulted in lower driver commission costs, reduced fuel, lower vehicle maintenance costs, lower vehicle depreciation and insurance costs and lower other operating costs, which were mainly due to the lower number of limousines in operation while the Company was upgrading part of its limousine fleet with hybrid vehicles.

Other direct costs for the school bus segment increased significantly by AED 11.1 million, or 27.3%, from AED 40.7 million for the six months ended 30 June 2022 to AED 51.8 million for the six months ended 30 June 2023, as a result of an increase in the fleet size by 217 buses, higher increase in staff costs for drivers and conductors as well as increase in other operating costs such as fuel, depreciation, insurance and repairs.

Other income

Other income increased significantly by AED 4.2 million, or 22.3%, from AED 19.0 million for the six months ended 30 June 2022 to AED 23.2 million for the six months ended 30 June 2023.

The following table sets forth a breakdown of other income for the periods indicated.

	For the six months ended 30 June		Change
	2022	2023	%
	AED (Unaudited)		
Penalties and fines	3,923,816	7,224,647	84.1
Rental income	4,285,296	4,295,374	0.2
Advertising	1,580,000	2,166,000	37.1
Gain on disposal of property and equipment	1,239,790	1,883,306	51.9
Others	7,961,902	7,659,061	(3.8)
Total	**18,990,804**	**23,228,388**	**22.3**

The increase in other income from the six months ended 30 June 2022 to the six months ended 30 June

2023 was mainly attributable to the increase in income from penalties and fines by AED 3.3 million from AED 3.9 million to AED 7.2 million, mainly related to the drivers' related penalties (including quality control fines owed by the drivers to the Company).

The increase in other income for the six months ended 30 June 2022 to the six months ended 30 June 2023 was also partly attributable to the increase in gain on disposal of property and equipment by AED 0.6 million from AED 1.2 million to AED 1.9 million, during the period under review as a result of the increase in the volume of vehicle disposals in the taxi and limousine segments. This increase in sales was driven in part by the optimisation of the limousine fleet as well ordinary course fleet disposals in the ordinary course of business.

General and administrative expenses

General and administrative expenses increased by AED 2.8 million, or 8.5%, from AED 33.2 million for the six months ended 30 June 2022 to AED 36.1 million for the six months ended 30 June 2023.

The following table sets forth a breakdown of general and administrative expenses for the periods indicated.

	For the six months ended 30 June		**Change**
	2022	**2023**	**%**
	AED (Unaudited)		
Staff costs	22,441,674	23,199,576	3.4
Maintenance expenses	4,244,709	4,315,429	1.7
Depreciation of property and equipment	2,451,936	2,838,229	15.8
Security expenses	1,656,836	1,543,598	(6.8)
Insurance expenses	59,541	225,916	279.4
Cleaning expenses	875,000	789,177	(9.8)
Advertising	424,561	172,085	(59.5)
Other expenses	1,079,624	2,969,070	175.0
Total	**33,233,881**	**36,053,080**	**8.5**

The most significant element of the increase in general and administrative expenses for the six months ended 30 June 2022 to the six months ended 30 June 2023 was the increase in other expenses by AED 1.9 million from AED 1.1 million to AED 3.0 million, mainly due to miscellaneous expenses.

The increase in general and administrative expenses for the six months ended 30 June 2022 to the six months ended 30 June 2023 was also partly attributable to an increase in staff costs by AED 0.8 million, or 3.4%, from AED 22.4 million to AED 23.2 million, mainly due to additional administrative staff hired in order to fill vacant positions. The increase in insurance expenses from the six months ended 2022 to the six months ended 30 June 2023 by AED 0.2 million from AED 0.01 million to AED 0.2 million, was mainly due to an increase in the general insurance policy. The increase in depreciation of property and equipment by AED 0.4 million, 15.8%, from AED 2.5 million to AED 2.9 million was mainly due to the depreciation of additional assets related to building improvements.

The increase in general and administrative expenses was partly offset by the decrease in costs relating to advertising by AED 0.3 million from AED 0.4 million to AED 0.2 million, mainly due to a decrease in marketing promotional expenses.

Impairment loss on financial assets

Impairment loss on financial assets increased significantly by AED 11.8 million from AED 3.8 million for the six months ended 30 June 2022 to AED 15.7 million for the six months ended 30 June 2023, mainly due to additional bad debts amounting to AED 7.7 million recorded on school bus receivables from the contract with the Ministry of Education – Emirates Schools Establishment Dubai entered into in the last quarter of 2021, as well as bad debts recorded in relation to drivers receivables reflecting the financial reporting requirements under IFRS 9.

Finance income - net

Finance income - net increased significantly by AED 5.6 million from AED 2.8 million for the six months ended 30 June 2022 to AED 8.4 million for the six months ended 30 June 2023, as a result of higher profit rates from sukuk and wakala deposits as well as profits from investments in equity securities due market value appreciation reflecting the financial reporting requirements under IFRS 7 and 9.

Staff bonus

Staff bonus increased significantly by AED 4.1 million, or 71.9%, from AED 5.7 million for the six months ended 30 June 2022 to AED 9.8 million for the six months ended 30 June 2023, as a result of an increase profit between periods.

Results of Operations for the Year Ended 31 December 2022 Compared to the Year Ended 31 December 2021

The table below sets out the results of operations for the years ended 31 December 2021 and 2022.

	For the year ended 31 December		Change
	2021	**2022**	**%**
	AED		
Revenue	1,341,342,010	1,762,822,650	31.4
Operating costs	(887,312,107)	(1,176,845,494)	32.6
Other income	29,263,819	43,079,061	47.2
General and administrative expenses	(67,817,953)	(68,764,056)	1.4
Impairment loss on financial assets	(20,573,199)	(11,773,143)	42.8
Plate and licence fees	(242,536,046)	(318,504,169)	31.3
Operating profit/(loss)	**152,366,524**	**230,014,849**	**51**
Finance income - net	5,008,277	6,169,880	23.2
Profit/(loss) for the period before bonus	**157,374,801**	**236,184,729**	**50.1**
Staff bonus	(7,868,740)	(11,809,236)	50.1
Profit/(loss) for the period	**149,506,061**	**224,375,493**	**50.1**

Revenue

Revenue increased significantly by AED 421.5 million, or 31.4%, from AED 1,341.3 million for the year ended 31 December 2021 to AED 1,762.8 million for the year ended 31 December 2022.

The following table sets forth a breakdown of revenue by revenue stream for the periods indicated.

	For the year ended 31 December		Change
	2021	**2022**	**%**
	AED		
Regular taxis	1,180,571,878	1,533,642,335	29.9
Limousine service	114,959,687	137,275,680	19.4
School bus	45,810,445	89,741,235	95.9
Other revenues	-	2,163,400	n.a.
Total	**1,341,342,010**	**1,762,822,650**	**31.4**

The increase in revenue from the year ended 31 December 2021 to the year ended 31 December 2022 was mainly attributable to the increase in revenue from the regular taxis segment by AED 353.1 million, or 29.9%, from AED 1,180.6 million to AED 1,533.6 million as a result of the business recovery, post COVID-19. Historically, the Company operated with a fleet capacity of approximately 5,204 taxis. However, during 2021, the Company average taxi fleet per month was approximately 4,200 vehicles (due to the Company electing to defleet part of the fleet due to reduced demand), which taxis were reintroduced into operation throughout 2022, reaching the optimum capacity of 5,204 by the end of the year.

The increase in revenue from the year ended 31 December 2021 to the year ended 31 December 2022 was also partly attributable to the increase in revenue from school bus by AED 43.9 million, or 95.9%, from AED 45.8 million to AED 89.7 million as a result of a 100% increase in the size of the bus fleet during the last three months of 2021, which was a result of signing a significant contract with the Ministry of Education - Emirates Schools Establishment Dubai. The increase in revenue from limousine services by AED 22.3 million, or 19.4%, from AED 115.0 million to AED 137.3 million during the period under review, was primarily the result of an increase in normal business recovery post COVID-19 as well as due to certain new exclusivity contracts (such as the one with the Dubai Mall).

Operating costs

Operating costs increased significantly by AED 289.5 million, or 32.6%, from AED 887.3 million for the year ended 31 December 2021 to AED 1,176.8 million for the year ended 31 December 2022.

The following table sets forth a breakdown of operating costs for the periods indicated.

	For the year ended 31 December		**Change**
	2021	**2022**	**%**
	AED		
Staff costs	406,117,103	528,121,093	30.0
Fuel cost	162,496,236	266,243,845	63.8
Charges and commission	68,662,899	102,668,326	49.5
Depreciation of property and equipment	86,786,508	92,669,535	6.8
Vehicle maintenance	65,322,537	72,597,619	11.1
Insurance	45,469,697	49,543,047	9.0
VAT expense	19,780,029	27,024,842	36.6
Rent expense	6,515,184	11,342,045	74.1
Depreciation of right-of-use assets	3,731,972	475,443	(87.3)
Other operating costs	22,429,942	26,159,699	16.6
Total	**887,312,107**	**1,176,845,494**	**32.6**

The increase in operating costs from the year ended 31 December 2021 to the year ended 31 December 2022 was mainly attributable to the increase in staff costs by AED 122.0 million, or 30.0%, from AED 406.1 million to AED 528.1 million, which was mainly driven by the proportionate increase in drivers' commission resulting from the increase in taxi and limousine revenue.

The increase in operating costs from the year ended 31 December 2021 to the year ended 31 December 2022 was also partly attributable to the increase in fuel cost by AED 103.7 million, or 63.8%, from AED 162.5 million to AED 266.2 million, as a result of an increase in the number of kilometres run by taxis by limousines due primarily to post COVID-19 business recovery and due to the increase in the school bus fleet and increased physical attendance of students in schools during normal school working hours. Further, fuel cost was impacted by an average increase in the price per litre of approximately AED 1 between 2021 and 2022. The increase in charges and commission by AED 34.0 million, or 49.5%, from AED 68.7 million to AED 102.7 million, during the period under review was primarily the result of the fees paid to Hala in connection with an increase in the business volume generated by Hala for taxi e-hailing services.

The following table sets forth the operating costs by segment for the periods indicated. This information is derived from the Directors' Reports and is unaudited and unreviewed. See "*Presentation of Financial and Other Information—Financial Statements—Segment Reporting and Presentation*" for further information about its presentation and preparation.

	For the year ended 31 December		**Change**
	2021	**2022**	**%**
	AED		
Regular taxis	(738,587,739)	(964,342,453)	30.6
Limousine service	(109,137,760)	(117,599,805)	7.8
School bus	(39,586,608)	(91,978,542)	132.3
Other	-	(2,924,694)	-
Total	**(887,312,107)**	**(1,176,845,494)**	**32.6**

Operating costs for the regular taxis segment increased significantly by AED 225.8 million, or 30.6%, from AED 738.6 million for the year ended 31 December 2021 to AED 964.3 million for the year ended 31 December 2022, primarily as a result of an increase in drivers' commissions, fuel cost and charges and commission for Hala e-hailing services.

Operating costs for the limousine service segment increased by AED 8.5 million, or 7.8%, from AED 109.1 million for the year ended 31 December 2021 to AED 117.6 million for the year ended 31 December 2022, primarily as a result of an increase in drivers' commission and fuel cost.

Operating costs for the school bus segment increased significantly by AED 52.4 million, or 132.3%, from AED 39.6 million for the year ended 31 December 2021 to AED 92 million for the year ended 31 December 2022, primarily as a result of an increase in the bus fleet to meet the demand required by increased physical attendance of students in schools during normal school working hours, which also lead to an increase in staff costs for bus drivers and conductors, as well as an increase in other operating costs such as fuel, depreciation, insurance and repairs.

Operating costs for the other segment increased significantly by AED 2.9 million, from none for the year ended 31 December 2021 to AED 2.9 million for the year ended 31 December 2022, mainly due to cost of delivery bike services, which services were launched in September 2022.

Other income

Other income increased significantly by AED 13.8 million, or 47.2%, from AED 29.3 million for the year ended 31 December 2021 to AED 43.1 million for the year ended 31 December 2022.

The following table sets forth a breakdown of other income for the periods indicated.

	For the year ended 31 December		Change
	2021	2022	%
	AED		
Penalties and fines	9,427,364	14,403,990	52.8
Rental income	8,549,641	8,527,596	(0.3)
Advertising	2,676,072	3,340,400	24.8
(Loss)/gain on disposal of property and equipment	(215,088)	1,458,746	n.a.
Others	8,825,830	15,348,329	73.9
Total	**29,263,819**	**43,079,061**	**47.2**

The increase in other income from the year ended 31 December 2021 to the year ended 31 December 2022 was mainly attributable to the increase in income from others by AED 6.5 million, or 73.9%, from AED 8.8 million to AED 15.3 million, mainly related to the net effect of reversal of lease liability and right of use assets and car purchase incentive from the Company's main supplier of vehicles (Al Futtaim).

The increase in other income from the year ended 31 December 2021 to the year ended 31 December 2022 was also partly attributable to the increase in income from penalties and fines by AED 5.0 million from AED 9.4 million to AED 14.4 million, as a result of increased driver fines and the change to gain on disposal of property and equipment (related to taxi and limousine vehicles) of AED 1.5 million for the year ended 31 December 2022, compared to loss on disposal of property and equipment of AED 0.2 million for the year ended 31 December 2021, during the period under review as a result of the increase in the volume of vehicle disposals.

General and administrative expenses

General and administrative expenses increased slightly by AED 0.9 million, or 1.4%, from AED 67.8 million for the year ended 31 December 2021 to AED 68.8 million for the year ended 31 December 2022.

The following table sets forth a breakdown of general and administrative expenses for the periods indicated.

	For the year ended 31 December		Change
	2021	2022	%
	AED		
Staff costs	37,187,883	40,479,257	8.9
Maintenance expenses	10,454,542	9,558,156	(8.6)
Depreciation of property and equipment	6,286,817	5,082,904	(19.1)
Security expenses	3,212,179	3,414,287	6.3
Insurance expenses	226,239	2,295,869	914.8
Cleaning expenses	2,230,253	1,604,311	(28.1)
Advertising	2,747,980	937,745	(65.9)
Other expenses	5,472,060	5,391,527	(1.5)
Total	**67,817,953**	**68,764,056**	**1.4**

The increase in general and administrative expenses from the year ended 31 December 2021 to the year ended 31 December 2022 was mainly attributable to the increase in staff costs by AED 3.3 million, or 8.9%, from AED 37.2 million to AED 40.5 million as a result of additional hiring in 2022 along with annual incremental increases in salary.

The increase in general and administrative expenses from the year ended 31 December 2021 to the year ended 31 December 2022 was also partly attributable to the increase in insurance expenses by AED 2.1 million from AED 0.2 million to AED 2.3 million due to staff health insurance and the increase in security expenses by AED 0.2 million, or 6.3%, from AED 3.2 million to AED 3.4 million during the period under review.

The increase in general and administrative expenses was partly offset by the decrease in costs relating to advertising by AED 1.8 million from AED 2.7 million to AED 0.9 million as a result of a decrease in business promotion related to limousine promotional coupons aimed at incentivising customers to use the Company's limousine services, a decrease in depreciation of property and equipment by AED 1.2 million, or 19.1%, from AED 6.3 million to AED 5.1 million as a result of decrease in depreciation of other assets, a decrease in maintenance expenses by AED 0.9 million, or 8.6%, from AED 10.5 million to AED 9.6 million, and a decrease in cleaning expenses (which cleaning expenses consist of cleaning costs and contracts with cleaning companies) by AED 0.6 million from AED 2.2 million to AED 1.6 million during the period under review as a result of a renewed contract with the cleaning company in order to obtain better contractual terms and to reduce the scope of the previous contract.

Impairment loss on financial assets

Impairment loss on financial assets decreased significantly by AED 8.8 million, or 42.8%, from AED 20.6 million for the year ended 31 December 2021 to AED 11.8 million for the year ended 31 December 2022 as a result of a decrease in drivers' receivables.

Plate and licence fees

Plate and licence fees increased significantly by AED 76.0 million, or 31.3%, from AED 242.5 million for the year ended 31 December 2021, to AED 318.5 million for the year ended 31 December 2022 as a result of a gradual resumption of the Company's taxi fleet's operations carried out over 2021 in connection with resuming normal operations post COVID-19.

The following table sets forth the plate and licence fees by segment for the periods indicated. This information is derived from a Directors' Report and is unaudited and unreviewed. See "*Presentation of Financial and Other Information—Financial Statements—Segment Reporting and Presentation*" for further information about its presentation and preparation.

	For the year ended 31 December		**Change**
	2021	**2022**	**%**
	AED		
Regular taxis	(234,644,846)	(311,275,369)	32.7
Limousine service	(7,891,200)	(7,228,800)	(8.4)
Total	**(242,536,046)**	**(318,504,169)**	**31.3**

Plate and licence fees for the regular taxis segment increased significantly by AED 76.6 million, or 32.7%, from AED 234.6 million for the year ended 31 December 2021 to AED 311.3 million for the year ended 31 December 2022 as a result of a gradual resumption of the Company's taxi fleet's operations carried out over 2021 in connection with resuming normal operations post COVID-19.

Plate and licence fees for the limousine service segment decreased by AED 0.7 million from AED 7.9 million for the year ended 31 December 2021 to AED 7.2 million for the year ended 31 December 2022 as a result of a decrease in the limousine fleet from an average of 535 limousines in 2021 to an average of 469 limousines in 2022.

Finance income - net

Finance income - net increased significantly by AED 1.2 million, or 24.0%, from AED 5.0 million for the year ended 31 December 2021 to AED 6.2 million for the year ended 31 December 2022 as a result of profit from wakala deposits, sukuks, profit on sukuk and increase market value of investments in equity securities reflecting the financial reporting requirements under IFRS 7 and 9.

Staff bonus

Staff bonus increased significantly by AED 3.9 million, or 49.4%, from AED 7.9 million for the year ended 31 December 2021 to AED 11.8 million for the year ended 31 December 2022 as a result of an increase in year on year profit.

Results of Operations for the Year Ended 31 December 2021 Compared to the Year Ended 31 December 2020

The table below sets out the results of operations for the years ended 31 December 2020 and 2021.

	For the year ended 31 December		Change
	2020(1)	2021	%
	AED		
Revenue	887,410,704	1,341,342,010	51.2
Operating costs	(739,616,508)	(887,312,107)	20.0
Other income	34,054,943	29,263,819	(14.1)
General and administrative expenses	(76,674,686)	(67,817,953)	(11.6)
Impairment loss on financial assets	(36,151,871)	(20,573,199)	(43.1)
Plate and licence fees	(221,174,523)	(242,536,046)	9.7
Operating profit/(loss)	**(152,151,941)**	**152,366,524**	**n.a.**
Finance income - net	6,731,862	5,008,277	(25.6)
Profit/(loss) for the period before bonus	**(145,420,079)**	**157,374,801**	**n.a.**
Staff bonus	-	(7,868,740)	n.a.
Profit/(loss) for the period	**(145,420,079)**	**149,506,061**	**n.a.**

(1) The figures for revenue, operating costs, general and administrative expenses, operating profit/(loss) and finance income - net in the 2020 Audited Financial Statements were reclassified in the 2021 Audited Financial Statements and have been represented here as presented in the 2021 Audited Financial Statements.

Revenue

Revenue increased significantly by AED 453.9 million, or 51.2%, from AED 887.4 million for the year ended 31 December 2020 to AED 1,341.3 million for the year ended 31 December 2021.

The following table sets forth a breakdown of revenue by revenue stream for the periods indicated.

	For the year ended 31 December		Change
	2020(1)	2021	%
	AED		
Regular taxis	797,316,319	1,180,571,878	48.1
Limousine service	69,689,535	114,959,687	65.0
School bus	20,404,850	45,810,445	124.5
Total	**887,410,704**	**1,341,342,010**	**51.2**

(1) The figures for revenue in the 2020 Audited Financial Statements were reclassified in the 2021 Audited Financial Statements and have been represented here as presented in the 2021 Audited Financial Statements.

The increase in revenue from the year ended 31 December 2020 to the year ended 31 December 2021 was mainly attributable to the increase in revenue from regular taxis by AED 383.3 million, or 48.1%, from AED 797.3 million to AED 1,180.6 million as a result of incremental reduced revenue from March 2020 to November 2020 due to COVID-19 restrictions and decreased demand. The operations started picking up from December 2020 with a gradual increase in operations until December 2021.

The increase in revenue from the year ended 31 December 2020 to the year ended 31 December 2021 was also partly attributable to the increase in revenue from limousine service by AED 45.3 million, or 65.0%, from AED 69.7 million to AED 115.0 million as a result of the post COVID-19 incremental increase in revenue experienced throughout 2021 (as discussed in the taxi revenue above).

The increase in revenue from school bus by AED 25.4 million, or 124.5%, from AED 20.4 million to AED 45.8 million during the period under review as a result of post COVID-19 recovery resulting from increased student physical attendance in schools and the return to normal school working hours.

Operating costs

Operating costs increased by AED 147.7 million, or 20.0%, from AED 739.6 million for the year ended 31 December 2020 to AED 887.3 million for the year ended 31 December 2021.

The following table sets forth a breakdown of operating costs for the periods indicated.

	For the year ended 31 December		Change
	2020(1)	2021	%
	AED		
Staff costs	307,495,031	406,117,103	32.1
Fuel cost	121,659,078	162,496,236	33.6
Charges and commission	38,606,207	68,662,899	77.9
Depreciation of property and equipment	124,562,983	86,786,508	(30.3)
Vehicle maintenance	53,947,515	65,322,537	21.1
Insurance	50,190,966	45,469,697	(9.4)
VAT expense	17,778,766	19,780,029	11.3
Rent expense	8,693,711	6,515,184	(25.1)
Depreciation of right-of-use assets	3,742,196	3,731,972	(0.3)
Other operating costs	12,940,055	22,429,942	73.3
Total	**739,616,508**	**887,312,107**	**20.0**

(1) The figures for operating costs in the 2020 Audited Financial Statements were reclassified in the 2021 Audited Financial Statements and have been represented here as presented in the 2021 Audited Financial Statements.

The increase in operating costs from the year ended 31 December 2020 to the year ended 31 December 2021 was mainly attributable to the increase in staff costs by AED 98.6 million, or 32.1%, from AED 307.5 million to AED 406.1 million as a result of an increase in drivers' commission.

The increase in staff costs was partly offset by the decrease in depreciation of property and equipment by AED 37.8 million, or 30.3%, from AED 124.6 million to AED 86.8 million during the period as a result of a revision in the useful life of the taxi fleet which was granted by the RTA due to COVID-19.

The increase in operating costs from the year ended 31 December 2020 to the year ended 31 December 2021 was also partly attributable to the increase in fuel cost by AED 40.8 million, or 33.6%, from AED 121.7 million to AED 162.5 million as a result of the continued increase in trips post COVID-19, the increase in charges and commission by AED 30.1 million, or 77.9%, from AED 38.6 million to AED 68.7 million as a result of an increase in the monthly e-hailing fee paid to RTA Careem based on the number of rides the Company is matched with via the Hala app, the increase in costs relating to vehicle maintenance by AED 11.4 million, or 21.1%, from AED 53.9 million to AED 65.3 million as a result of the use of an older fleet and higher running kilometres and the increase in other operating costs by AED 9.5 million, or 73.3%, from AED 12.9 million to AED 22.4 million during the period under review as a result of the increase in Hala device installation and maintenance costs.

The following table sets forth the operating costs by segment for the periods indicated. This information is derived from the Directors' Reports and is unaudited and unreviewed. See "*Presentation of Financial and Other Information—Financial Statements—Segment Reporting and Presentation*" for further information about its presentation and preparation.

	For the year ended 31 December		Change
	2020(1)	2021	%
	AED		
Regular taxis	(623,025,553)	(738,587,739)	18.5
Limousine service	(90,325,265)	(109,137,760)	20.8
School bus	(26,265,690)	(39,586,608)	50.7
Total	**(739,616,508)**	**(887,312,107)**	**20.0**

(1) The figures for operating costs in the 2020 Audited Financial Statements were reclassified in the 2021 Audited Financial Statements and have been represented here as presented in the 2021 Audited Financial Statements.

Operating costs for the regular taxis segment increased by AED 115.6 million, or 18.5%, from AED 623 million for the year ended 31 December 2020 to AED 738.6 million for the year ended 31 December 2021, mainly as a result of higher drivers' commission and fuel cost.

Operating costs for the limousine service segment increased significantly by AED 18.8 million, or 20.8%, from AED 90.3 million for the year ended 31 December 2020 to AED 109.1 million for the year ended 31 December 2021, mainly as a result of higher drivers' commission due to increased revenue and fuel cost.

Operating costs for the school bus segment increased significantly by AED 13.3 million, or 50.7%, from AED 26.3 million for the year ended 31 December 2020 to AED 39.6 million for the year ended 31 December 2021, mainly as a result of an increase in fleet size leading to increased staff costs (drivers and conductors) and fuel and maintenance cost.

Other income

Other income decreased by AED 4.8 million, or 14.1%, from AED 34.1 million for the year ended 31 December 2020 to AED 29.3 million for the year ended 31 December 2021.

The following table sets forth a breakdown of other income for the periods indicated.

	For the year ended 31 December		**Change**
	2020	**2021**	**%**
	AED		
Penalties and fines	9,031,309	9,427,364	4.4
Rental income	9,576,325	8,549,641	(10.7)
Advertising	6,755,260	2,676,072	(163.5)
(Loss)/gain on disposal of property and equipment	338,921	(215,088)	n.a.
Others	8,353,128	8,825,830	5.7
Total	**34,054,943**	**29,263,819**	**(14.1)**

The decrease in other income from the year ended 31 December 2020 to the year ended 31 December 2021 was mainly attributable to the decrease in income from advertising by AED 4.1 million, or 60.4%, from AED 6.8 million to AED 2.7 million, mainly as a result of a decrease in advertising revenue from Al Shuala media in 2021.

The decrease in income from advertising was partly offset by the increase in income from others by AED 0.5 million from AED 8.4 million to AED 8.8 million as a result of termination of the contract with Al Shuala media and the increase in income from penalties and fines by AED 0.4 million, or 4.4%, from AED 9.0 million to AED 9.4 million during the period under review.

The decrease in other income from the year ended 31 December 2020 to the year ended 31 December 2021 was also partly attributable to the decrease in rental income by AED 1.0 million from AED 9.6 million to AED 8.5 million as a result of certain shops within the Company's premises that were not rented out during 2021 and the change to loss on disposal of property and equipment of AED 0.2 million for the year ended 31 December 2021, compared to gain on disposal of property and equipment of AED 0.3 million for the year ended 31 December 2020 during the period under review.

General and administrative expenses

General and administrative expenses decreased by AED 8.9 million, or 11.6%, from AED 76.7 million for the year ended 31 December 2020 to AED 67.8 million for the year ended 31 December 2021.

The following table sets forth a breakdown of general and administrative expenses for the periods indicated.

	For the year ended 31 December		Change
	2020(1)	2021	%
	AED		
Staff costs	46,165,006	37,187,883	(19.4)
Maintenance expenses	8,092,538	10,454,542	29.2
Depreciation of property and equipment	7,865,966	6,286,817	(20.1)
Security expenses	2,657,767	3,212,179	20.9
Insurance expenses	226,271	226,239	(0)
Cleaning expenses	2,338,888	2,230,253	(4.6)
Advertising	3,569,265	2,747,980	(23.0)
Other expenses	5,758,985	5,472,060	(5.0)
Total	**76,674,686**	**67,817,953**	**(11.6)**

(1) The figures for general and administrative expenses in the 2020 Audited Financial Statements were reclassified in the 2021 Audited Financial Statements and have been represented here as presented in the 2021 Audited Financial Statements.

The decrease in general and administrative expenses from the year ended 31 December 2020 to the year ended 31 December 2021 was mainly attributable to the decrease in staff costs by AED 9.0 million, or 19.4%, from AED 46.2 million to AED 37.2 million as a result of a restructuring exercise. In addition, certain positions were kept vacant during 2021 as a result of cost saving initiatives due to COVID-19. These positions were eventually filled during 2022.

The decrease in staff costs was partly offset by the increase in maintenance expenses by AED 2.4 million from AED 8.1 million to AED 10.5 million as a result of the gradual resumption of operational activity post COVID-19 which is in line with the increased revenue. The increase in security expenses by AED 0.6 million from AED 2.7 million to AED 3.2 million during the period under review was due to a new contract with the company providing security services.

The decrease in general and administrative expenses from the year ended 31 December 2020 to the year ended 31 December 2021 was also partly attributable to the decrease in depreciation of property and equipment by AED 1.6 million, or 20.1%, from AED 7.9 million to AED 6.3 million as a result of continued utilisation of assets that were fully depreciated and the decrease in costs relating to advertising by AED 0.8 million from AED 3.6 million to AED 2.7 million during the period under review as a result of reduced costs related to marketing and promotion.

Impairment loss on financial assets

Impairment loss on financial assets decreased significantly by AED 15.6 million, or 43.1%, from AED 36.2 million for the year ended 31 December 2020 to AED 20.6 million for the year ended 31 December 2021 as a result of providing for receivables from Al Shuala during 2020 and higher provision against receivables from drivers terminated in 2020.

Plate and licence fees

Plate and licence fees increased by AED 21.4 million, or 9.7%, from AED 221.2 million for the year ended 31 December 2020 to AED 242.5 million for the year ended 31 December 2021 as a result of an increase in plate fees of regular taxis due to restoration of monthly franchise fees post COVID-19 by the RTA.

The following table sets forth the plate and licence fees by segment for the periods indicated. This information is derived from the Directors' Reports and is unaudited and unreviewed. See "*Presentation of Financial and Other Information—Financial Statements—Segment Reporting and Presentation*" for further information about its presentation and preparation.

	For the year ended 31 December		Change
	2020	**2021**	**%**
	AED		
Regular taxis	(215,105,223)	(234,644,846)	9.1
Limousine service	(6,069,300)	(7,891,200)	30.0
Total	**(221,174,523)**	**(242,536,046)**	**9.7**

Plate and licence fees for the regular taxis segment increased by AED 19.5 million, or 9.1%, from AED 215.1 million for the year ended 31 December 2020 to AED 234.6 million for the year ended 31 December 2021 as a result of a decrease in plate fees during 2020 which was the result of a temporary variable model offered by the RTA through which the plate fee was charged in line with the underlying revenue generated during the year. The RTA returned to normal calculations for the plate fee expense during 2021.

Plate and licence fees for the limousine service segment increased significantly by AED 1.8 million from AED 6.1 million for the year ended 31 December 2020 to AED 7.9 million for the year ended 31 December 2021 as a result of the relaxation for such fees provided by the RTA during 2020 due to the decrease in revenue resulting from COVID-19.

Finance income - net

Finance income - net decreased significantly by AED 1.7 million, or 25.6%, from AED 6.7 million for the year ended 31 December 2020 to AED 5 million for the year ended 31 December 2021 as a result of decrease in income from wakala deposits which were liquidated in the first half of 2021.

Staff bonus

Staff bonus increased significantly by AED 7.9 million, from none for the year ended 31 December 2020 to AED 7.9 million for the year ended 31 December 2021 as a result of profits during 2021 compared to the net loss in 2020.

Liquidity and Capital Resources

The Company's primary sources of liquidity are the cash flows generated from its operations and its Facilities under its commercial terms agreement dated 28 September 2023 (the "**CTA**"). Prior to entry into the CTA on 28 September 2023, the Company funded its working capital needs and capital expenditure requirements with cash from operations.

The Company did not have any interest-bearing loans or borrowings outstanding as at 31 December 2020, 2021 or 2022 or 30 June 2023. However, on 28 September 2023, the Company entered into the CTA and thereby gained access to AED 1.2 billion of term and revolving commodity murabaha facilities (the "**Facilities**") for a five year period, consisting of an AED 1.0 billion term murabaha facility and an AED 200 million revolving commodity murabaha facility. The Company paid an arrangement fee of 0.25% of the Facilities under the CTA, which costs will be amortised over the five year period of the Facilities. The Facilities require a payment of the outstanding amount at the end of five year period. The AED 200 million revolving commodity murabaha facility also carries an agency fee of 0.22% per annum calculated on the daily utilised and available commitments. See "*Related Party Transactions and Material Contracts—Contracts with Related Parties—Commercial Terms Agreement for term and revolving murabaha facilities*" for further information.

Dividends are expected to be paid from cash generated from operating activities following the Global Offering. For more information, see *"Dividend Policy*".

Statement of Cash Flows

The following table sets out financial information extracted from the cash flow statements for the years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2022 and 2023.

	For the year ended 31 December			For the six months ended 30 June	
	2020	2021	2022	2022	2023
		AED		*AED (Unaudited)*	
Net cash used in/generated from operating activities	(61,286,788)	116,914,855	457,307,681	107,834,004	251,615,105
Net cash (used in)/generated from investing activities	(60,086,892)	33,777,170	(454,330,420)	(152,723,608)	(133,133,913)
Net cash used in financing activities	(3,681,851)	(4,418,219)	-	-	-
Cash and cash equivalents at beginning of the period	210,997,891	85,942,360	232,216,166	232,216,166	235,197,154
Cash and cash equivalents at end of the period	85,942,360	232,216,166	235,193,427	187,326,562	353,678,346

Net Cash Generated from Operating Activities

The following table provides a breakdown of net cash generated from operating activities for the periods indicated. These have been extracted without material adjustment from the Audited Financial Statements and H1 2023 Interim Financial Statements, which are included in this Offering Memorandum beginning on page F-1.

	For the year ended 31 December			For the six months ended 30 June	
	2020	2021	2022	2022	2023
		AED		*AED (Unaudited)*	
Profit/(loss) for the period	(145,420,079)	149,506,061	224,375,493	108,990,397	186,332,322
Adjustments for:					
Depreciation of property and equipment	132,428,949	93,073,325	97,752,439	47,143,978	61,506,347
Impairment losses on financial assets	36,151,871	20,573,199	11,773,143	3,837,473	15,654,524
Interest income	(7,265,474)	(5,396,918)	(6,228,057)	(2,891,003)	(4,538,860)
Provision for employees' end of service benefits	4,538,189	2,750,899	5,633,950	2,011,815	2,820,185
Gain on derecognition of lease liability	-	-	(2,585,945)	(2,585,945)	-
Dividend income	-	-	-	-	(475,543)
Gain/(loss) on disposal of property and equipment	(338,921)	215,088	(1,458,746)	(1,339,314)	(1,992,054)
Depreciation of right-of-use asset	3,742,196	3,731,972	475,443	475,443	-
Interest expenses on lease liability	533,612	388,641	39,895	39,895	-
Loss/(gain) on investment in equity shares	-	-	18,282	-	(3,434,561)
	24,370,343	**264,842,267**	**329,795,897**	**155,682,739**	**255,872,360**
Working capital adjustments:					
Trade and other receivables	(59,279,761)	(37,832,948)	(61,359,111)	(60,868,810)	(67,006,517)
Inventories	405,402	(748,501)	1,338,358	379,327	(1,446,749)
Trade and other payables	23,585,751	46,600,377	189,477,098	109,347,863	37,668,238
Due to a related party	(46,832,253)	(153,306,845)	(942,731)	(96,296,591)	27,140,370
	(57,750,518)	**119,554,350**	**458,309,511**	**108,244,528**	**252,227,702**
Payment of employees' end of service benefits	(3,536,270)	(2,639,495)	(1,001,830)	(410,524)	(612,597)
Net cash generated from operating activities	**(61,286,788)**	**116,914,855**	**457,307,681**	**107,834,004**	**251,615,105**

Net cash generated from operating activities increased significantly by AED 143.8 million, or 133.4%, from an inflow of AED 107.8 million for the six months ended 30 June 2022 to an inflow of AED 251.6 million for the six months ended 30 June 2023. The increase in net cash generated from operating activities from the six months ended 30 June 2022 to the six months ended 30 June 2023 was mainly attributable to the changes in cash due to a related party for the six months period ended 30 June 2023 due to the net impact of increased payments and less profit attributable to the RTA in the six months ended 30 June 2022 as compared to the six months ended 30 June 2023. In general, the payments made to the RTA towards monthly franchise fees contributed to the difference since certain franchise fees were deferred during the previous period. The increase in net cash generated from operating activities from the six months ended 30 June 2022 to the six months ended 30 June 2023 was also partly attributable to the increase in profit for the period by AED 77.4 million, or 70.9%, from AED 109.0 million in the six months ended 30 June 2022 to AED 186.3 million in the six months ended 30 June 2023.

Net cash generated from operating activities increased significantly by AED 340.4 million, or 291.2%, from an inflow of AED 116.9 million for the year ended 31 December 2021 to an inflow of AED 457.3 million for the year ended 31 December 2022. The increase in net cash generated from operating activities from the year ended 31 December 2021 to the year ended 31 December 2022 was mainly attributable to the lower decrease in cash due to a related party for the year ended 31 December 2022 as a result of the net impact of increased payments and less profit attributable to the RTA in 2021 as compared to 2022. In general, the payments made to the RTA towards licence fee stayed consistent year on year. However, there was an increase in profit in 2022. The increase in net cash generated from operating activities from the year ended 31 December 2021 to the year ended 31 December 2022 was also partly attributable to the higher increase in trade and other payables for the year ended 31 December 2022 as a result of purchase of vehicles in 2022 and bonus related accruals and the increase in profit for the period by AED 74.9 million, or 50.1%, from AED 149.5 million in 2021 to AED 224.4 million in 2022.

Net cash generated from operating activities was an inflow of AED 116.9 million for the year ended 31 December 2021, compared to an outflow of AED 61.3 million for the year ended 31 December 2020. The change in net cash generated from operating activities from the year ended 31 December 2020 to the year ended 31 December 2021 was mainly attributable to the change to profit for the period of an inflow of AED 149.5 million, compared to loss for the period of an outflow of AED 145.4 million. The change to profit for the period was partly offset by the higher decrease in cash due to a related party for the year ended 31 December 2021 as a result of lower cash payout to the RTA, which was due to reduced cash availability to run the operations because there was a significant decline in revenues during the year due to COVID-19 and the decrease in depreciation of property and equipment by AED 39.3 million, or 29.7%, from AED 132.4 million in 2020 to AED 93.1 million during in 2021 as a result of extension of useful life from 48 to 60 months as a relaxation from the RTA, which allowed the business to utilise fully depreciated taxis as part of its fleet during 2021.

Net Cash (Used in)/Generated from Investing Activities

The following table provides a breakdown of net cash (used in)/generated from investing activities for the periods indicated.

	For the year ended 31 December			For the six months ended 30 June	
	2020	2021	2022	2022	2023
		AED		*AED (Unaudited)*	
Proceeds from matured investment in financial assets[1]	126,064,958	169,839,600	29,786,813	50,215,230	-
Purchase of investments in financial assets	(103,863,333)	(75,000,000)	(231,010,001)	(128,491,718)	-
Purchase of property and equipment	(101,705,029)	(92,196,106)	(284,043,763)	(85,329,409)	(146,730,089)
Proceeds from disposal of property and equipment	12,151,038	24,851,263	30,027,584	10,667,451	12,453,937
Dividend income received	-	-	-	-	475,543
Interest income received	7,265,474	6,282,413	908,947	214,838	666,696
Net cash (used in)/generated from investing activities	**(60,086,892)**	**33,777,170**	**(454,330,420)**	**(152,723,608)**	**(133,133,913)**

(1) Presentation of this line item reflects that in the Audited Financial Statements.

Net cash used in investing activities was an outflow of AED 133.1 million for the six months ended 30 June 2023, compared to a net cash outflow of AED 152.7 million for the six months ended 30 June 2022. The change to net cash used in investing activities from the six months ended 30 June 2022 to the six months ended 30 June 2023 was also mainly attributable to the increase in purchase of property and equipment by AED 61.4 million, or 72.0%, from an outflow of AED 85.3 million during the six months ended 30 June 2022 to an outflow of AED 146.7 million in the six months ended 30 June 2023 as a result of the purchase of vehicles which were required to replace a portion of the fleet which was fully depreciated.

Net cash used in investing activities was an outflow of AED 454.3 million for the year ended 31 December 2022, compared to net cash generated from investing activities of an inflow of AED 33.8 million for the year ended 31 December 2021. The change to net cash used in investing activities from the year ended 31 December 2021 to the year ended 31 December 2022 was mainly attributable to the increase in purchase of property and equipment by AED 191.8 million, or 208.0%, from an outflow of AED 92.2 million in 2021 to an outflow of AED 284 million in 2022 as a result of purchase of vehicles which were required to replace the part of the fleet which was fully depreciated, including the replacement of those vehicles whose useful life was permitted to be extended from four to five years by the RTA as a result of the COVID-19 pandemic. The change to net cash used in investing activities from the year ended 31 December 2021 to the year ended 31 December 2022 was also partly attributable to the increase in purchase of investments in financial assets by AED 156.0 million, or 208%, from an outflow of AED 75.0 million to an outflow of AED 231.0 million as a result of increased investment in sukuk and equity securities and the decrease in proceeds from matured investment in financial assets by AED 140.0 million, or 82.4%, from AED 169.8 million to AED 29.8 million during the period under review as a result of higher proceeds in 2021 as a result of additional proceeds from the liquidation of wakala deposits.

Net cash generated from investing activities was an inflow of AED 33.8 million for the year ended 31 December 2021, compared to net cash used in investing activities of an outflow of AED 60.1 million for the year ended 31 December 2020. The change to net cash generated from or used in investing activities from the year ended 31 December 2020 to the year ended 31 December 2021 was mainly attributable to the increase in proceeds from matured investment in financial assets by AED 43.7 million, or 34.7%, from AED 126.1 million in 2020 to AED 169.8 million in 2021 as a result of liquidation of wakala deposits in Commercial Bank International ("**CBI**"). The change to net cash generated from investing activities from the year ended 31 December 2020 to the year ended 31 December 2021 was also partly attributable to the decrease in the purchase of investments in financial assets by AED 28.9 million, or 27.8%, from an outflow of AED 103.9 million in 2020 to an outflow of AED 75.0 million in 2021 as a result of the investment in wakala deposits in CBI, which were initially invested in 2019 and rolled over again in 2020 at maturity.

Net Cash Used in Financing Activities

The following table provides a breakdown of net cash used in financing activities for the periods indicated.

	For the year ended 31 December			**For the six months ended 30 June**	
	2020	**2021**	**2022**	**2022**	**2023**
		AED		*AED (Unaudited)*	
Repayment of lease liability	(3,681,851)	(4,418,219)	-	-	-
Net cash used in financing activities	**(3,681,851)**	**(4,418,219)**	**-**	**-**	**-**

Net cash used in financing activities decreased by AED 4.4 million, or 100%, from an outflow of AED 4.4 million for the year ended 31 December 2021 to none for the year ended 31 December 2022. The decrease in net cash used in financing activities from the year ended 31 December 2021 to the year ended 31 December 2022 was attributable to the decrease in repayment of lease liabilities by AED 4.4 million, or 100%, from an outflow of AED 4.4 million to none as a result of the expiry of a lease related to drivers' accommodation in the first quarter of 2022.

Net cash used in financing activities increased by AED 0.7 million, or 20%, from an outflow of AED 3.7 million for the year ended 31 December 2020 to an outflow of AED 4.4 million for the year ended 31 December 2021. The increase in net cash used in financing activities from the year ended 31 December 2020 to the year ended 31 December 2021 was attributable to the increase in repayment of lease liabilities by AED 0.7 million, or 20.0%, from an outflow of AED 3.7 million to an outflow of AED 4.4 million as a result of payments towards the lease related to drivers' accommodation.

Capital Expenditure

The Company's capital expenditure for the years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023 was AED 101.7 million, AED 92.2 million, AED 284.0 million, and AED 146.7 million, respectively. The most significant element of the Company's capital expenditure during the period under review was the purchase of property and equipment during the ordinary course of business, including taxis, limousines, buses and delivery bikes. Expenditure for motor vehicles, mainly in the regular taxis segment, makes up the majority of the Company's capital expenditure, and it is mainly attributable to recurring fleet replacement – whereby the Company renews 25-30% of its fleet every year. In 2020 and 2021, the RTA extended the useful life of the Company's taxis from four to five years, thus allowing taxi companies to utilise fully depreciated taxis in their fifth year. This had the result of shifting the replacement cycle of the Company's vehicle fleet, reducing capital expenditure and depreciation and amortisation in the short term, but increasing these expenditures and expenses in the year ended 31 December 2022 and in the six months ended 30 June 2023. To enable its post-COVID rebound and growth, the Company purchased 2,971 taxis, 69 limousines, 312 school buses and 590 delivery bikes over the eighteen months ended 30 June 2023.

The Company also incurs plate capex deriving from the auctions organised by the RTA to acquire new licence plates, which is payable over five years (as opposed to the Company's replacement capital expenditure, which is generally payable over 12 months post vehicle purchase, in accordance with the terms with its vehicle dealers). Given the Company has not been awarded any new license plates in auctions in 2020, 2021, 2022 or the six months ended 30 June 2023, no additional plate capex has been incurred over this period.

The Company monitors its Net Capex, which reflects the Company's capital expenditure net of proceeds from disposal of property and equipment. Proceeds from disposal of property and equipment derive from the sale of vehicles into the used car market at the end of their useful lives. The Company's proceeds from the disposal of property and equipment for the years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023 was AED 12.2 million, AED 24.9 million, AED 30.0 million and AED 12.5 million, respectively. For the Company's Net Capex during the period under review see "*Selected Financial Information and Operational Data—Reconciliation of Non-IFRS Financial Measures—Net Capex*"

Net Working Capital

The Company monitors its Net Working Capital, which reflects the Company's inventories plus trade and other receivables, minus trade and other payables. The Company's Net Working Capital for the years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023 were negative AED 222.5 million, AED 251.2 million, AED 392.7 million and AED 373.4 million, respectively. The decrease in Net Working Capital for the year ended 31 December 2022 is mainly related to the COVID-19 rebound, with higher capital expenditure payables incurred together with staff and trade receivables. For the Company's Net Working Capital during the period under review see "*Selected Financial Information and Operational Data—Reconciliation of Non-IFRS Financial Measures—Net Working Capital*".

The Company experienced a favourable negative working capital cycle even during COVID-19 disruptions, as it receives instant payments for its taxi and limousine services and has maintained an insignificant and largely constant inventory. Trade and other payables are largely comprised of trade and staff receivables, net of impairments.

The Company had an average days sales outstanding of 26 days over the 2019 to 2022 period.

The Company's accounts payable are largely composed of capital expenditure, operating expenditure and staff payables. Capital expenditure payables are mainly driven by deferred payment schemes in relation to new vehicles or plate capex. The Company had an average days payable outstanding of 109 days over the 2019 to 2022 period.

Commitments and Contingent Liabilities

Commitments

The Company's commitments are capital commitments related to the purchase of vehicles. As at 31 December 2020, 2021, 2022 and 30 June 2023, the Company's capital commitments were AED 77.9 million, AED 67.4 million, AED 33.6 million and AED 98.6 million, respectively.

Contingent Liabilities

The Company did not have any contingent liabilities as at 31 December 2020, 2021, 2022 and 30 June 2023.

Off-Balance Sheet Arrangements

The Company does not have off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risk

For a description of the Company's management of credit risk, liquidity risk and market risk, see Note 22 of the Audited Financial Statements, respectively, and Note 16 of the H1 2023 Interim Financial Statements, which are included in this Offering Memorandum beginning on page F-1. During the period under review, the Company's credit risk primarily arose from exposure to: trade and other receivables (excluding prepayments and advances), cash at banks and investments in financial assets. The Company's liquidity risks exposure primarily arose from amounts due to a related party and trade and other payables. The Company's market risk exposure primarily arose from interest/profit rate risk in respect to its fixed deposits. The Company does not have any significant foreign currency exposure, as the majority of its transactions are denominated in AED.

Significant Accounting Judgements, Estimates and Assumptions

For a description of the Company's significant accounting judgments, estimates and assumptions, see Note 24, Note 25 and Note 24 of the 2020, 2021 and 2022 Audited Financial Statements, respectively, and Note 4 of the H1 2023 Interim Financial Statements, which are included in this Offering Memorandum beginning on page F-1. The Company's key sources of estimation include: the useful lives of property and equipment, impairment of intangible assets and impairment of trade and other receivables.

INDUSTRY OVERVIEW

Except where expressly indicated, the market data, statistics and information in this section of this Offering Memorandum have been extracted from the Industry Report produced by the Industry Consultant for the benefit of the Company in relation to the markets in which the Company operates. All other market data, statistics and opinions have been extracted from the other sources referenced or, where there is no reference, are the opinions of the Company.

The preparation and disclosure of any information or summary extracted from the Industry Report in this Offering Memorandum is not intended to create, and the Industry Consultant does not accept, any duty of care to any recipient of the Offering Memorandum or any liability for damages suffered by any party resulting from their use of the information included in this Offering Memorandum. Other than the Company, the Industry Consultant does not accept reliance by any other party on information which has been extracted from the Industry Report and included herein and any such reliance shall be at such party's own risk.

The information extracted from the Industry Report refers to the point in time when the report was created, 20 October 2023, and is subject to change. As at the date of this Offering Memorandum, the Industry Consultant has given and not withdrawn its written consent for the use of its name, statements, and market research and data supplied by it to the Company in the manner and format set out in this Offering Memorandum. The Industry Consultant relied on information provided by the Company as well as publicly sourced information for this report. Unless expressly indicated otherwise, estimates and projections set out in this section are prepared based on the analysis performed by the Industry Consultant. The Industry Consultant assumed that information provided from public or other sources was correct and complete. Therefore, no further checking of this information was conducted. While the Board believes that the sources from which they were obtained or derived are reliable, the accuracy and completeness of such information is not guaranteed. Taking into consideration the limitations set out in the "Information Regarding Forward-Looking Statements" section, whilst the members of the Board believe that the information and data on the market contained in this section and this Offering Memorandum obtained from third party sources, including the information obtained from the Industry Consultant, are information and data that may be relied upon, this information has not been independently verified by the Company, nor the Board, its Shareholder or its advisers, including the Industry Consultant. Therefore, none of the aforementioned parties shall bear any responsibility for the accuracy or completeness of any of this information.

This section contains forward-looking information. See "Information Regarding Forward-Looking Statements" for further information.

DUBAI MACROECONOMIC OUTLOOK AND KEY TRENDS

Introduction to Dubai and its economy

The Emirate of Dubai, which is situated on the eastern coast of the Arabian Peninsula and serves as a centre for Middle Eastern trade flows, is regarded as a significant commercial and tourist destination. In terms of nominal GDP, Dubai is the second-wealthiest Emirate in the UAE, behind Abu Dhabi. The Emirate has developed a diversified economy that includes key sectors such as manufacturing, real estate, retail and wholesale trade, travel and tourism, hospitality, transportation, financial services, and insurance. Together, they make up a sizeable portion of Dubai's real GDP, which was estimated at AED 414 billion by the end of 2022, up 4.4% from the end of 2021 (Dubai Statistics Center, 2023).

Further, Dubai's real GDP grew 2.8% year on year in Q1 2023 to reach AED 111.3 billion surpassing average global growth rates for the same period where European Union grew by 1.1%, USA by 1.8% and Organization for Economic Cooperation and Development by 1.6% (Dubai Media Office, 2023). Between 2012 and 2022, Dubai's real GDP grew by 2.5% CAGR (Dubai Statistics Center, 2023).

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

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:

- **Reforms in visa status:** A variety of visa reforms, including the golden visa, long-term stay visa, freelance visa, remote work visa, and other related reforms, have been announced by the UAE cabinet ministers to retain and attract top talent and skill sets, improve the competitiveness and flexibility of the job market, and increase investment opportunities within the UAE.

- **Ease of conducting business:** Recently, the UAE was ranked 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 (Zawya, 2023).
- **Unemployment Insurance Scheme:** In 2022, the UAE introduced a form of social security under Federal Decree Law No. 13 of 2022 which offers financial support to individuals during their unemployment, with the support continuing until they secure new employment, in line with the rules outlined in a specific decree-law (Government of UAE, 2023).

Additionally, the UAE announced recent changes to its commercial company law that now allow foreign investors to own 100% of their companies for more than 1,000 commercial and industrial activities excluding economic activities with a strategic impact (Government of UAE, 2023). Finally, the UAE adopted the new workweek (Monday through Friday) on 1 January 2022, aligning itself with global markets to promote international trade.

Table 1. Dubai Demographic Indicators

Indicator	Unit	2018	2019	2020	2021	2022
Resident Population	million persons	3.2	3.4	3.4	3.5	3.5
Of which expatriates	million persons	2.9	3.1	3.1	3.2	3.3
year-over-year population growth	%	7.3%	5.1%	1.6%	2.0%	2.1%
International visitors	million persons	15.9	16.7	5.5	7.3	14.4

Source: (Dubai Statistics Center, 2023) – Yearly Population Estimates

Note: Daytime population includes a percentage of employees at federal government, local government and private sector who reside outside the Emirate of Dubai besides average number of tourists and sailors and those coming to the Emirate for any other purpose.

Note: International visitors who spend one night at least in Dubai including Air, Land & Sea Visitors, excluding UAE residents, Local Emiratis and Aircrews & marines.

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

Indicator	Unit	2018	2019	2020	2021	2022	Q1 2023
Nominal GDP	current USD billion	115	119	104	114	126	n.a.
Nominal GDP	AED billion	424	436	382	419	464	n.a.
GDP per capita	current USD	36,178	35,405	30,525	32,810	35,575	n.a.
Real GDP	AED billion	414	401	376	397	414	111
Real GDP growth	%	2.0%	(3.2%)	(6.4%)	5.7%	4.4%	2.8%
Inflation rate	%	1.5%	(3.0%)	(3.0%)	(2.2%)	4.7%	n.a.
FDI per year (billion)	USD billion	10.5	17.9	6.7	7.1	12.8	n.a.

Source: (Dubai Statistics Center, 2023) – Preliminary Estimates; (Dubai FDI, 2021); Emirates NBD Research, (Dubai Media Office, 2021), (Emirates News Agency, 2019), Arabian Business. Monetary values in USD were recalculated with an exchange rate of 1 USD = 3.6725 AED

Table 3. UAE Real GDP Growth

Indicator	Unit	2018	2019	2020	2021	2022
Real GDP	USD	408,746	413,276	392,791	409,895	442,074
Real GDP Growth	%	1.3%	1.1%	(5%)	4.4%	7.9%

Source: (Economist Intelligence Unit, 2023)

Table 4. Median Disposable income per household – G7 Countries

Indicator	Unit	2018	2019	2020	2021	2022
Japan	USD	42,725	43,787	46,412	42,397	36,981
Canada	USD	48,943	50,355	52,458	59,384	57,478
USA	USD	86,190	93,085	98,369	101,771	107,988
France	USD	50,223	50,384	54,470	53,797	51,636
Germany	USD	47,445	47,557	51,816	50,807	50,288
Italy	USD	41,008	40,651	43,152	43,048	42,215
UK	USD	52,213	50,466	53,149	57,122	53,862

Source: Euromonitor

Table 5. Median Disposable income per household – GCC Countries

Indicator	Unit	2018	2019	2020	2021	2022
UAE	USD	89,233	87,840	75,721	86,175	88,612
Saudi Arabia	USD	36,960	37,165	32,170	35,643	35,140
Kuwait	USD	60,053	58,902	47,923	55,786	60,339
Qatar	USD	73,140	76,570	70,660	68,705	63,904
Oman	USD	37,790	38,858	40,408	46,387	45,552

Source: Euromonitor

Disposable income measures people's financial well-being, impacting consumption and saving, which are key drivers of economic growth and stability. When compared to global averages, the UAE exhibits significantly stronger economic growth, with annual rates of 3.5% (2010-2022) and 5.2% (2022-2027), outpacing the world's 1.3% and 1.9%, respectively (Economist Intelligence Unit, 2023).

The UAE economy has quickly survived the economic impact of the COVID-19, underpinned by a rebound in domestic activity, led by a strong rebound in tourism, construction, and activity related to the Dubai World Expo, as well as higher oil production in line with the OPEC+ production agreements. 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 predicted to grow at a rate of close to 3.5% for 2023 (Fitch Solutions, 2023).

The expected growth rate for 2023 is slightly higher than the observed growth in the first quarter of 2023, which was listed as 2.8% year-over-year (Dubai Statistics Centre, 2023).

Additionally, the promoted range of 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 (The National News, 2022), which would mean an absolute increase of 61% compared to the total population registered in August 2023 (3.6 million) (Zawya, 2023). If the 5.8 million inhabitants' goal is achieved by 2040, then this relates to an average growth rate of 2.8% over the next 18 years which is relatively higher compared to other global metropolises such as Hong Kong, New York, London and Singapore where growth is projected is at average of 0.5%.

Table 6. Future evolution of explanatory variables (2023-2027)

Indicator	Unit	2023F	2024F	2025F	2026F	2027F
UAE GDP growth	%	4.0%	3.7%	3.5%	3.4%	3.1%
World GDP growth	%	2.2%	2.4%	2.7%	2.7%	2.7%
UAE disposable income per capita year-over-year growth	%	9.2%	3.8%	4.3%	4.2%	4.8%
World disposable income per capita year-over-year growth	%	1.9%	1.7%	1.8%	1.9%	2.0%

Source: (Economist Intelligence Unit, 2023)

Table 7. Historical Population Growth of Dubai vs, other global metropolises

Indicator	Unit	2018	2019	2020	2021	2022	CAGR
Dubai	%	7.3%	5.1%	1.6%	2.0%	2.1%	2.7%
Hong Kong	%	0.8%	0.7%	-0.4%	-0.9%	-0.9%	-0.4%
New York	%	-0.6%	-0.6%	4.8%	-3.2%	-1.5%	-0.2%
London	%	0.9%	0.6%	0.5%	n/a	n/a	n/a
Singapore	%	0.5%	1.2%	-0.3%	-4.1%	3.4%	0.0%

Sources: Dubai (Dubai Statistics Centre); Hong Kong (World Bank); London (Statista / Office for National Statistics); New York (US Census Bureau, Population Division); Singapore (World Bank)

Table 8. Population estimates of Dubai vs. other global metropolises.

Indicator	Unit	2023	2025	2030	2035	2040	CAGR
Dubai	million persons	3.6	n.a.	n.a.	n.a.	5.8	2.8%
Hong Kong	million persons	7.5	7.6	7.8	8.0	8.1	0.5%
New York	million persons	8.3	n.a.	8.8	n.a.	9.0	0.5%
London	million persons	9.0	9.2	9.4	9.6	9.8	0.5%
Singapore	million persons	5.7	5.7	5.9	6.0	6.0	0.3%

Sources: Dubai (Dubai Statistics Centre, 2023) August and Vision 2040; Hong Kong (Hong Kong Government, 2023); New York (Open Data NewYork, n.d.); London (Greater London Authority. GLA 2021-based demographic projections); Singapore (World Bank, 2023)

Dubai's economic initiatives

In the mid-1990s, with a decline in oil production, Dubai sought to diversify its economy and was very successful in doing so. Dubai is now recognised as a hub for real estate, tourism, and trade. It is seen as one of the premier financial capitals in the Middle East. Earlier this year, 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, rule of Dubai and Vice President and Prime Minister of the UAE (WAM, 2023). Recently, Dubai also successfully hosted World Expo 2020 held once every five years attracting over 24 million visitors (UAE Embassy, 2023).

Economic innovation has continued with key recent initiatives launched to support growth, innovation and sustainability which include, but not limited to:

- **Dubai Clean Energy Strategy 2050** (Announced 2015): An initiative pledged by Dubai to use of clean energy sources to 75% by 2050 built on five main pillars namely infrastructure, legislation, funding, building capacities and skills, and environment friendly energy mix (Government of UAE, 2023).
- **Dubai Industrial Strategy 2030** (Announced 2016): An initiative seeking to increase the sector's contribution towards Dubai's GDP. The industrial sector is expected to grow by an additional AED 18 billion by 2030 creating 27,000 jobs with exports forecast to increase by AED 16 billion. Investment in research and development is expected to increase by AED 700 million by 2030 (Government of UAE, 2023).
- **Dubai 2040 Urban Master plan** (Announced 2021): With a significant focus on economic growth through all these initiatives Dubai also has a clear focus on a comprehensive future plan to develop Dubai's sustainable urban development. As referenced above the population of Dubai residents is expected to increase from 3.5 million in 2021 to 5.8 million by 2040. Some of the key initiatives of this plan include (i) developing five main urban areas (three existing and two new) to support economic growth and increased job opportunities across the population; (ii) ensure that 60% of Dubai's area is comprised of natural reserves and rural natural areas; (iii) increase the land area for tourism and hotel activities by 134% and for commercial activities to 168 sq.km; (iv) increase land area dedicated to education and health facilities by 25%; (v) promote non-automotive (walking, cycling and use of flexible means of transportation) transportation (Government of UAE, 2023).
- **UAE Tourism Strategy 2031** (Announced 2022): As part of the 'Projects of the 50', the strategy includes 25 initiatives and policies to boost the tourism sector in the UAE by increasing the GDP to AED 450 billion, host 40 million guests and attract AED 100 billion as additional tourism investments (Government of UAE, 2023).
- **Dubai Economic Agenda D33** (Announced 2023): a 10-year economic plan launched by the

government of Dubai in January 2023 with the aim to double the size of Dubai's economy by 2033 and make it one of the top three global cities. Some of the objectives includes (i) increase foreign trade from AED 14.2 trillion in the past decade to AED 25.6 trillion (ii) increase foreign direct investment to reach a total of AED 650 billion by 2033 (iii) increase government expenditures from AED 512 billion to AED 700 billion (iv) increase private sector investment from AED 790 billion in the past decade to AED 1 trillion (v) increase the value of domestic demand for goods and services from AED 2.2 trillion in the past decade to AED 3 trillion (vi) generate an annual contribution of AED 100 billion from digital transformation projects to Dubai's economy (Government of UAE, 2023).

- **Launch of initiatives to support family businesses** (Announced 2023): A series of initiatives designed to future-proof family businesses and bolster their competitiveness and growth capabilities to establish Dubai as a base for family-owned businesses and high net worth individuals (The National News, 2023).

The UAE boasts a vibrant calendar of annual events, ranging from the prestigious F1 Grand Prix and energy conferences to a multitude of events through 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 (Khaleej Times, 2022) global economic activities annually by 2025. In 2022, Dubai won 232 bids for business events which is twice as many in 2021 that is expected to bring 135,000 visitors over the coming years (Emirates News Agency, 2023).

Some of the events include:

Recurring events

Dubai Airshow, Dubai International Boat Show, Dubai Duty Free Tennis Championship, Dubai Shopping Festival, DP World Tour Championship Dubai, Dubai World Cup, Emirates Rugby 7s, GITEX, The Big 5 International Building & Construction Show and Gulf Foods to name a few.

One time event in 2023

The UAE will host the 28th Conference of the Parties ("**COP28**") to the United Nations Framework Convention on Climate Change ("**UNFCCC**") in November 2023. The conference will be held at Expo City Dubai. COP28 is looking to host and gather over 70,000 (Emirates News Agency, 2023) participants which is a sizeable participant cohort compared to COP26 who hosted close to 40,000 participants (UN, n.d.).

Real Estate, Tourism and Education

Real estate

Real estate has been a key sector for Dubai GDP contribution for many years being one of the top sectors contributing to Dubai GDP (7.3% of GDP in Q1 2023), with year-over-year growth in excess of 14% in some years (Dubai Statistics Center, 2021) and represents 7.9% of GDP (at constant prices) in 2022 (AED 32.7 billion) (Dubai Statistics Centre, 2022). It is expected that property developers will play a key role in achieving green targets to accommodate the higher population target of 5.8 million by 2040(Emirates News Agency, 2021) and implementing Phase 2 of Dubai 2040 Urban Master Plan (Dubai Media Office, 2022).

In 2022, for the first time, Dubai's real estate transaction crossed half a trillion dirhams amounting to AED 528 billion, a 76.5% increase from 2021. There was also a 44.7% increase in number of transactions totalling to 122,658 in 2022 (Dubai Media Office, 2023).

The Dubai market has witnessed a broad increase in residential values with a rise of 4.8% during Q2'23. This is the 10^{th} consecutive quarter of price rises in the Emirate with prices up 17% on an annualised basis.

Further, in 2022, Dubai experienced significant growth in commercial real estate transactions across offices, retail and warehouses with an increase in 32% (CRC Property, 2023) compared to the previous year owing to the active initiatives undertaken by the Dubai government to position the region as a long-term prospect.

The demand for commercial real estate in Q2'23 also continues to witness momentum marking a 22% rise in the number of transactions compared to the same period in the previous year. The total transacted value also witnessed a growth of 101% amounting to AED 21 billion (CRC Property, 2023).

Forward looking analysis – Residential market including drivers

In a report published by Knight Frank in the Summer of 2023, they have forecasted an additional 85,200 homes to enter the market by 2028, of which 69% will be apartment units.

As per Knight Frank – Summer 2023 Dubai Residential Market Review, the rise in the real estate market is being driven by several key factors, such as the positive sentiment following the announcement of the D33 Dubai Economic Agenda and Vision 2040 targets. In addition to the current and expected population growth associated with the plans, higher number of residents is expected to drive the requirement for residential growth which is already evident in the increases in housing prices (Knight Frank, 2023).

The UAE has also benefited from its handling of the World Expo and its title of the world's most vaccinated nation during COVID-19, having announced the completion of 100% vaccination and immunisation of target groups in UAE by June 2022 (Emirates News Agency, 2022). This has had a strong impact on boosting market sentiment and recovery, with nearly 70% of workers having returned to in-person work in some capacity post the COVID-19 pandemic by around June 2022 (Zawya, 2022). Signs of recovery is also visible in the year-over-year real GDP growth of 5.7% and 4.4% for 2021 and 2022 respectively (Dubai Statistics Centre, 2022).

Tourism

Dubai has created a strong foundation for itself as a tourist destination with its cutting-edge engineering (home to the tallest building in the world, the Burj Khalifa), varied cultural events, retail and shopping offerings, beaches, nightlife and annual calendar of events. Dubai ranked top in the TripAdvisor's 2023 Travellers' Choice Awards for the second consecutive time as the most popular tourist destination globally (Zawya, 2023).

Dubai's tourism sector is expected to be a major contributor towards Dubai's economy in the next 10 years with the objective to support the national strategy to attract AED 100 billion in additional tourism investments and receive 40 million hotel guests in 2031 (Dubai Media Office, 2023).

In H1'23, Dubai hosted record visitors of 8.55 million tourists exceeding H1'19 by 20% (DET, 2023). Further, as of H1'23, Dubai's main airport reported a 49% increase in passenger traffic surpassing pre-pandemic levels (Reuters, 2023).

Table 9. Passenger Movement at Dubai Airports.

Indicator	Unit	2019	2020	2021	2022	H1 2019	H1 2023
Passenger Movement	million	87.9	26.3	29.1	65.9	41.3	41.6

Source:(Dubai Statistics Center, 2022),(The National News, 2023),(Gulf Today, 2019) – *The decrease in 2020 is due to COVID-19 impact. Further 2021 only had operations at Al Maktoum International Airport limited to air cargo movements*

Dubai has also benefitted from travel and tourism resulting from major events taking place within neighbouring countries.

Despite the challenges of COVID-19, Dubai reopened to worldwide travellers after almost four months of closure (CNBC, 2020) due to lockdowns. Even through the pandemic, tourists continued to choose Dubai as a destination, as indicated by Dubai International Airport holding onto its title as the busiest international airport in the world for international passengers for the ninth year in a row in 2022 (Dubai Media Office, 2023).

The total number of hotel rooms in Dubai has risen at an annual growth rate of 7.5% from 51,000 in 2010 (BBC, 2010) to 121,000 by 2022(Dubai Statistics Center, 2022). The total number of hotels has increased by 18% between 2018 and 2022, this growth has been focused on deluxe hotels. Four-star and five-star hotels have increased by 51% over the same period and constitute up to 56% of the total hotels available in Dubai in 2022 (Dubai Statistics Center, 2022).

Table 10. Dubai main hotel indicators

Indicator	Unit	2018	2019	2020	2021	2022	CAGR
Total hotels	Number	519	544	520	567	610	4.1%
Number of available rooms	Number ('000s)	91	101	101	113	121	7.4%
Average total occupancy	%	75%	75%	54%	66%	72%	-

Source: (Dubai Statistics Centre, 2023)

Along with the development of hotel infrastructure, occupancy rates have also reached an average of 72% in 2022 alongside achieving highest occupancy in the first six months of 2023 at 77% which ranks amongst highest in the world (Dubai Media Office, 2023).

Forward looking analysis – Tourism

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 Emirates wanted to increase the number of tourists to 25 million by 2025 (Reuters, 2021).

The UAE has also announced the UAE Tourism Strategy 2031 (Dubai Media Office, 2022) which will include 25 initiatives and policies to support the tourism sector. It aims to (i) raise the sector's contribution to GDP; (ii) strengthen the position of UAE as one of the best destinations; (iii) boost competitiveness by attracting investment; and (iv) welcome 40 million hotel guests.

The UAE also recently announced a new regulatory authority that will be responsible for commercial and gaming activities and a national lottery system in country.

To accommodate this growing number of visitors, there are expected to be several new hotels launched.

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 (Government of UAE, 2023).

Table 11. Hotel Projects in Dubai

Indicator	Unit	2022	2023	2024	2025+	Total
Projects	Number	58	32	7	21	118

Source: (Top Hotel News, 2021) Updated to January 2022

Note: Of the total 118 projects, 5 projects were at pre-planning, 24 projects at planning, 66 projects under construction and 23 projects at pre-opening

Education

The education sector is a key area of national priority for the UAE. In 2017, the Ministry of Education launched their National Strategy for Higher Education 2030 with targets to further develop the education sector and to achieve the highest scientific and professional standards of education for the benefit of the UAE's future generations (Emirates News Agency, 2017). The Government set out four pillars to deliver the strategy namely quality, efficiency, innovation and harmonisation.

The UAE is ranked 16th globally for quality of primary education, 12th globally for quality of higher education, and 8th globally for quality of teaching (Ministry of Economy, 2021).

At K12 level, the UAE provides more than 50 different international curriculum and is considered the third largest international K-12 school market in the world after China and India (Ministry of Economy, 2021). 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 an additional four new private schools expected to open in the 2022/23 academic year (Dubai Media Office, 2022). The number of students at private schools is expected to exceed 326,000 for 2022/23 with enrolment growth of 4.5% from June 2022 (Dubai Knowledge, 2023) and pupil population having already risen above 326,000 by November 2022 (The National, 2022). If Dubai's population reaches the target of 5.8 million by 2040, then school population could approach 550,000 (The National News, 2022).

Table 12. Schools and classes by Private and Government in Dubai

Indicator	2017/18	2018/19	2019/20	2020/21	2021/22	10 Year CAGR
Governmental	71	71	67	65	65	-1.9%
Private	194	209	208	210	216	3.9%
Total schools	265	280	275	275	281	1.9%
Governmental	1,154	1,094	1,798	1,798	n.a.	4.1%
Private	11,274	11,747	11,918	12,146	n.a.	3.8%
Total classrooms	12,428	12,841	13,716	13,944	n.a.	3.8%

Source: (Dubai Statistics Centre, 2023)

Note: Private schools data for 2021/22 has previous year data for number of classrooms

Note: Government schools data for 2021/22 is based on 2020/21 data

Food and Beverage Delivery

With the pandemic-driven shift to online shopping channels in many countries across the globe, the UAE is no exception. The industry is expected to continue growing over the next years.

UAE has a growing online delivery market (ordering of groceries and prepared meals online placed through an application or website).

Total online food delivery revenue has increased from US$0.68 billion in 2018 to US$1.69 billion in 2022 (Statista, 2023).

E-commerce has continued to gain momentum in the UAE with value of e-commerce sales multiplying over five times in the past 7 years from 2015. The UAE also leads MENA with a 4.2% share of e-commerce of total retail. A study revealed 68% of UAE residents reduced in-store shopping, and 49% are increasingly shopping online thus, making last-mile delivery an important market (Ministry of Economy, 2022).

Roads & 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 from 163 million passengers in 2006 to 621.4 million passengers in 2022 resulting in an annual growth of 8.7% (Gulf News, 2023).

Dubai ranks ahead of some other large cities such as London, Singapore, New York, Tokyo and Hong Kong at 12 minutes and 10 seconds per 10 kilometre compared to an average of 23 minutes and 32 seconds per 10 kilometre in the referenced cities. (Tom Tom, 2023).

URBAN MOBILITY SECTOR

High level overview on the Global Urban Mobility Sector

In a global perspective, urban transportation encompasses a diverse range of modes, with over 20 methods of passenger transport commonly found in cities worldwide. These modes can be broadly categorised into four groups based on their operational characteristics and infrastructure requirements.

The first group (which DTC operates within) relies on pavements and well-surfaced roads, including walking, cycling, electric scooters, motorbikes, road scooters, rickshaws, cars, taxis, shared mobility and buses. The second group depends on dedicated rights of way along specific routes, which can be at the surface, elevated, or in tunnels or cut-and-cover structures. This category includes buses, trams (which can operate on roads but are faster on dedicated routes), metros, light rail, and heavy rail. The third group relies on navigable water bodies such as rivers, canals, or seas. This group includes ferries and riverboats of various sizes, some of which may accommodate cars and buses, as well as catamarans. The fourth and more specialised group consists of aerial ropeways, cable-driven funicular railways, long escalators (often in sections), travelators, and even lifts (sometimes inclined).

The choice of transportation modes in a city is influenced by various factors, including its geographical location, urban layout, historical development, and modernisation efforts. The extensive coverage of metro systems in cities like London, Paris, or New York is a result of over a century of adopting underground metro as a solution to navigate densely populated urban areas, where surface transportation faced challenges in terms of space and congestion, constrained by the urban planning of cities over different centuries. In these cities, urban highways were mostly retrofitted in later decades to further address congestion, while metro coverage was already well developed.

Dubai's more 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.

The expansion of rail-based system in Dubai is aligned with other contemporary cities that are transitioning to rail-based systems, such as metros and trams, to address the pressing need to reduce carbon dioxide ("**CO_2**") emissions, electrify transportation, and enhance energy efficiency. Rail systems are also well-suited for regenerative braking, further conserving energy.

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.

Overview of general 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. Key global trends in urban mobility include:

- Expansion of Metro Systems: In response to urbanisation, many cities are expanding their metro systems to provide efficient and eco-friendly mass transit options. While metro expansions often lead to reduced taxi usage, Dubai's metro layout is characterised by extensive linear coverage across the city. This may not always offer direct point-to-point routes thereby leading passengers to choose taxis for quicker and more convenient journeys, particularly for destinations not situated along metro lines. Dubai's well-maintained road infrastructure and high average traffic speeds further enhance the appeal of taxis, which provide door-to-door trips at affordable rates. Moreover, especially in the summer months, the hot climate in Dubai often deters commuters from walking from public transport to their destinations, favouring the usage of private cars, taxis, and shared mobility options.
- Significant shift from street-hailing to e-hailing, with e-hailing platforms gaining substantial market power.
- Rise of carpooling especially in cities with less affordable fares.
- Mobility as a Service: Mobility-as-a-service platforms allowing commuters to plan, book, and pay for various modes of transportation seamlessly through a single app, simplifying urban mobility for residents and visitors.
- Fleet transition to electric, hydrogen or hybrid under net-zero emission initiatives.
- Rise of Driverless Transportation: the development of driverless technology is a significant challenge and opportunity. Some cities are piloting autonomous vehicles and pods, while others are exploring driverless taxis. Safety remains a primary concern in these initiatives.
- Mobility alternatives like shared bicycles and electric scooters, are transforming the last-mile connectivity in cities and contributing to reducing traffic congestion.
- Urban congestion charges to encourage the use of public transport: many cities are implementing congestion pricing strategies to reduce traffic congestion in city centres, including charges to vehicles entering certain high-traffic areas.
- Data-Driven and Automated Management Systems for improving the efficiency of urban transportation systems, including optimising routes, and managing traffic flows.
- Electric Vertical Takeoff and Landing Aircraft, expected to foster urban air mobility in the near future, adding a new dimension to urban transportation.

Dubai's Urban Mobility sector

Articulation of Dubai's Urban Mobility Sector by mode of transportation

Dubai multimodal urban transport system includes buses, taxis, metro, trams, automobiles, and water transport. The UAE and Dubai's infrastructure has consistently achieved global top ranking in various aspects of urban infrastructure and transportation. In the 2021 Global Food Security Index Report in 2021, UAE obtained the highest scoring in Road Infrastructure out of 113 countries. Additionally, Dubai was ranked first in Enforcement of Transport Safety in the 2021 Safe Cities Index Report out of 60 cities. The UAE ranked first in satisfaction with roads and highways out of 167 countries. On the city mobility index, Dubai ranked as a top performer in the transport affordability, public transport reliability and customer satisfaction, and as a global leader on the accessibility indicator.

RTA is responsible for planning and providing the requirements of transport, roads, and traffic management in the Emirate of Dubai, and between Dubai and other Emirates of the UAE in order to provide an effective and integrated transport system capable of achieving Dubai's vision and serving the vital interests of the emirate (RTA, 2022).

Public Transport including Taxis

Public transport plays a key role in the Dubai transport infrastructure, with 621 million riders in 2022 (please refer Table 17 for the detailed breakdown). Metro had the largest share of ridership as can be seen in the table below with taxis and buses providing the second and third largest shares, respectively.

The Metro network gained a 15 kilometre extension as part of the Route 2020 project in 2021, with the network length now reaching 89 km. The system consists of two fully automated lines, which are the red line and green line, the former of which is the world's longest driverless single metro line at 52.1 kilometres (RTA, 2023).

The Dubai Tram network consists of an 11-train fleet each with a capacity of 292 passengers with a total network length of 10.6 km. The fully automated rail system stretches across Al Sufouh, Dubai Marina and Palm Jumeirah. Passing through 11 stations, the tram stations are connected to two stations on the main metro line. The Dubai Tram conducted 99 thousand trips in 2022 serving 7.48 million riders (RTA, 2023).

In 2021 RTA awarded a 15-year contract (9 base years and 6 renewable years) for the operation and maintenance of the Dubai Metro as well as the operation of the Dubai Tram. The contract valued at approximately AED 542 million per annum, was awarded to a consortium formed by Keolis, Mitsubishi Heavy Industries Engineering, and Mitsubishi Corporation (RTA, 2021).

Taxis in Dubai are strictly metered with regulated fares. They can be hailed on streets or booked through smart apps or by phone. Taxis operate 24 hours a day, with special taxis for women passengers, driven by female chauffeurs, as well as airport taxis that transport passengers from the airports. RTA also offers smart car rental service that can be used to rent a car for a number of capped hours. Uber and Careem e-hailing services can also be utilized in the Emirate. In 2022, taxis served delivered 105 million trips,[1] and Shared Mobility (e-hailing and car sharing) delivered an additional 32 million 19 million trips (RTA, 2023).

The Dubai bus fleet consists of 1,400 buses as of December 2022, with 1,278 buses providing service along 165 lines within the Emirate, and 122 buses assigned to the 12 intercity lines that provide transportation to other emirates. Dubai's bus system provides services to 82% of the urban areas across Dubai transporting 157 million passengers in 2022 (DSC, 2022).

Table 13. Annual Ridership by mode, showing CAGR

All ridership figures in millions of passengers	Annual Ridership in Dubai 2010-2022														CAGR		
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	***2023 (H1)***	**2010-2019**	**2010-2022**	**2018-2022**
Metro Ridership	39	69 (1)	109	138	164	179	191	201	204	203	114	151	225	123	20%	16%	2%
Tram Ridership	(2)					4	5	6	6	7	4	5	7	4			4%
Buses Ridership	110	110	108	116	136	135	151	155	168	157	95	116	157	83	4%	3%	-2%
Marine Ridership	(3)							14	14	14	8	11	16	9			3%
Public Transport	**149**	**179**	**217**	**253**	**300**	**317**	**348**	**376**	**393**	**381**	**221**	**284**	**406**	**220**	**11%**	**9%**	**1%**
Taxi Ridership	142	159	166	174	188	184	180	176	174	180	110	155	183	96	3%	2%	1%
Shared Mobility R.	(4)							17	22	33	15	23	32	21			10%
Taxi + Shared M.	142	159	166	174	188	184 (5)	180 (5)	193	196	213	125	178	216	117			2%
Total Ridership	**292**	**339**	**384**	**427**	**488**	**501**	**528**	**569**	**588**	**594**	**346**	**461**	**621**	**337**	**8%**	**7%**	**1%**
Taxis and Shared Mobility vs. Total	49%	47%	43%	41%	39%	37%	34%	34%	33%	36%	36%	38%	35%	35%			
Taxis vs. Total (excluding Shared Mobility)	49%	47%	43%	41%	39%	37%	34%	32%	31%	32%	33%	35%	31%	31%			

Source: DTC, RTA and Dubai Statistics Notes: (1) Green Line Metro started operations in 2011; (2) Tram started operations in 2015; (3) Marine Ridership reported by Dubai Statistics from 2017 onwards; (4) Shared Mobility data available from 2017 onwards (5) The combined taxi and shared mobility ridership for 2016 and earlier years doesn't capture shared mobility because data was not available. The reduction seen for this metric in the table for years 2015 and 2016 is linked to the missing data point for shared mobility, which was expanding through that period but only captured from 2017 onwards.

The table above clearly shows the growth of the metro as additional lines and stations were added between

[1] For the analysis of DTC and the Taxi Market and Shared Mobility markets, the most relevant metric is "trips" rather than "ridership", as the number of trips directly correlates with revenue. Conversely, ridership serves as the standard metric for comparing various modes of urban mobility (metro, tram, buses, marine services, taxis, shared mobility), since "riders" is the unit of comparison. "Trips" is the metric reported to RTA by Taxi Franchises and Shared Mobility Providers. To convert taxi and shared mobility "trips" into "ridership", RTA and Dubai Statistics employ a 1.74 occupancy factor per trip.

2010 and 2022, and the growing taxi ridership when the e-hailing component is included. The growth rate between 2018 and 2022 for all modes of public transportation slowed down due to the reduced traffic during the COVID pandemic, except for e-hailing (shared mobility) which increased by a CAGR of 10%. Traffic volumes for all modes have now recovered to pre-pandemic levels and are showing some growth, except for buses which are still a slightly below their pre-pandemic volumes. During the first half of year 2023, ridership in Dubai surpassed 336 million ridership.

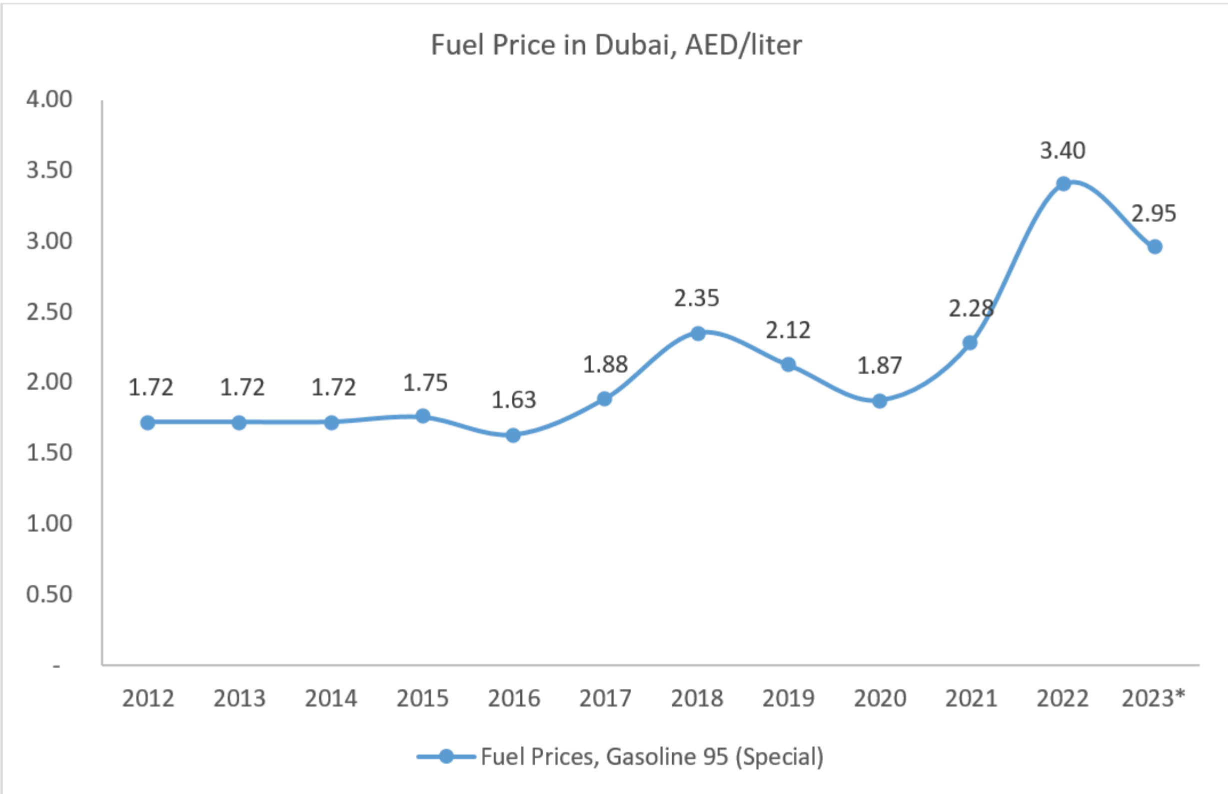
Private Vehicles in Dubai

Even though public transport infrastructure is well developed in Dubai, commuting by car remains the most popular method of transportation within the Emirate. Vehicle penetration is amongst the highest in the world, partially due to the relatively low cost of purchasing and maintaining a car. Further, the harsh summer weather makes traditional public transport (metro, buses) a less appealing option, coupled with relatively quick journeys using the (tolled) expressways, favouring road transportation (taxis, shared mobility and private vehicles).

Compared to other large, relatively new global cities, Dubai exhibits common characteristics. It relies heavily on road-based private car transportation as the dominant mode, which aligns with the trends in rapidly growing cities in the Middle East and Eastern Asia. Notably, Dubai's metro and tram network, despite being relatively recently built, has already captured a substantial share of public transport trips, indicating its well-designed infrastructure supported by efficient bus feeder services.

Prior to 2015, gasoline products in Dubai, alike other emirates, were subsidised and prices were held constant. Specifically, e95 gasoline was available at the retail price of AED 1.72. Starting 1 August 2015, the UAE moved to zero-subsidy regime for fuel prices, at which point, the prices increased following the offer and demand dynamics.

Figure 1. Evolution of Fuel Price in Dubai 2012-2023*



Note: For year 2023, the price corresponds to the average fuel price from 1 January to 1 September (The Fuel Price, 2023)

Addressable market for DTC's core segments

Taxis and limousines

RTA regulation mandating limousines to be at least 30% more expensive than taxis in Dubai, coupled with agreements reached with ride-hailing services like Uber and Careem to maintain higher prices, serves indirectly as a protective measure for the traditional taxi segment. This pricing strategy helps uphold the competitiveness and sustainability of the taxi industry by creating a pricing structure that makes traditional taxis a more economically viable option.

The taxi market is undergoing a major change globally, transitioning from a 'Hail and Ride' business to an 'e-hailing' business, involving an almost full transformation of its business model. In this evolving landscape, global players like Uber have made substantial progress, leveraging well-developed apps and collaborating with 'driver partners,' who operate as independent contractors or on a commission basis.

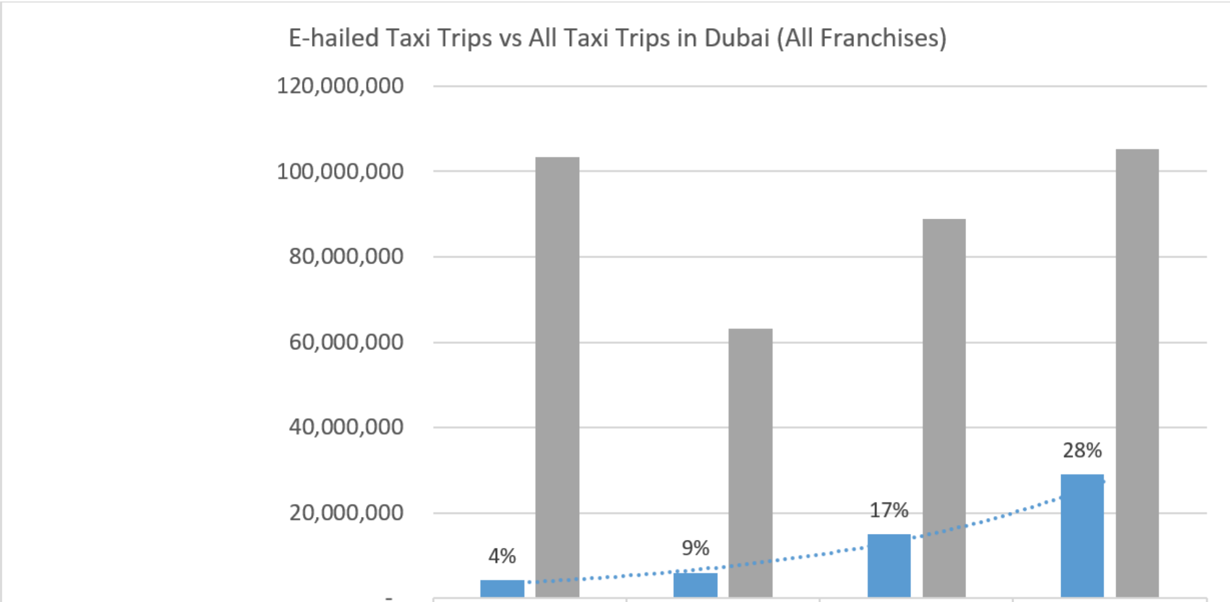
In contrast to many international markets where Uber and traditional taxis have often clashed over regulatory issues, Dubai has successfully achieved a highly collaborative model, where the two main e-hailing operators (Uber and Careem) have different successful partnerships in place, including RTA-Careem's Joint Venture "Hala" which held the exclusivity for all taxi e-hailing bookings in Dubai until 2023, with competition for local companies allowed from July 2023, and for international operators from April 2024. In addition to that, DTC has separate agreements both with Uber and Careem, as exclusive provider of limousines for both companies in their respective pick-up zones at Dubai Airports. This implies that DTC handles any e-hailed trip at the airport originating from both Uber and Careem apps.

With an objective to protect taxis fares, the government has reached agreements with both Uber and Careem, ensuring that their fares per trip remain always at least 30% higher than taxi fares.

In par with international cities such as Singapore, RTA has the objective of reaching 80% e-hailing in the upcoming years. A shift from street-hailing to e-hailing shall help optimise supply and demand of taxis and increase utilisation rates of taxi fleets. This will also potentially increase both taxi and shared mobility ridership in relation to overall public transportation, especially in residential neighbourhoods where taxis rarely ply for hire. Whilst this maybe in progress within the city where demand for short waiting time and "just in time" services is heightened, in some locations this is already optimised. For example, at the pick-up line at the airports, taxis are available and street hailing is hassle-free, making booking a less preferred option. Given the specific nature of airport pick-ups with dedicated areas and detailed information on anticipated demand as per scheduled flights, there is already a high degree of optimisation of supply and demand to minimize waiting time.

The following figure illustrates the evolution of e-hailed taxi trips for all taxi franchises in Dubai via Hala, the exclusive e-hailing platform provider in this period, in relation to total taxi trips.

Figure 2. E-hailed Taxi Trips vs All Taxi Trips in Dubai



	2019	2020	2021	2022
Total E-Hailed Taxi Trips (via Hala)	4,256,636	6,001,179	15,053,841	28,952,678
Total Taxi Trips	103,365,989	63,184,168	88,915,740	105,200,575

Source: FTI, based on data provided by DTC (Hala Trips) and Dubai Statistics (All Trips).

Limousines

The UAE is expected to have a market size of AED 1 billion for limousines by 2025, a segment that DTC operates in through offering chauffeur driven vehicles designed to provide luxury service, according to Ken Research (Ken Research, 2023).

School Buses

The second significant market DTC operates in is that of School Transport. The Ministry of Education (MoE) supervises and monitors all stages of education in the UAE including public and private schools.

The Ministry of Education's Emirates Schools Establishment is an independent federal entity in charge of enhancing public schools across the UAE, and with direct responsibility over operation-related matters including transportation (MoE, 2023).

The table below shows the growth in the annual number of students in the Emirate of Dubai. The CAGR between the academic year 2016/17 and 2022/2023 has been 2.08%.

Table 14. Enrolled Students by Academic Year – Emirate of Dubai

	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022
Private schools	281,432	289,195	295,148	289,991	303,262
Government schools	29,673	29,387	29,445	30,935	30,142
Total	**311,105**	**318,582**	**324,593**	**320,926**	**333,404**

Sources: Dubai Statistics for years 2016 to 2022. DTC for academic year 2022-2023.

In the landscape of international education, both the UAE and Dubai hold top positions in global rankings at the national and city levels, respectively. According to the 2021 ISC Market Report,

- UAE is the biggest market of international schools with 696,600 enrolled students followed by China with 419,000.

- UAE has 725 international schools out of the 2,264 international schools in the MENA region.
- Dubai has 333 international private schools, the highest for any city worldwide.

The education sector growth is occurring in both in private and public schools. The number of enrolled school students in the Emirate of Dubai is expected to grow at a 2.82% CAGR between 2023 and 2040. School Population of Dubai has reached 343,000 in academic year 2022/2023 (sourced from DTC), and is expected to reach 550,000 in 2040, according to the Dubai Government's targets laid out in its Dubai 2040 Vision.

There are 7,400 school buses operating in the Emirate of Dubai as of June 2023, which are regulated by RTA, serving both public and private schools.

At the national level, more than 4,000 school buses were allocated to provide transportation services to public schools in the academic year 2022/2023, including 100 buses equipped for people of determination and 490 new school buses, to transport about 170,000 students, in 504 government schools (WAM, 2022).

Delivery Bikes

RTA as the regulatory agency is responsible for overseeing delivery bikes in the city. This falls within the broader category of "Managing and Providing Delivery Services" which requires a special license in order for companies to engage in commercial transport activities within the Emirate of Dubai.

As per a study jointly conducted by Dubai Police, Dubai Economy, and Visa, 68% of residents in the UAE have decreased their in-store shopping, with 49% showing a rising preference for online shopping, contributing to the e-commerce growth registered the UAE (Ministry of Economy, 2022).

UAE online delivery market is expected to continue grow in conjunction with the increasing preference for online orders, increasing penetration of mobile phone and the forecasted increase in population. Dubai Government initiatives aimed at creating a smart city, have contributed to expand the ecosystem for companies to developed online channels and apps to facilitate integrated on-demand services and last-mile delivery.

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

Dubai and Abu Dhabi being the major cities of UAE due to the concentration of population in these regions, specifically for working professionals who are the major end-users of online grocery delivery services, are forecasted to drive the growth in the UAE online delivery market (Statista, 2023).

Total online food delivery revenue has increased from US$0.68 billion in 2018 to US$1.69 billion in 2022. By 2023, revenue from online food delivery is projected to reach US$1.93 billion, and this upward trajectory is expected to persist with an annual growth rate (CAGR 2022-2027) of 14.87% (Statista, 2023).

Table 15. UAE Online and Food Delivery Revenue (2018 to 2022)

	Unit	2018	2019	2020	2021	2022	CAGR
Grocery Delivery	USD$ billion	0.12	0.15	0.24	0.41	0.53	45%
Meal Delivery	USD$ billion	0.57	0.73	1.01	1.15	1.16	19.4%
Total	**USD$ billion**	**0.68**	**0.88**	**1.25**	**1.55**	**1.69**	**25.6%**

Source: (Statista, 2023)

By 2027, the market volume is forecasted to expand and reach US$3.36 billion. The Grocery Delivery segment is set to experience similar growth, with revenue anticipated to increase by 30.4% in 2024 (Statista, 2023).

Table 16. UAE Online Food Delivery Revenue (2023 to 2027)

	Unit	2023F	2024F	2025F	2026F	2027F	CAGR
Grocery Delivery	USD$ billion	0.69	0.90	1.22	1.55	1.90	28.8%
Meal Delivery	USD$ billion	1.24	1.31	1.36	1.41	1.46	4.2%
Total	**USD$ billion**	**1.93**	**2.21**	**2.58**	**2.96**	**3.36**	**14.9%**

Source: (Statista, 2023)

Dubai's regulatory environment

Since its establishment, the RTA has seen an increase in its duties and responsibilities, primarily through the issue of laws and Executive Council of Dubai Resolutions (generally seen as supporting or secondary legislation). The subsequent subsections below provide an overview of the key enabling legal instruments that have shaped the RTA to date.

Establishing law

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

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

- Department of Public Transport
- Vehicles Licensing Section
- Drivers Licensing Section
- Plates Factory Section of the Traffic Directorate of the General Headquarters of the Dubai Police
- Dubai Metro, Tram, Bus and Marine Transport.
- Regulation and oversight of Taxis and Shared Mobility
- Road Maintenance Section
- Traffic Safety Section

Agencies and regulation

RTA has four agencies, the Traffic and Roads Agency, the Public Transport Agency, the Rail Agency and the Licensing Agency, in addition to DTC.

Every agency is administratively and financially independent, operating under the purview of RTA. Each Chief Executive Office responsible for an agency is appointed by the Chairman of the RTA as set out in Article 3 of Executive Council Resolution No. 8 of 2006, establishing the agencies affiliated to the RTA approving their corporate and organisational structures. In effect, an RTA Agency is under the responsibility and control of the RTA and all agencies are required to follow a general framework with specific duties assigned to each agency in subsequent articles as described in Resolution No. 8.

Executive Council No. 6 of 2016 stipulates the requirements to regulate the transport of passengers by car in the Emirate of Dubai. This decree builds on precedent enacted legal instruments:

- Law No. 17 of 2005 that established the RTA in the Emirate of Dubai
- Executive Council Resolution No. 20 of 2007 to set up Dubai Taxi Corporation within RTA
- Executive Council Resolution No. 48 of 2016, establishing Dubai Taxi Corporation as a financially independent entity with its own management and organization structure

- Law No. 10 of 2007 empowering the Head of the Executive Council to issue regulations for the taxi sector in the emirate of Dubai
- Decree No. 29, 2015 regulating taxi bookings in the emirate of Dubai
- Regulation (1) of the year 2007 regulating passenger transport in taxi vehicles in the emirate of Dubai
- Executive Council Resolution No. (8) of 2006 establishing the agencies affiliated under RTA and adoption of its organizational and corporate structure
- RTA and approving their corporate and organisational structures
- Resolution No. 363 of 2016 regulating passenger transport in the emirate of Dubai

RTA's franchising model

All taxi operators operate under a franchise agreement with the RTA, where five companies (including the DTC) have licenses to operate taxis in Dubai. Every year, the RTA organizes auctions and issues a limited number of new plates based on macro indicators, following a rigorous demand-supply analysis and Dubai Strategic Transportation Model, to limit oversupplying the market (since 2018, a total of 1,350 new license plates have been issued). Franchises can participate in an auction over the licenses released by the RTA. Franchise agreements are awarded to franchises based on a technical and financial evaluation. The selected bidder eventually enters into a franchise agreement with the RTA for the selected licenses they acquired. The duration of the agreement is typically five years and is renewed in perpetuity provided the agreement terms and conditions are satisfied. Any entity that is approved and qualified by RTA can participate in the bidding process. Whilst any entity could participate in the auction provided they are pre-qualified by RTA, it may constitutes a challenge for them to present the best bid when compared to established companies that benefit from economies of scale, already established infrastructure, hence creating a natural barrier to entry.

The franchise agreement lays the requirements and technical conditions for the franchisees to be able to operate the franchise in Dubai. As per the franchise agreement, RTA is responsible for providing support to the franchisee in facilitating the process of acquiring permits and licenses as needed from other public authorities in Dubai to be able to operate, while also being responsible for providing training programs to the franchisee employees to enable them to better operate taxi vehicles in Dubai.

The franchise agreement defines the technical requirements for the franchisee to abide by.

Taxi Fares

Taxi fares in Dubai are regulated using a Fixed Base Fare Model combined with a Variable Fare. These fares are applied uniformly to all taxi franchises operating in the city and are regularly adjusted by RTA based on fuel price movements, inflation, and market dynamics. The fare adjustment process is described as follows by RTA (Source: PTA, Taxi Sector Technical Manual, November 2023):

- The authority will fix the taxi trip fare based on internal studies (fuel, market dynamics) and stakeholders' consultations.
- The authority will review the taxi trip fare every two months. However, the authority may also review and revise the taxi trip fare in special conditions like market dynamics, fuel price adjustments and sector studies (The Authority's approval reference: the decision of the Chairman of the Board of Directors Meeting 681 dated 10 June 2021).
- The authority review and modify the Fare based on market needs and stakeholders' feedback as and when needed.

The calculation of taxi fare is based on the following:

Table 17. Taxi Fare Formula Calculation

	Taxi Fare Formula
	Base Fare
+	Kilometre Charge
+	Taxi Waiting Time Charge
+	Fee for entering Sharjah (if applicable)
+	Fee for entering Port Rashid Area (if applicable)
+	SALIK (Toll Road) Fee (if applicable)
+	Fee for entering DARB (the Abu Dhabi Toll System) (Toll Road) (if applicable)

Source: Dubai's Public Transport Agency (PTA), RTA

Whereas the fare per kilometre is updated on a regular basis as described above, the flag down and minimum regulated fares remain fixed for longer periods. The current fare is structured as follows:

Table 18. Current regulated taxi fare structure

	Flag down fare	Fare per km	Minimum Fare
Street-Hail Taxi (1)	AED 5.0 (Day Hours) AED 5.5 (Night Hours)	AED 2.19	AED 12.0
E-Hail (Hala-Ride) (2)	AED 8.0 (Off Peak Hours) AED 9.0 (Night hours) AED 12.0 (Peak Hours)	AED 2.19	AED 12.0
Airport Taxi and Port Rashid (3)	AED 20. 0 (4-passenger taxi) AED 25.0 (7-passenger taxi)	AED 2.19	AED 25.00 AED 25.0

Notes:

(1) For street-hail taxis, 'Night Hours' are from 10 pm to 5.59 am, all days.

(2) For E-Hail fares, Peak Hours vary per day (Monday to Thursday: 8 am- 9.59 am, and 4 pm- 7.59 pm; Fridays: 8 am- 9.59 am, and 4 pm- 11.59 pm; Weekends: 4 pm- 11.59 pm); and 'Night Hours' are considered 10 pm-5.59 am (Monday to Thursday), and 12am-5.59am (Friday to Sunday) The Airport Flag down fare includes the Airport Surcharge (AED 20) and the Flag Fall Fare of (AED 5).

(3) For Airport Taxi and Port Rashid, the Flag down fare and Minimum fare are equal.

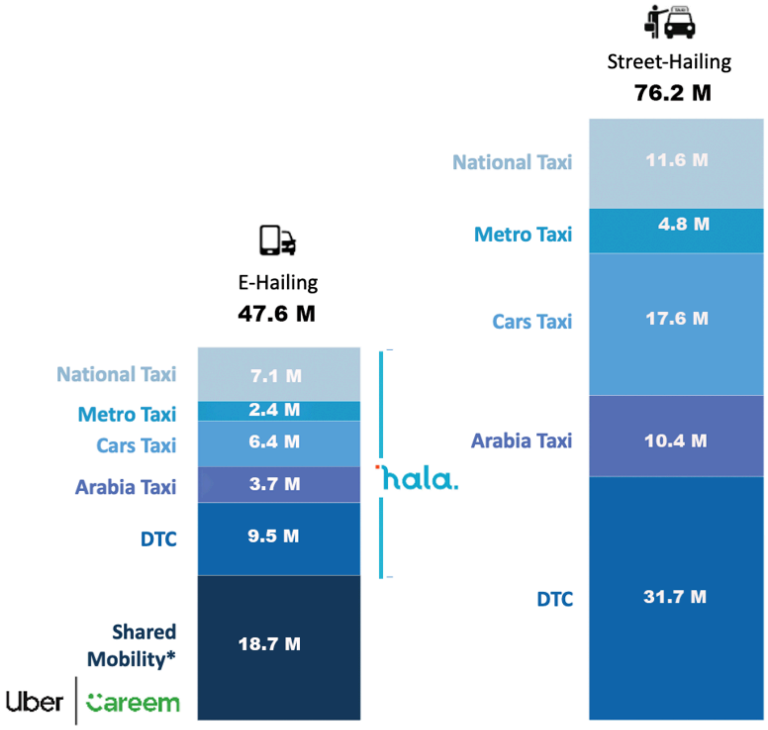
Source: Dubai's Public Transport Agency (PTA), RTA

COMPETITIVE LANDSCAPE

DTC Taxis strategically competes in two distinct segments within the urban mobility market.

- **Street-hailing segment**, where it faces competition from other taxi franchises, DTC holds a long-term dominant position reinforced with exclusivity over key pick-up points such as Dubai Airports strengthened by continuous investment in performance enhancement and a forward-looking leadership deeply committed to technological advancement, which has helped DTC adapt to the rapidly changing urban transportation landscape while expanding its customer base.
- **e-hailing segment**, DTC Taxis competes both with taxi franchises and with shared mobility operators, mainly Uber and Careem. The competition with taxi franchises on e-hailing rides is concentrated via Hala, which holds exclusivity over e-hailing taxis in Dubai over international operators until April 2024 (the exclusivity over other local players was set to expire in July 2023). With regards to the shared mobility operators, taxi fares are protected by the obligation for shared mobility cars to maintain higher rates than taxis. From a fare protection perspective, a similar approach is taken by RTA with limousines, requiring that their fares must be at least 30% higher than those of taxis. It is worth highlighting that both RTA and DTC have forged strategic partnerships with Uber and Careem, fostering a highly positive market dynamic with greater growth potential compared to many international markets where such partnerships are less common, and where taxi companies and shared mobility operators engage in more intense and often legally contentious struggles for market dominance.

Figure 3. Taxi and Shared Mobility Combined Market: 2022 Trips



Source: FTI, based on data obtained from DTC and from Dubai Statistics, RTA Datasets

*Shared Mobility includes e-hailing (Uber, Careem), Car Sharing (Ekar, Udrive) and other providers.

Competitive landscape: Taxi franchises

In addition to DTC taxis, there are four other taxi companies operating under franchise agreements with RTA. Each taxi company's fleet is identifiable by a distinct roof colour, with DTC taxis being characterized by red roofs.

Taxis Franchises

Arabia Taxi Dubai was established in the year 2005 with a Taxi Operation Franchise awarded to operate 500 taxis in Dubai initially (Arabia Taxi, n.d.). Arabia Taxi Dubai is part of a group of companies that also operates in Abu Dhabi, Ajman, Sharjah, Ras Al Khaimah, and Ajman. Arabia Taxi currently operates in Dubai a fleet of 1,559 taxis, with 3.686 drivers, as of June 2023. Arabia Taxis are identified by a distinctive green roof.

Cars Taxi initiated Taxi operations in April 2000 being the second franchise company to operate (Cars Taxi, n.d.) after DTC. The Company currently offers taxi services, airport drop-off services and limousine services operating 24 hours, 7 days a week. It has its own dedicated garage. Cars Taxi currently operates in Dubai a fleet of 2,555 taxis with 5,545 drivers, as of June 2023. Cars Taxis are identified by a distinctive blue roof.

Metro Taxi established in September 2000 under a franchise granted by the RTA, currently owns a 713 fleet of taxis in Dubai, have 1,436 drivers (RTA, 2023), and a team of administrative staff of 80 (DTC, 2023). Metro Taxi operates in Dubai a fleet of 713 taxis with 1,436 drivers, as of June 2023. Metro Taxis are identified by a distinctive orange roof.

National Taxi currently operates in Dubai, Abu Dhabi and Al Ain, with a fleet of 1784 in Dubai and 800 in Abu Dhabi, (National Taxi, n.d.). National Taxi operates a fleet of 1,734 taxis with 4,279 drivers, as of June 2023. National Taxis are identified by a distinctive yellow roof.

Competitive landscape: Shared mobility

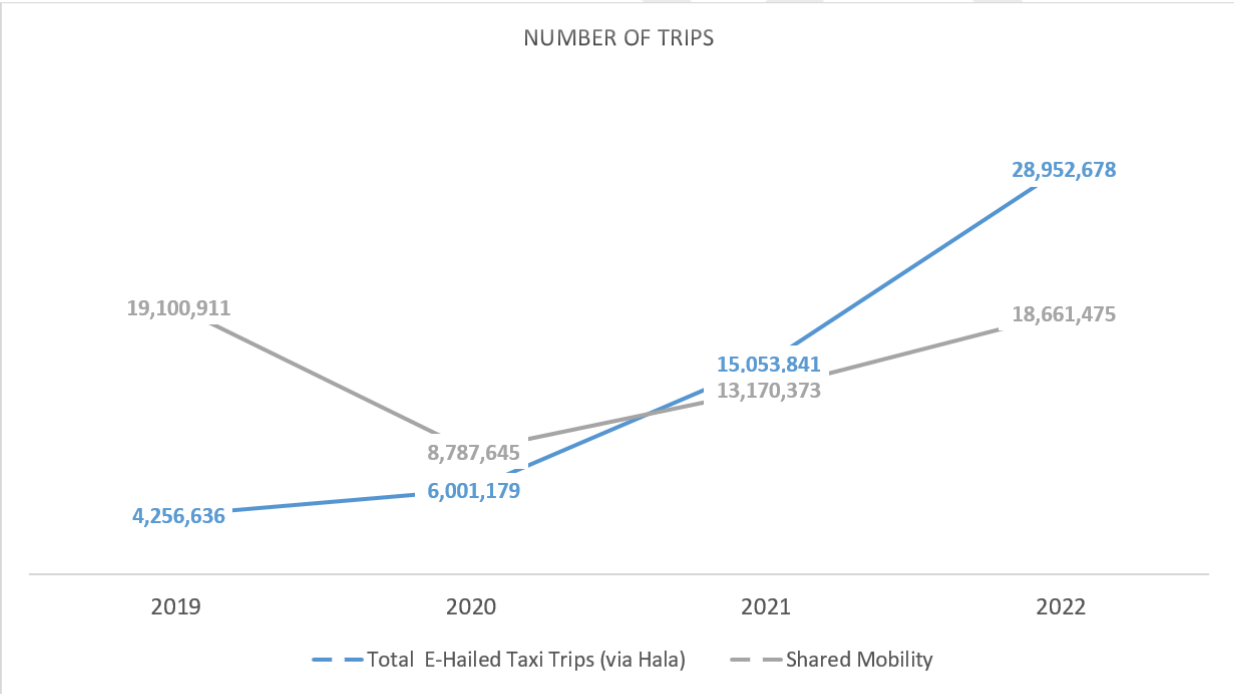
Uber and Careem are the main shared mobility operators in Dubai. In 2020, Uber completed the acquisition of Careem's assets, as explained previously and in further detail below. However, they operate independently in Dubai, each with its own branding and booking platform apps.

Since statistics on shared mobility ridership have been made available in 2018, it has outpaced all-modality ridership in annual growth (public transport, taxis, and shared mobility combined). Notably, as can be seen in the below figure, in 2019, shared mobility experienced a 50% growth rate while total ridership increased by just 1%. This trend continued in 2021, with shared mobility showing robust performance, growing by 50%, while total ridership increased by 33%. In 2022, shared mobility achieved a 42% growth rate, outpacing the 35% expansion in total public transport ridership.

Despite this, the market share of shared mobility remains relatively limited. In 2022, there were 124 million trips delivered in Dubai by taxi companies and shared mobility combined. Out of this total, 18.4 million corresponded to shared mobility, constituting 14.9% of the total, while 105 million were taxi trips, making up 85.1%. Among the taxi trips, 29 million were attributed to e-hailing taxis via Hala, surpassing the shared mobility segment significantly.

The following figure analyses the evolution of e-hailed total taxi trips (all franchises, including DTC) versus shared mobility, since the launching of Hala in 2019.

Figure 4. Shared Mobility Trips vs E-Hailed Taxi Trips since the launch of Hala



Notes: (1) HALA trips include all e-hailed taxi trips of all franchises, including DTC, delivered by Hala as the exclusive provider in the period. (2) RTA reports aggregated Shared mobility ridership, without breakdown by company. This includes--but not limited to e-hailing Ridership (Uber, Careem) Car Sharing Ridership (Ekar, Udrive)

Sources: Dubai Statistics (for shared mobility), DTC (for Hala datasets)

UBER

Overview

Operating in Dubai since 2013, and currently offers ride-hailing, food delivery and freight services (UAE Ministry of Economy, 2023).

The current offering of car ride services of Uber in Dubai includes, as of September 2023 (Uber App, 2023) includes UberX (premium rides in high-end cars), Green (premium fully electric rides), Comfort (newer cars with extra legroom), Black (high-end cars with top-rated drivers), Family (premium rides with child car seats), and Uber XL (affordable rides for groups of up to 5).

CAREEM

Overview

Established in 2012, Careem has developed itself into a superapp and has successfully served over 50 million customers and expanded its presence to operate in more than 70 cities across 10 countries.

The current offering of car ride services by Careem in Dubai include, as of September 2023, Comfort, Executive, Premier, Kids (premium rides with a child seat), Max, 5hrs Personal Captain (for up to 300 kilometres), and 10hrs Personal Captain (for up to 360 kilometres)(Careem App, 2023).

It's important to note that Hala, the taxi e-hailing service by the joint venture between RTA and Careem, is seamlessly integrated into the same Careem app. This integration allows users to choose between Careem Car and Hala Taxi services, with the app clearly indicating that Hala Taxis are the most budget-friendly option. Hala Taxi has held the exclusivity on taxi e-hailing in Dubai until July 2023 with regards to local competitors. Competition will be open also to international operators in April 2023. Hala provides e-hailing taxi alternatives to Careem cars in Careem main App, on three categories: Hala Taxis, Hala Max, and Hala Kids.

Yango

Yango is a technology company that provides app services for e-hailing. DTC does not operate as a transportation or taxi services provider, but helps connecting registered drivers with riders. The service already operates in more than 20 countries across Europe, Central Asia, the Middle East and Africa, and started operations in Dubai in October 2022.

DTC's positioning

KPIs and market share versus identified competitors

DTC holds a long-term dominant market positioning in face of the other taxi franchise companies in Dubai. As of June 2023, DTC operated a fleet of 5,216 vehicles, holding a substantial market share of 44% based on fleet size. DTC's driver-to-car ratio stood at 2.37 as of June 2023, above the 2.0 minimum ratio recommended by RTA. DTC has delivered 41,251,922 annual trips in 2022, accounting for 39.21% of the market share by trips. In terms of paid kilometres (annual) for 2022, DTC captured 43.58% market share, covering a total of 428,869,624 kilometres.

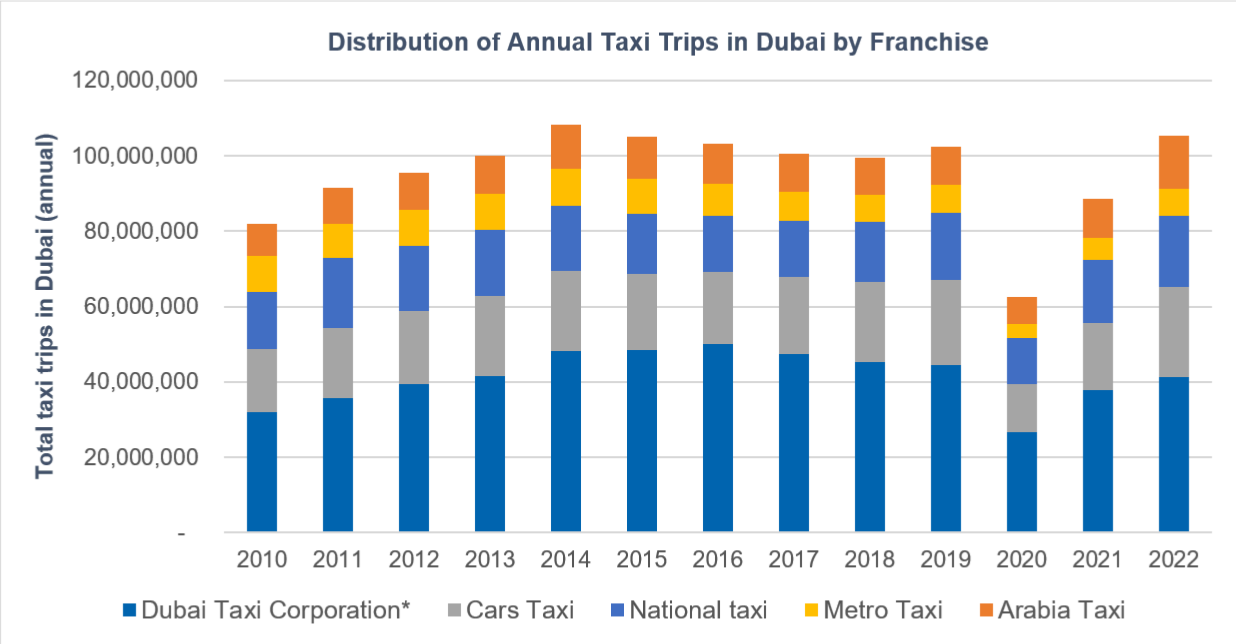
Table 19. DTC vs. Other Taxi Franchises – Key Metrics and Market Share

Operator	Fleet Size June 2023	Market Share by Fleet June 2023	Drivers (1)	Driver-to-car Ratio (2)	Trips (annual) 2022	Market Share by Trips 2022	Paid KMs (annual) 2022	Market Share by Paid KMs 2022	Utilisation 2022 (3)
DTC	5,216	44%	12,336	2.37	41,251,922	39.2%	428,869,624	43.6%	59.8%
Arabia Taxi	1,559	13%	3,686	2.41	14,093,101	13.4%	115,824,932	11.8%	60.7%
Cars Taxi	2,555	22%	5,545	2.28	23,994,970	22.8%	207,433,151	21.1%	60.1%
Metro Taxi	713	6%	1,436	2.01	7,153,937	6.8%	59,860,190	6.1%	62.8%
National Taxi	1,784	15%	4,279	2.47	18,706,645	17.8%	172,212,135	17.5%	59.1%

Notes: (1) Number of drivers for DTC as of June 2023. Number of drivers of other taxi franchises as of May 2023. (2) Driver-to-car ratio for DTC based as of June 2023. Driver-to-car ratio for other taxi franchises as of May 2023 (3) Utilisation refers to revenue kilometres as a percentage to total kilometres.

Source: RTA, DubaiPulse.Gov.ae (fleet size and drivers); RTA (trips); DTC (paid kilometres)

Figure 5. Distribution of Annual Taxi Trips in Dubai by Franchise 2010-2022



Note: * DTC inclusive of Hala Taxi Cars and Hala Taxi for 2013-2019, considering that both merged with DTC in 2019.

Source: FTI, based on Dubai Statistics, RTA datasets, and information provided by DTC

Evolution of DTC Market Share

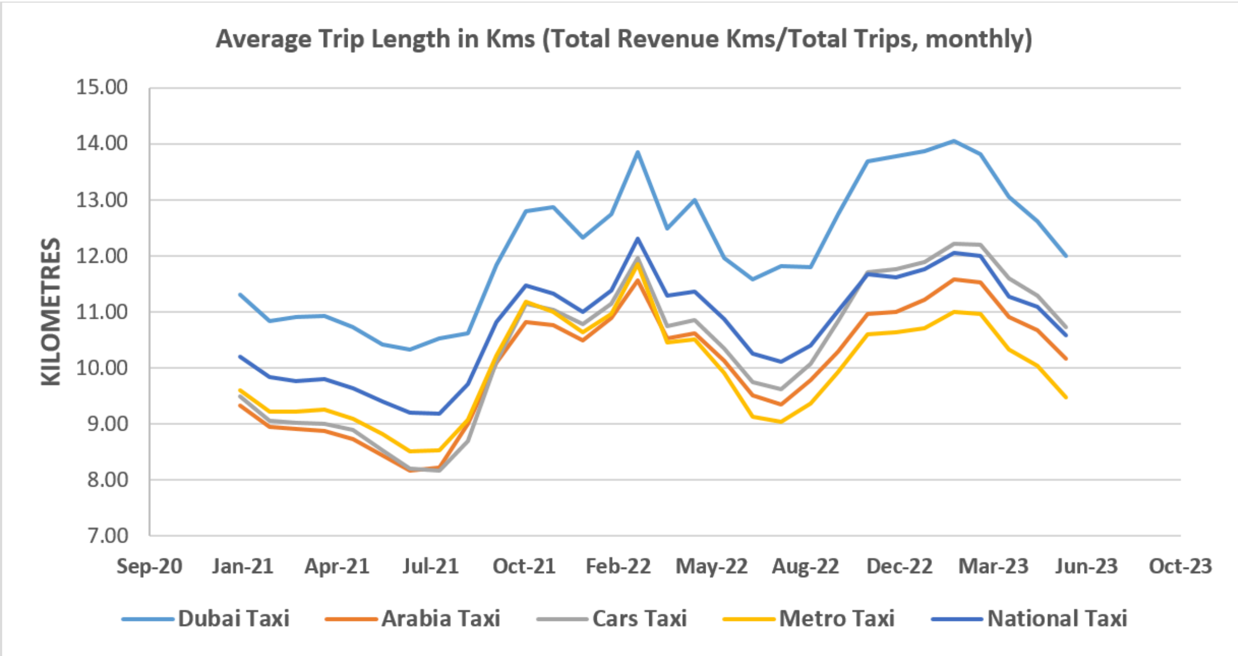
The market share of DTC in the taxi segment in Dubai has demonstrated a remarkably stable and dominant position over the long term. Commencing in 2007, the first full year after the taxi system in Dubai opened to multiple franchises in 2006, DTC's market share began at 20.1%, swiftly escalating to 33.5% in 2008, reaching 40.5% in 2009 and consolidating in 2010 at 39.0% and 2011 at 39.2%. From 2009 to present (as of June 2023), DTC has consistently sustained a share of 39% or higher. The peak years observed between 2014 to 2018 surpassing 44% are largely attributed to the post-consolidation of Hala Cars and Hala Taxis fleet statistics in DTC, which both merged with DTC in 2019[2]. Both were in the average annual market share for DTC across the entire period (2007-2022) stands at 40.8% of total taxi trips in Dubai. As described in the section about regulation, the introduction of new plates is regulated by RTA.

It is important to highlight that DTC trips exhibit a longer average distance compared to other taxi franchises. This is primarily attributed to trips originating from Airports, exclusively managed by DTC, cover in average a longer distance per trip. As a consequence, for FY 22, DTC holds a 43.6% market share of total revenue kilometres covered by taxis in the city, while its market share in terms of total trips is 39.2%, while owning 44.9% of Dubai's licensed taxi fleet[3]. The following figure underscores the consistent competitive advantage of DTC, the delivery of longer average trips – a crucial revenue-driver indicator in the taxi business. This advantage holds true throughout the year and surpasses the performance of all other franchise companies. This reaffirms DTC's sustained strength in providing extended-distance trips.

[2] Hala Cars and Hala Taxis were dedicated RTA fleets exclusively assigned to non-street hailing taxis. Both fleets were merged with DTC in 2019. This is not to be confused with the current denomination of Hala Taxis, which refers to e-hailed Taxis (of all franchised) delivered exclusively by HALA, the JV formed in 2019 between RTA and Careem, and which adopted the commercial name of HALA.

[3] As of 31 May 2023, as per Dubaipulse.gov.ae statistics on fleet size and number of drivers by taxi franchisee.

Figure 6. Average Trip Length by Taxi Franchise (2021-H12023, monthly)



Source: FTI, based on data provided by DTC

Customer Satisfaction Metrics

The manual for taxi franchises in Dubai issued by PTA/RTA establishes that customer satisfaction is measured based on semi-annual targets that are dynamic and based on both direct surveys and mystery shoppers. In the Customer Satisfaction and Mystery Shopper Survey conducted by RTA in 2021 on taxi franchise companies, DTC achieved an average general happiness rate of 85.8% and performed well in mystery shopper evaluations, with an average score of 89.4%. The average customer satisfaction rate was 82.2% (RTA, 2021).

Table 20: Customer satisfaction survey results

Customer Satisfaction & Mystery Shopper Survey results for H1 2021

Franchise Company	Average Customer Satisfaction (Target: 84%)	Average Mystery Shopper (Target: 93%)	General Happiness Rate (Target: 88%)
DTC	82.2%	89.4%	85.8%
Arabia Taxi	81.5%	90.7%	86.1%
Cars Taxi	82.7%	86.8%	84.8%
Metro Taxi	82.0%	92.2%	87.1%
National Taxi	83.3%	87.4%	85.4%
Total Average	82.9%	89.3%	86.1%

Source: DTC, based on Strategy & Governance Sector-RTA report, 2021

Buses

DTC owns a fleet of 946 buses as of June 2023, of which 790 of them are designated as school buses (DTC, 2023). In the context of Dubai's total school bus fleet, which amounts to 7,400 buses (Dubaipulse.gov.ae, 2023). DTC's market share is approximately 11% in terms of school buses fleet in Dubai in relation to total school buses registered in Dubai. As of June 2023, 24,533 students are registered with DTC's school buses, which represents 7% of total enrolled school students in Dubai.

Delivery Bikes

In September 2022, DTC launched its delivery bike vertical to capitalize on Dubai's growing delivery market. This initiative targets providing motorbikes to commercial enterprises to support delivery service sector. This service provides distinctive and reliable transportation and delivery solutions for enterprises including delivery service companies via smart platforms and apps, restaurants, and retailers. DTC started the service with 597 motorbikes and intends to add 300 motorbikes by the end of 2023 year.

Between January and June 2023, the average motorbike utilisation rate has been around 97%, according to DTC. From September 2022 to June 2023, DTC's delivery bikes successfully completed 443,000 deliveries.

According to DTC, its Delivery Bike Fleet as of June 2023 is 597, and is expected to grow by 300 by the end of year. The total delivery bike fleet in Dubai is estimated at 31,000. The estimated market share is 1.9% as June 2023.

Competitive positioning, strengths, and weakness

Segment	Sub-segment	Market Position / Direct Competitors	Strengths/Opportunities	Weaknesses/Threats
TAXIS				
STREET-HAILING	Non-airport	Dominant (39% of trips, 43% of total revenue kilometres delivered by taxis) **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. *DTC's Mitigation:* attractive partnership-based commission system, agreements with international recruiting firms, extensive training programs for drivers.
STREET-HAILING	Airport pick-ups	Exclusive Provider (100%) **Competitors:** None	Exclusivity Agreement with Dubai Airports since 1997, with higher mileage per trip	Risk of non-renewal of airport exclusivity contract upon expiry. *DTC's Mitigation:* Firmly secured, long-term partnership, no tangible risk. Active collaboration with Dubai Airports to enhance performance
E-HAILING		Dominant (33% of e-hailed taxis trips via Hala Careem) **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 will require DTC to explore different options. *DTC Mitigation:* 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 owning already its proprietary app.
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 pick-up locations upon expiry. *DTC Mitigation:* Active management of partnership
Airport		Exclusive Provider (100%) **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. *DTC Mitigation:* Firmly secured, long-term partnership, no tangible risk
BUSES				
Buses		**For Private Schools:** Small	Advanced fleet with	Capital intensive business

Segment	Sub-segment	Market Position / Direct Competitors	Strengths/Opportunities	Weaknesses/Threats
		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:** STC Group, Emirates Transport, and other providers	sophisticated technology Long term contracts averaging 3 to 5 years Opportunities for expansion beyond the Emirate of Dubai.	Lower barrier to entry *DTC Mitigation:* 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 *DTC Mitigation:* 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, substantial financial, experienced manpower, and with strong financial capabilities to invest in fleet.

BENCHMARKING

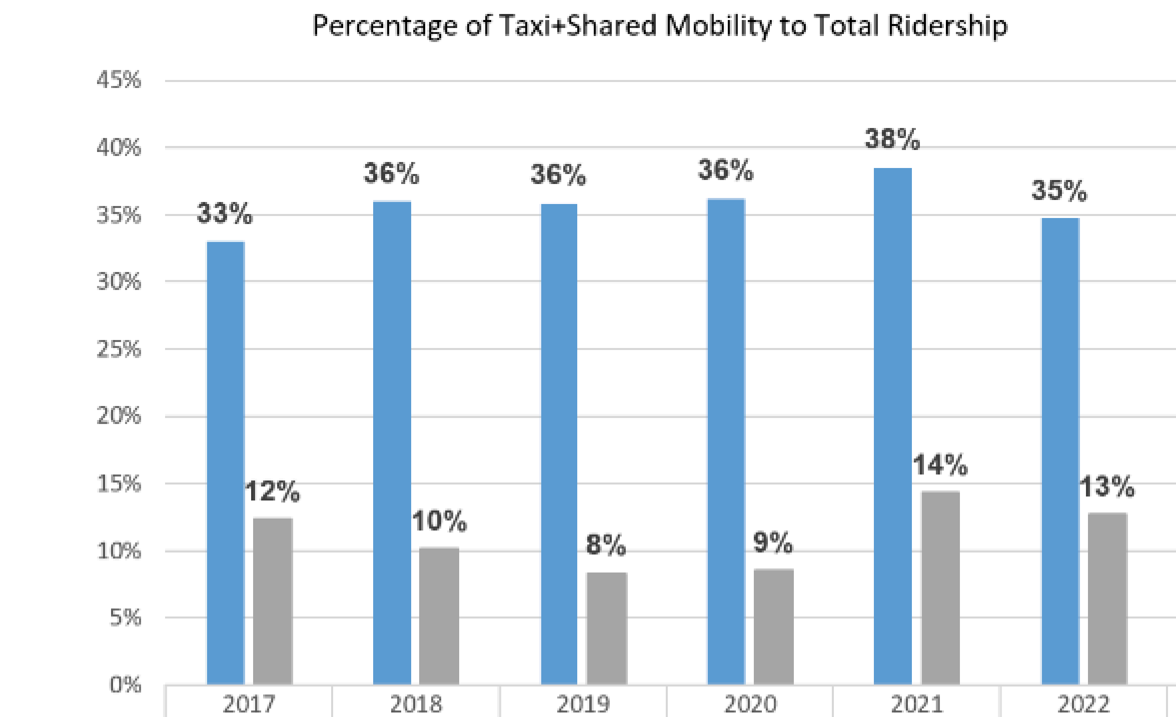
Benchmarking agreed upon operational and financial KPIs vs regional and global peers

In the following benchmarking analysis, the Dubai Taxi market has been compared with various global cities. For certain specific benchmarks, a comparison has been conducted against Singapore, taking into consideration the shared characteristics of Dubai and Singapore – both serving as global and regional hubs, with high expatriate communities, high levels of visitors, service-oriented economies, and a high focus on long-term urban planning.

Taxi and Shared Mobility Market Size in relation to Public Transport

In Dubai, the taxi segment and shared mobility segment plays a significantly larger role in the public transportation system compared to Singapore, as shown in the following comparison:

Figure 7. Percentage of Taxi + Shared Mobility to Total Ridership (Dubai v/s Singapore)



	2017	2018	2019	2020	2021	2022
DUBAI	33%	36%	36%	36%	38%	35%
SINGAPORE	12%	10%	8%	9%	14%	13%

Sources: (i) Dubai: Data on DTC was obtained from Dubai Statistics, RTA and DTC Data on benchmarked cities correspond to the 'Global Taxi Benchmarking Study 2019', published in November 2020 by UITP. (ii) Singapore (LTA, 2023)

Tariff benchmarking

Dubai's taxi fares, when compared to other global cities such as Singapore, New York, London, Hong Kong, Seoul, and Tokyo, tend to be very competitive in price. This affordability positions taxi transportation in Dubai as an appealing and convenient option for both residents and visitors, seamlessly integrated into the city's comprehensive transportation network. The table considers the minimum fare for a standard ride in Dubai, which is set at AED 12.

Despite the flag-down fare for a standard trip being AED 5, the total fare remains constant until a distance where the sum of the flag-down fare and the variable fare (calculated based on the distance travelled and the applicable fare per kilometre) surpasses the AED 12 threshold.

The following calculation for Dubai Taxi is based on the AED 2.09/kilometre fare as of 30 September 2023.

Table 21. Estimated fare based on trip length, excluding all surcharges

Trip length in km	5	10	12	15
DUBAI	15.45	25.90	30.08	36.35
SINGAPORE	17.72	26.13	29.97	35.73
NEW YORK	50.96	90.90	106.88	130.84
LONDON	64.21	119.99	141.27	173.20
HONG KONG	25.98	46.82	52.90	62.03
Average fare	***34.86***	***61.95***	***72.22***	***87.63***
Dubai fare / Average fare	*-56%*	*-58%*	*-58%*	*-59%*

Notes: i. The benchmarking is based on standard metered fares as reported on August 2023, excluding surcharges (e.g., tolls, late night, peak period, congestion and other existing surcharges), and excluding booking fees. ii. Daytime standard metered fares on weekdays are considered. In the case of London, that is 5 am to 8 pm; in Singapore, 9.30 am to midnight; in New York, 6 am to 4 pm and in Dubai, 6 am to 10 pm. In the case of Hong Kong, the tariff doesn't differentiate between daytime hours and overnight. iii. Only unit charges based on distance have been considered (waiting time or slow traffic rates have been excluded) iv. In Singapore, street-hail metered fare levels are deregulated. The fare structure is standardised to allow commuters to compare fares. The tariff has been calculated as the average of the current tariff rates for the five licensed street-hail taxi providers in Singapore (CDG Taxi, Premier Taxi, Strides Taxi, Transcab). Standard fleet (lowest fare) has been considered. v. The exchange rates as of 28 August 2023, are as follows: AED: USD at 0.272257, SGD:USD at 0.737852, GBP: USD at 1.26023, HKD:USD at 0.127466.

Taxi Density per 1,000 inhabitants

Compared to other major cities worldwide, Dubai consistently ranks high in taxi density. This metric, which measures the number of taxis available for every thousand residents, showcases the robustness of the taxi market.

Table 22. Taxi density per 1,000 inhabitants

	Taxi Fleet	Population	No. taxis per 1,000 inhabitants
DUBAI	12,110.00	3,602,025.00	3.4
SINGAPORE	14,084.00	5,640,000.00	2.5
NEW YORK	14,865.00	8,335,897.00	1.8
LONDON	14,695.00	8,799,800.00	1.7
HONG KONG	18,163.00	7,498,000.00	2.4

Notes: (i) Dubai: Total fleet as of June 2023; Singapore: Total street-hail service operator licences fleet; New York: Includes Yellow Taxis (13,587), Stand-by Taxis (71), and Street-Hail Liveries (1207), also known as green taxis or borough taxis; Seoul: Number of taxis and drivers nationwide (as of 30 June 2023) (ii) Dubai: Population as of 30 June 2023; Singapore: Total Population, as at June 2022; New York: Population Estimates, 1 July 2022 (V 2022); London: Data from 2021 Census released on 28 June 2022; Hong Kong: Mid-year population for 2023 (as 15 Aug 2023); Seoul: Seoul has a population of 9,659,322 people as of Q2 2023; Tokyo: Current Population Estimates as of 1 October 2022. **Sources for fleet sizes:** DTC based on RTA; Singapore Land Transport Authority; NYC Taxi and Limousine Commission; Transport for London, Greater London Authority; Hong Kong Government Transport Department; South Korea National Federation of Taxi Transportation Business Associations; Japan Federation of Hire-Taxi Associations. **Sources for population:** Sources for population size: Dubai Statistics, Population Clock; National Population and Talent Division, Government of Singapore; Census.Gov; London Councils; Census and Statistics Department – Government Hong Kong; Seoul Metropolitan Government; Statistics Bureau of Japan

Average Speed and Average Travel Time in Rush Hour

In terms of average road journey speed, the analysis incorporates data on both average speed and average time during rush hours. This analysis highlights that Dubai outperforms other major cities, as reported in the Tom Tom Traffic Index 2022 (Tom Tom, 2022). This superior road efficiency in Dubai naturally leads to increased demand for taxis compared to other urban centres where alternative transportation modes, such as metros, may be faster for commuting across the city.

Table 23. Average speed and average travel time in rush hour

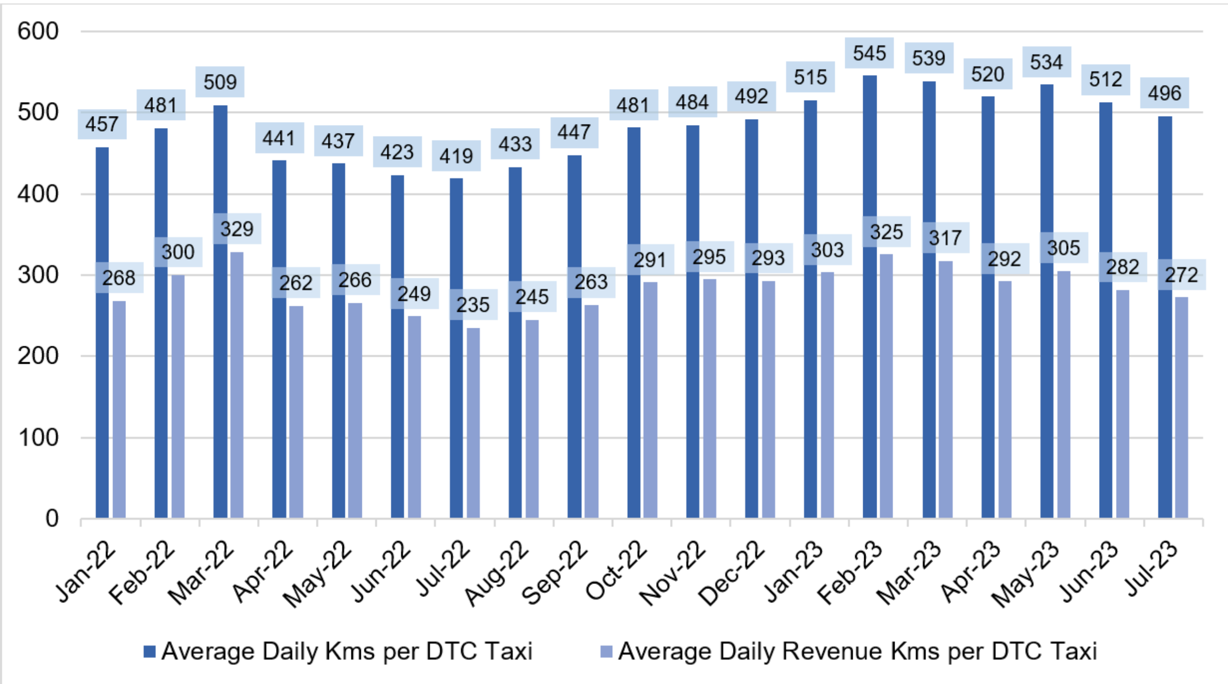
City	Average speed	Average travel time 10km
DUBAI	45km/h	12 minutes 10 seconds
HONG KONG	33km/h	16 minutes 30 seconds
SINGAPORE	31km/h	16 minutes 30 seconds
TOKYO	22km/h	23 minutes 50 seconds
NEW YORK	20km/h	24 minutes 30 seconds
LONDON	14km/h	36 minutes 20 seconds

Sources: Tom Tom Traffic Index

In 2019, considered as a normalised year without the impact of Covid-19 and its recovery effects, DTC recorded an average of 448 kilometres per day per taxi, indicating a high degree of activity within the fleet compared to international cities, which is closely linked to the number of taxis operating in two shifts. Operating taxis in two shifts allows for extended service hours and maximises the use of each vehicle, leading to higher overall utilisation and potentially increased revenue. RTA recommends a driver-to-vehicle ratio of 2.0, which is aligned with international best practices as a more efficient means of managing a taxi fleet. This approach ensures that vehicles remain on the road and available for passengers for an extended portion of the day, maximising their utilisation and operational efficiency.

DTC performed relatively less well in terms of revenue kilometres. In 2019, DTC recorded an average of 236 revenue kilometres per taxi per day, which was comparatively lower than in some other cities. However, in 2022, the average daily kilometres per DTC taxi increased by 16%, reaching 275 daily revenue kilometres per taxi. This improvement was accompanied by a 10% enhancement in the fleet utilisation rate, which rose from 53% in 2019 to 60% in 2022 and 58% in the first half of 2023, as illustrated in the second chart below. This improvement of utilisation between 2019 to 2023 is partially explained by the increase in e-hailing of DTC taxis (through Hala) during the same period.

Figure 8: Dubai Average daily kilometre vs Average daily revenue kilometre by taxi (Jan 22-July 23)



Sources: Data on DTC was obtained from Dubai Statistics, RTA and DTC Data on benchmarked cities correspond to the 'Global Taxi Benchmarking Study 2019', published in November 2020 by UITP

KEY SECTOR DRIVERS

Articulation of key sector drivers historically for taxi trips in Dubai

The concept of mobility will be used to refer to all-taxi (companies that operate Taxi Franchises in accordance with RTA regulations) and Shared Mobility companies, whose relatively shorter history of presence in Dubai does not preclude considering their influence on the all-taxis segment.

The primary challenge in forecasting using historical data stems from the statistical anomaly created by the impact of COVID-19 on the transportation and mobility sector. Moreover, in some instances, the available data is confined to the period of 2018-2022, which was entirely influenced by this anomaly.

Dependent variable

Historical data on the total taxi trips in Dubai was sourced from the RTA. Total taxi trips include the annual total of taxi trips from DTC, Cars Taxi, National Taxi, Metro Taxi, Arabia Taxi, City Taxi, One Road Taxi, Hala Taxi Cars, and Hala Taxi Dubai. This data series does not include shared mobility trips. The data used for the regression spanned from 2010 to 2022.

Independent variables

We have tested the correlation with four separate variables:

- Dubai visitors
- Dubai population
- UAE's GDP
- Fuel prices

Annual international visitors to Dubai were sourced from the Dubai Department of Tourism and Commerce Marketing, years 2010 to 2022. Population of Dubai was sourced from estimates by the Dubai Statistics Centre, years 2010 to 2022. Annual real GDP (real 2010 US $) for the UAE was sourced from the Economist Intelligence Unit), years 2010 to 2022. Finally, monthly fuel prices were sourced from TheFuelPrice.com, using Gasoline 95 (Special) as an indicator, years 2016 to 2022.

Regression Method

The relationships between taxi ridership (all companies) and the independent variables were tested by running linear log-log regressions. The log-log formulation allows for a straightforward interpretation of the resulting coefficients – they represent the elasticity of growth of the dependent variable to the growth of the independent variable.

$$\log(\text{taxi ridership all companies}) = \alpha + \beta \log(\text{visitors}) + \varepsilon$$

Where:

α is the intercept.

β is the coefficient.

ε is the residual.

The regressions on visitors, population and GDP were run with and without dummies for 2020 and 2021, which aimed to control for possible exogenous COVID-19 effects. To test the relationship to fuel prices, two regressions were run: one with available annual data spanning 2016 to 2022, and one using available monthly data from 2019 to 2022. To account for seasonality affects, the monthly fuel regression was run on the logs of the de-seasonalised trend components of the variables using the seasonal decomposition of time series by Loess in R. The results are as follows:

Table 24: Independent variables regression results

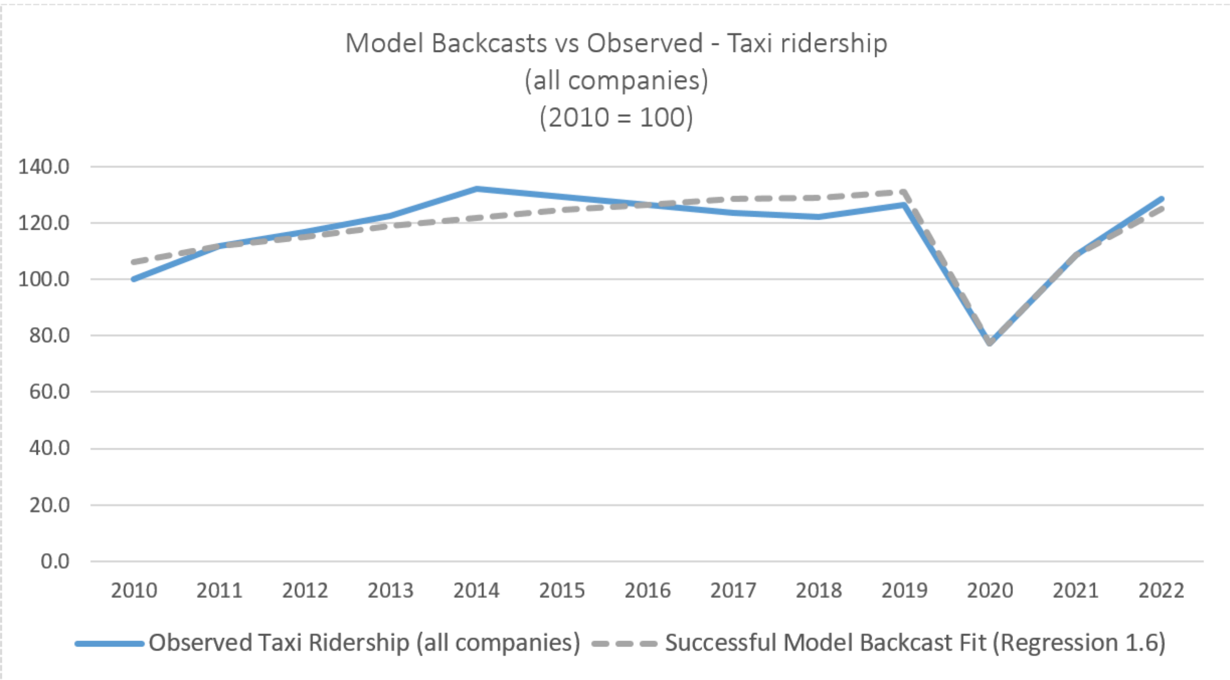
Reg. #	Regression Independent variables	Coefficient	Adjusted R^2
1.1	Population	-0.05	-0.09
1.2	UAE GDP	0.25	-0.05
1.3	Visitors	0.38***	0.79
1.4	Population Dummy2020 Dummy2021	0.23* -0.52*** -0.18*	0.80
1.5	UAE GDP Dummy2020 Dummy2021	0.47** -0.48*** -0.16*	0.85
1.6	Visitors Dummy2020 Dummy2021	0.31** -0.19* 0.07	0.90
1.7	Fuel prices (annual)	0.21	-0.11
1.8	Fuel prices (monthly)	0.57***	0.46

*Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 '' 1

The results of regression 1.6 is the one that better fits with historical data and, as consequence, we have chosen it for the forecast model, owing to the highly significant coefficient of 0.31 ($p<0.01$) and the high statistical fit (adj. R^2: 0.90). The regression model's predicted values can be compared to the observed ones in a "backcast", which visually confirms the high fit of the model.

Note on the fuel regression: The initial regression which was tested was on annual data from 2016 to 2022. The results of the fuel regression were not statistically significant, with essentially no statistical fit (adjusted R^2: - 0.11), and a non-significant coefficient to fuel prices. Consequently, a regression on available monthly data from 2019 to 2022 was tested, to take into consideration more data points. After adjusting for seasonality, the result was a coefficient of 0.57 to fuel prices, which was significant ($p<0.001$). However, the statistical fit of the model was not strong, with a low adjusted R^2 of 0.46.

Figure 9: Model backcast versus observed taxi ridership



KEY ESG CONSIDERATIONS

The growing need for ESG and Sustainability

Today, stakeholders, including investors and regulators, universally seek comprehensive insights into how companies manage ESG-related risks and opportunities, irrespective of their industry. This is driven due to rising concerns about environmental and social issues, corporate responsibility, and their influence on financial performance.

Incorporating ESG-related financial risks into investment strategies is now paramount for prudent portfolio management and the comprehensive mitigation of material financial risks. In 2021, NASDAQ projected ESG related investments to become a USD 1 trillion category by 2030 (NASDAQ, 2021). Further, some of the world's largest institutional investors – including sovereign wealth funds – are giving added focus and attention to integrate climate change analysis in the management of large, long-term, and diversified asset pools given their unique position to promote long-term value creation and sustainable market outcomes.

Sustainability in the UAE: Expected impact

UAE's long term environmental targets

The UAE embarked on its sustainability journey since 1989 by ratifying the Vienna Convention for the protection of the ozone layer and its Montreal Protocol. The UAE remains steadfast in enhancing its efforts and through continuous commitment and initiatives, it contributes significantly to global sustainability endeavours, demonstrating enduring dedication to environmental well-being.

In 2021, UAE announced its Net Zero by 2050 strategic initiative to achieve net-zero emissions by 2050, making the Emirates the first Middle East and North Africa (MENA) nation to commit.

The UAE has publicly committed its support to the Paris Agreement to combat climate change and submitted its first national declared contributions ("**NDC**") in 2015 followed by an enhanced ambition as part of its second NDC (UNFCCC, 2020) in 2020 and more recently in 2023 announced to reach a reduction of 40 percent in the Third Update of the Second NDC compared to business as usual. The update includes (UNFCC, 2023):

- sets absolute emission reduction targets (compared to 2019 base year) replacing the previous commitment to reduce emissions with reference to business-as-usual scenario.
- 2030 net GHG emissions will be reduced from an expected 208 MtCO2e, as announced in the Updated Second NDC (2022), to 182 MtCO2e.

The UAE has been an active champion in supporting the deployment of clean energy solutions globally with a particular focus on developing countries. By December 2020, UAE had invested USD 16.8 billion across 70 countries in renewable energy ventures and pledged USD 400 million in aid and concessional loans for clean energy projects over the recent past (Emirates News Agency, 2020).

In 2021, the UAE also announced its intention to invest over USD 163 billion in clean and renewable energy over the coming few years and play its global role in combatting climate change as confirmed by Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister, and Ruler of Dubai (Zawya, 2023).

The UAE and the sustainability agenda

In 2010, the UAE Cabinet approved the Green Building and Sustainable Building standards applicable cross country. The application of these standards commenced with government buildings in early 2011. The project is expected to save USD 2.7 billion by 2030 and reduce around 30% of carbon emissions (Government of UAE, 2022). In response, Dubai introduced the 'Green Building Regulations' containing 79 specifications mandatory across all developments.

Further, in 2013, Dubai implemented its demand side management strategy to deliver 30% annual savings in water and electricity by 2030 compared to BAU consumption. This equates to an overall electricity savings of about 19.2 TWh and water savings of 46.3 billion imperial gallons, which correspond to 30% savings versus BAU by 2030. By the end of 2022, the demand side management strategy implementation resulted in 8.1 TWh of annual electricity savings and 16.1 billion imperial gallons of annual water savings, corresponding to 14.5% and 11.3% of the baseline consumption, respectively which surpasses the set targets for the year.

The UAE Green Agenda was approved by the Cabinet in January 2015 (MOCCAE, 2015) as an implementation framework of the UAE Green Growth Strategy. The six focus areas presented in this strategy are: (i) Green Energy; (ii) Green Investment; (iii) Green City; (iv) Climate Change; (v) Green Life; and (vi) Green Technologies.

The UAE has also approved 22 policies aimed at accelerating the country's transition to a circular economy as part of the overall sustainable economic development. The prime focus of the policies covers four main sectors namely manufacturing, food, infrastructure and transport (MOCCAE, 2021).

The UAE will host COP28 in November 2023 at the Dubai Expo city becoming the second Arab nation after Egypt to host with a focus on climate change including cutting the use of coal-fired power stations, reducing reliability on fossil fuels, and boosting renewable energy sources (COP28, 2023).

Lastly, the GCC Exchanges Committee, chaired by the Saudi Exchange, published a unified set of ESG Disclosure Metrics. The metrics comprise 29 standards that are aligned with the World Federation of Exchanges and Sustainable Stock Exchanges Initiative, and include categories across GHG emissions, energy usage, water usage, gender pay, employee turnover, gender diversity, data privacy, ethics and more. The metrics are voluntary and serve as a guideline for companies wishing to embark on their ESG disclosure journey. The metrics do not replace existing ESG disclosure guidelines for GCC stock exchange (Zawya, 2023).

Sustainability initiatives within the Transportation Sector in the UAE

The UAE government is taking active initiatives to build a sustainable transportation sector. Some of the key initiatives include:

- UAE Railway Programme: Launched in 2021, this programme constitutes an integrated strategy for the railway sector in the UAE for coming decades with the aim to increase connectivity both within the UAE and with some of the neighbouring GCC countries. Amongst others, the program aims to open new trade routes, provide more than 9,000 jobs in the railway and supporting sectors by 2030 and reduce carbon emissions by 70-80% over the next 50 years (Government of UAE, 2023).
- National Electric Vehicles Policy: The National Electric Vehicles Policy in the UAE aims to establish a national network of electric vehicle chargers, reducing energy consumption in the transport sector by 20%, and improving road quality. In 2023, the Ministry of Energy and Infrastructure launched the 'Global EV Market' with the aim to position the UAE into a global market for electric vehicles and increase the share of electric vehicles to 50% of total vehicles in the UAE by 2050. In Dubai specifically, the government of Dubai established a yearly goal in 2016 of achieving 10% of government procurement to be electric or hybrid vehicles; the goal as of 2023 being 30% by 2030. Further, RTA plans to transform its fleet to 100% environment friendly (hybrid, electric and hydrogen-powered) by 2027 (Government of UAE, 2023).
- Dubai Green Mobility Initiative: An initiative launched by the Dubai Supreme Council on Energy to encourage use of electric vehicles and reduce carbon emissions by 16% by 2021. Dubai surpassed this target two years ahead of its commitment by reducing 22% of carbon emissions in 2019 (Supreme Council of Energy, 2021).
- Dubai Autonomous Transportation Strategy: Launched in 2016, the strategy aims to transform 25% of the total transportation in Dubai to autonomous mode by 2030, saving AED 22 billion in annual economic costs. The strategy is built on four main pillars namely individuals, technology, legislative structure and infrastructure with the main identified sectors being metro, buses and taxi. The strategy will also help cut transportation costs by 44%, resulting in savings of up to AED 900 million a year. It will also help save AED 1.5 billion a year by reducing environmental pollution by 12%, as well as generate AED 18 billion in annual economic returns by increasing the efficiency of the transportation sector in Dubai by 2030 (Government of UAE, 2023).

In 2018, RTA introduced a sustainability governance structure, forming a Higher Sustainability Committee to ensure effective implementation and awareness of sustainability topics. In 2021, the framework was revamped to align with United Nations Global Compact principles and the UN 2030 agenda, focusing on social stewardship, environmental stewardship, and economic prosperity. The framework also highlighted climate change resilience, emphasising Dubai's role in shaping global responses. RTA has signed the United Nations Global Compact to comply with its 10 principles by having robust practices for human rights, labour, environment, and anti-corruption practices, and promoting a corporate culture of responsible business towards all its stakeholders. As per RTA's 2021 sustainability report, RTA aims to reach 100% of Electric & Hydrogen across public buses, taxis, limousines and school buses by 2050. RTA has also implemented Health and Safety Sustainability Policy broken down further to incident management, occupational health, waste management and COVID-19 HSE policies. RTA places significant emphasis to support 'People of Determination' and amongst others has implemented a special fare system and dedicated vehicles across the Dubai Taxi fleet.

The below table highlights some of the targets set out by RTA as part of their Net-Zero public transportation strategy for 2050.

Table 25. Selected targets from Net-Zero public transportation strategy

Pillar	Initiative	Description	2020	2025	2030	2035	2040
Green Mass Transport	Decarbonisation of School Buses	Converting all fuel operated school buses to be electric & Hydrogen	0%	0%	10%	30%	50%
	Decarbonisation of Taxis and Limousine	Converting all fuel operated Taxis and Limousine in Dubai Taxi Corporation to be Electric and Hydrogen	3.5%	14%	30%	50%	100%
Buildings	Energy efficient new buildings		0%	100%	Continuous implementation on all new projects		
Waste management	Waste and water recycling		13%	17%	25%	28%	32%

Source: (RTA, Dubai International Project Forum, 2023)

BUSINESS DESCRIPTION

Investors should read this section of this document in conjunction with the more detailed information contained in this document, including the financial and other information appearing in "Management's Discussion and Analysis of Financial Condition and Results of Operations". Where stated, financial information in this section of this document has been extracted from the Financial Statements.

Certain differences exist in the presentation and accounting treatment in the Audited Financial Statements for the years ended 31 December 2020, 2021 and 2022 and in the Interim Financial Statements which make certain financial information less comparable across the different financial periods. See "Presentation of Financial and Other Information—Financial Statements" for further information. Unless otherwise indicated, the financial information has been presented in accordance with how the information is presented in the Audited Financial Statements and Interim Financial Statements. Where information from the Audited Financial Statements and Interim Financial Statements are presented together, the presentation of the Interim Financial Statements has been used, unless otherwise indicated.

OVERVIEW

The Company is a leading provider of comprehensive mobility solutions in Dubai. With an approximately 44% market share (by size of taxi fleet) as at 30 June 2023 according to the Industry Consultant, it is currently the number one taxi operator in Dubai, with its next largest taxi competitor having only a 22% market share. Having been established as a taxi company in 1994, with operations starting in 1995 with only 81 taxi cars, the Company has since expanded to other mobility businesses by leveraging its dominant leadership in the taxi sector and operational strength. It offers an extensive range of transportation solutions across its four key business lines, including taxi services through its large, eco-friendly fleet; VIP limousine services made up of chauffeur-driven vehicles for luxury service; its bus services; and its last mile delivery bike services. Between 1 July 2022 and 30 June 2023, the Company's taxis and limousines made 44 million trips, 42 million of which were taxi trips. Across its business lines, as at 30 June 2023, the Company operated more than 7,000 vehicles (of which 5,216 were taxis) and managed a workforce of more than 14,000 driver partners. The Company generated revenue of AED 1,763 million in 2022 and AED 957 million in the six months ended 30 June 2023. Its EBITDA was 316.4 million and 243.3 million in 2022 and in the six months ended 30 June 2023, respectively, with its EBITDA Margin growing from 17.8% to 25.4% during this same period mainly driven by higher operating leverage and improved unit economics.

HISTORY

DTC was established on 28 June 1994 by the Emiri decree of His Highness the Ruler of Dubai Sheikh Maktoum bin Rashid Al Maktoum in order to operate a fleet of taxis in Dubai. Having been established as a taxi company in 1994, with operations starting in 1995 with only 81 taxi cars, DTC grew to an average of 221 taxis cars completing about one million trips during that year. In 1996, DTC opened its first training centre for its drivers as well as a vehicle maintenance workshop for its fleet. The following year, DTC began providing high-quality transport services, including taxi services, at the Dubai International Airport on an exclusive basis with designated pick-up points at the airport for DTC. DTC began providing similar offerings at Al Maktoum International Airport in 2010. By 2000, DTC's operations had grown to provide approximately 14 million trips during that year. In 2007, DTC began to transform its existing taxi fleet by launching its hybrid car programme in an effort to reduce the overall fuel consumption of its operations. The programme is still underway and as at 30 June 2023, approximately 80% of the Company's taxi were hybrid and approximately 77% of its limousines were hybrid or electric. In 2008, DTC began operating as a subsidiary of the then-newly established RTA, which was established in Dubai under decree no. 17/2005 issued by His Highness the Ruler of Dubai Sheikh Maktoum bin Rashid Al Maktoum on 1 November 2005, in order to develop solutions for Dubai's transportation needs, including taxi services, and regulate the Emirates' roads and traffic systems.

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

In response to the growing penetration of digital platforms for transportation services, DTC launched its in-house developed smart application for its limousine services (the "**DTC App**"), in 2019. During the same year, within its taxi business, DTC agreed to a partnership with Hala, a joint venture between the RTA and Careem, a Dubai-based smart-app, aimed at transforming and enhancing transportation services in Dubai. See "*Additional Information—Material Contracts—Contracts with Related Parties—Taxi Commercial Agreement between the Company and RTA Careem LLC*" for more information. More recently in September 2022, DTC began offering services through its fleet of delivery bikes to last mile delivery bike services, starting with Careem and then expanding to other providers such as Noon. In September 2021, DTC pilot tested the delivery services space and launched its own delivery services via delivery bikes in September 2022.

On 9 November 2023, to prepare for the Global Offering, based on the Dubai Government's direction, the shares in DTC were transferred to the Department of Finance for the Government of Dubai, who became the sole shareholder in the Company.

COMPETITIVE STRENGTHS

Operating in an attractive market with strong macro tailwinds

DTC is currently Dubai's main taxi operator and is also active in other mobility business lines, specifically buses, limousines, and delivery bikes. The Company believes it 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 (with the populations of Hong Kong, London and New York all only expected to grow at a CAGR of 0.5% during the same period), coupled with a forecasted approximately 20% CAGR growth in tourism in Dubai from 2022 to 2025, supported by the initiatives in place under the Dubai Urban Master Plan 2040 and with more than 425 annual events being held in Dubai, with the Dubai International Airport as the busiest international airport for international passengers for nine consecutive years as of 2022, according to the Industry Consultant. 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.

According to the Industry Consultant, trends globally show significant projected growth in the use of taxis due in part to the increased convenience as a result of the rising use of e-hailing, infrastructure improvements, traffic optimisation and growth in global travel and tourism. The global taxi and e-hailing market is estimated to grow at a CAGR of 9% from 2023 to 2028, from U.S.$253 billion to U.S.$389 billion.

In Dubai, the RTA has developed an efficient and connected public transport network. The primary metro line run the length of the city and is complemented by taxis, limousines, trams and buses. From 2017 to 2022, taxi ridership as a percentage of overall ridership in Dubai (which consists of taxi, metro, tram and buses) has remained relatively constant between approximately 32% to 34% each year. This consistent high taxi usage in Dubai is also driven by low traffic congestion, affordable taxi customer tariffs by international standards, seasonality of weather conditions (which often do not allow for comfortable walking, biking or other similar forms of transport), high availability of taxis which reduces waiting times in a geographical dispersed city like Dubai and high disposable incomes. 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, with a dominant market share of approximately 44% of total taxis as at 30 June 2023 (and providing 44% of total revenue kilometres travelled by taxi and approximately 39% of taxi trips as at 31 May 2023) according to the Industry Consultant, making it twice as large as the next largest taxi operator. In a city like Dubai, where taxi usage represents a high proportion of public transport ridership and has maintained a stable percentage of public transportation ridership since 2017, DTC's market leading position provides a key competitive strength to the business. According to the Industry Consultant, DTC has longer trips on average resulting in increased revenue per trip compared to other taxi franchises. Management 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, the Company 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. Due to the regulatory pricing framework that charges customers an airport surcharge for all trips originating at the airport, off-peak pricing for taxi customer tariffs from the Dubai International Airport for a 10-kilometre trip earns DTC almost double the tariff for all other taxi trips of comparable length in Dubai. 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, one of the largest malls in the world, Atlantis Hotel and Dubai World Trade Centre.

In addition to the above, DTC is the exclusive provider of taxi and limousine services at pick-up points in Port Rashid, which has been the Middle East's leading cruise tourist destination for the last eight consecutive years and can handle seven cruise vessels (or 25,000 passengers at once), according to the Industry Consultant. DTC also has exclusivity pick-up points for its limousines at the Global Village. This exclusivity in key locations protects DTC's market position and drives strong customer engagement due to the availability of cars and low waiting time at key locations with high pick-up volumes. To support an agile and efficient operating system with expedited supply of vehicles to key areas, DTC has established strategically placed depots adjacent to these exclusive pick-up locations, enabling fast and efficient services while optimising resource allocation. Given the size of DTC's fleet, coupled with its exclusivity in key locations, the Company's red-roofed taxis are near ubiquitous in key areas across Dubai.

Over the years, its market leadership has provided DTC with the opportunity to take an active role in shaping Dubai's regulatory framework and the RTA's broader sector strategy. Thanks to its strong position, competitive edge, scale and market insights, DTC believes it is the preferred partner for vehicle launches, prototype tests and bespoke car designs in Dubai, and has also become a key partner with an app developer, underscoring its critical role in Dubai's growing mobility sector.

Finally, 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 the Company 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 the Company as the preferred choice for customers and partners alike.

Favourable taxi regulatory framework, creating high barriers to entry

DTC benefits from a favourable regulatory framework with 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 licence 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 licence plates against forecasted market demand for taxis. Since 2018, the RTA has introduced 1,350 new licence plates in the entire Dubai taxi market, reflecting its policy of avoiding oversupply. 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 pre-authorisation process before being able to bid, which process can be extensive. Bids are submitted by franchisees or any bidders that have been approved by the RTA and the RTA manages a robust procurement and selection process, guided by financial (mainly pricing) and technical (mainly consisting of the vehicle availability and driver ratio thresholds) criteria. Management believes that DTC's significant market share, network operational capabilities and economies of scale provide it with an advantage in delivering against the RTA's key performance indicators and auction criteria.

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. In addition, when new plates are awarded, the RTA allows franchisees to pay the plate capex within five years. The plate capex represents the cost (approximately AED 250,000 to AED 370,000 per plate) of being issued the taxi plate, payable once a plate is awarded and are accounted for as intangible assets having an indefinite life. The payment for these plate capex is paid to RTA over a period of 5 years.

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.

Collectively, the regulation framework provides stability for DTC, while supporting for a diverse mobility sector.

Leading comprehensive UAE mobility company with focused workforce management

DTC is a diverse and dynamic company operating on 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. Within the limousines business line, as of 30 June 2023, the Company operated 387 luxury vehicles, offering chauffeur-driven services tailored for Dubai's thriving tourism industry and available 24 hours a day, 7 days a week. DTC is keen to cater for various segments of the population and its specific needs, leading to the launch of Ameera limousine, Dubai's first limousine fleet driven by women for women, as well as a fleet of luxury electric cars providing eco-friendly rides within Dubai and across Emirates as well. According to the Industry Consultant, the UAE limousine industry is estimated to reach AED 1 billion in revenue by 2025 and Management believes the Company is well-positioned to grow its market share.

In its bus business line, which commenced operations in 2015, the Company has experienced significant recent growth by successfully winning strategic contracts and rapidly deploying new buses following the COVID-19 pandemic. As of 30 June 2023, the Company operated 946 buses including school buses and commercial buses, serving private and public schools, nurseries, corporates, tourists and events. The Company has secured key contracts with private and public partners and notably with the UAE Ministry of Education for transportation in Dubai and Ajman. The Company's buses have the highest safety measures. Moreover, according to the Industry Consultant, Dubai's school population is expected to increase from 343,000 in 2023 to 550,000 by 2040. Management believes DTC is well-positioned to capture the growth opportunities in the education sector. Management believes DTC's already strong brand is further strengthened by its 24/7 control centre and its unwavering commitment to safety and reliability.

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. DTC currently provides turnkey transportation solutions through highly trained drivers. Beyond DTC's core services in this business line, management believes that the Company is strongly positioned to gain a sizeable share of the growing online delivery services market as the value of this sector in the UAE is expected to grow from an estimated U.S.$1.9 billion in 2023 to U.S.$3.4 billion by 2027, reflecting a CAGR of 15% over that period, according to the Industry Consultant.

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. As of 30 June 2023, DTC's services were provided by 14,538 drivers, of which 12,336 were for taxis, 970 were for buses, 630 were for delivery bikes and 602 were for limousines. DTC's international recruitment platform and internal recruitment process enable it to recruit and retain driver partners. 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. Between 2019 and 2022, DTC trained more than 9,000 drivers each year at its accredited training centre. 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 the Company's main depot, including driver counselling services by an in-house psychologist.

Integrated business model, leveraging superior technology solutions

Management believes that technology is integral to the success of the Company's operations and its ability to capitalise on further opportunities in the future. As such, it has invested over the years significant resources in developing the technology infrastructure it currently has and that can be scaled in the future providing the Company 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 2020, e-hailing was responsible for only 11% of taxi services in Dubai. Now, in the first half of 2023, e-hailing generated 31% of taxi services in Dubai, with DTC providing 33% of these trips. The Dubai Government is targeting e-hailing to generate 80% of these services in the coming years.

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. The Company's DTC App is interlinked with key booking engines throughout Dubai and with partner portals including events, hotels and hospitals, corporate partners and with the DTC Partner App, the Company's key platform for internal communications with its drivers, and is being developed to further integrate with the Company's other business lines. As at 30 April 2023, the DTC App had been downloaded more than 400,000 times, used to hail over 400,000 rides and averaged more than 30,000 monthly active users. Further, DTC launched its own app for its bus business line as well. 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 driver, customer and operators benefit. In order to combine these systems and applications, the Company relies on its own advanced OCC where it is able to track live 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. Management 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 the DTC's exclusivity agreement with RTA 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). Management believes DTC to be the partner of choice for many smart-app companies that may enter the market due to its scale, know-how and technological capabilities. DTC also intends to potentially scale up its own DTC App to its other business lines.

In line with Dubai's agenda to become one of the smartest cities in the world, DTC believes it is well positioned to invest in technologies such as process automation, big data in order to be future ready and drive the government's agenda.

Seasoned senior managers and a wider management team with strong execution capabilities

DTC is led by highly experienced senior managers and a wider management team that has a proven track record of operational execution and success. Particularly, DTC's senior managers and wider management team is significantly experienced within the Company and the RTA, providing it with a highly valuable understanding of the entire mobility sector. The Company is further supported by committed stakeholders such as the RTA (as its regulator and operational partner in areas like the TEAMS architecture) and its current shareholder, the DoF, who support management in its aim to provide the best services and exceed customer expectations, gaining their continual satisfaction. Under this leadership, DTC is well recognised internationally having won the "Great Organisations Culture" award in 2022 and the "Digital Transformation and Innovation (Solution of the Year)" from Seamless Middle East in 2022, the "Best application of technologies in the field of logistics services" awarded by Future Enterprise Awards as well as the Prestige Award for "Taxi Company of the Year – UAE".

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 aligns 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 approximately 80% of its taxis were hybrid and approximately 77% of its limousines are hybrid or electric as of 30 June 2023. DTC has targets in place to reach 100% hybrid or electric vehicles by the end of 2024 which is three years ahead of the RTA's target of 2027 for all taxis and limousines in Dubai. To deliver on this ambition, DTC has already entered into a number of memoranda of understanding with several vehicle dealers to support the electrification and hybridisation of its fleet, increasing its eco-friendliness. 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 the Company to improve its profitability by reducing fuel costs.

In addition, DTC plays an active role in social initiatives offered within its 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 of persons including people of determination and providing any additional security, privacy or comfort that women, children or families may require. Drivers are also able to receive instant bonuses for good hospitality, clean vehicles and customer satisfaction through the Company's Shukran programme. The people of determination services are only operated by DTC and no other franchisees.

Across all of the Company'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, the Company believes its commitment to people and good governance contributes to high customer satisfaction.

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

DTC has a robust financial model which demonstrated resilience during COVID-19 and recovery from 2021, with performance from 2021 demonstrating profitability and positive Free Cash Flow generation. For the year ended 31 December 2022, total revenue saw growth of 31.4% compared to the prior year and above the level recorded prior to the pandemic in the year ended 31 December 2019. For the six months ended 30 June 2023, revenue was up 10.7% compared to the same period in 2022, as the Company continues to experience strong and steady demand for its services. The Company 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). For the six months ended 30 June 2023, EBITDA Margin grew to 25.4% compared to 17.8% in the prior period, which is also significantly above the 20.7% EBITDA Margin achieved prior to the pandemic in the year ended 31 December 2019 and above the year ended 31 December 2022.

Net Income Margin for the Company was 19.5% for the six months ended 30 June 2023, having increased significantly following the pandemic from negative 16.4% for the year ended 31 December 2020, which supports the Company's expectation it will be able to maintain an attractive dividend distribution. Despite increases in capital expenditure seen over the last 18 months due to the Company'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 95.4 million and a strong Cash Conversion Ratio at 44.8% for the six months ended 30 June 2023. Even during the disruptions experienced as a result of the COVID-19 pandemic, DTC maintained a favourable working capital cycle, recently impacted by higher capital expenditure trade payables resulting from delayed capital expenditures following the COVID-19 pandemic. Other than during 2020, DTC has maintained positive and strong Free Cash Flow generation.

The Company also has a favourable ROCE, which was 50.9% as at and for the year ended 31 December 2022. As at and for the last twelve months ended 30 September 2023, the Company's ROCE was 27.8%, as adjusted for the pre-IPO dividend and share capital changes resulting from the board resolution passed by the board of directors of the RTA on 3 November 2023 as presented in "*Capitalisation*".

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 31.0% of all taxi rides in Dubai with the Dubai Government targeting e-hailing to reach 80.0%;
- **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 taxi (where approved by the RTA) and limousine trips during peak times of demand; the RTA is expected to introduce surge pricing for taxis booked through e-hailing from the fourth quarter of 2023 and the DTC is exploring the introduction of surge pricing for its limousine services;
- **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.

STRATEGY

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

Organic growth across business lines

The favourable macroeconomic conditions and fundamentals of operating in Dubai translates 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 the 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 3.5 million for the year ended 2022 to approximately 5.8 million in 2030, a CAGR of approximately 3.0%, according to the Industry Consultant. In addition, the tourist population visiting Dubai is set to grow from approximately 14.4 million in the year ended 2022 to approximately 25.0 million in 2025, a CAGR of 20.0%, according to the Industry Consultant. In 2022, Dubai International Airport was the world's busiest international airport with more than 66 million passengers recorded during the year and the airport having recorded its highest number of international travellers during this period as well according to the Industry Consultant. In 2022, the average total hotel occupancy rate for Dubai was recorded at 72.0%. In addition, Dubai is also a host of major events, which draw on 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 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, according to Industry Consultant estimates, disposable income across the UAE is expected to grow a CAGR of approximately 5.0% from 2022 to 2027, from AED 23,000 per capita to AED 30,000 per capita, 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.

For its taxi services, the Company 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, the Company 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 with approximately 80% of its taxi fleet were hybrid and approximately 77% of its limousine fleet were hybrid or electric as at 30 June 2023 and targets for 100% to be hybrid or electric in 2024, 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. The Company 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.

For its limousine services, the Company'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 the Company'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.

For its bus services, the Company 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.

For its delivery bike services, the Company is targeting robust fleet expansion, which it expects will be driven by the rapid growth in the UAE online food delivery market (with an estimated CAGR of 14.9% from 2023 to 2027 according to the Industry Consultant) while capitalising on the potential it has to diversify its partnerships and flexibility to work with a broader base of aggregators.

Investment in digital capabilities and operational excellence

The digitisation of the mobility services industry is a clear trend in which the Company will continue to strategically invest in 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 the Company'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 the RTA Careem's customer app, Hala, the Company has given RTA Careem the exclusive right to provide all e-haling for DTC taxis, which remains in effect through December 2024.

The Company 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 the Company'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. The Company currently has a presence in Ras Al Khaimah where its limousine services operates 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 its 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.

FINANCIAL TARGETS AND OBJECTIVES

This discussion of the Company's financial condition and results of operations contains forward-looking statements which, although based on assumptions that the Company considers reasonable, are subjected to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. As a result, the Company's actual results may vary from the targets and objectives set out above and those variations may be material. See "*Risk Factors*" and "*Information Regarding Forward Looking Statements*" for a discussion of important factors that could cause the Company's actual results to differ materially from the forward-looking statements contained within its financial targets and objectives, including "*Risk Factors—The Company may have difficulties implementing its growth strategy, which could have a material adverse effect on its business, financial condition and existing operations*". In addition, certain industry issues also impact the Group's financial condition and results of operations, as described in "*Industry Overview*".

Certain of the Company's targets and objectives are for the "short term" or "medium term". The Company has not defined, and does not intend to define, "short term" or "medium term". The Company's short term and medium term financial targets or objectives should not be read as forecasts, projections or expected results and should not be read as indicating that the Company is targeting such metrics for any particular year, but are merely objectives that result from the Company's pursuit of its strategy.

The Company's ability to meet its targets and objectives for any particular year, for the short term or the medium term is based upon the assumption that the Company will be successful in executing its strategy and, furthermore, depends on the accuracy of a number of assumptions involving factors that are significantly or entirely beyond the Company's control and are subject to known and unknown risks, uncertainties and other factors that may result in the Company being unable to achieve these objectives as described above. The Company's targets and objectives include those for its segments and certain of its non-IFRS measures. See "*Presentation of Financial and Other Information—Financial Statements—Segments*" and "*Presentation of Financial and Other Information—Non-IFRS Information and Certain Operational Data—Non-IFRS Information*" for further information about the presentation of preparation of certain of the financial data included within the Company's targets and objectives.

Revenue Targets and Objectives

Regular taxi

Revenue from the taxi segment was AED 1,533.6 million for the year ended 31 December 2022. The Company is targeting mid-single digit compound growth for the taxi segment in the medium term compared to the year ended 31 December 2022. It anticipates this medium term growth to be in line with the expansion of the Dubai city area and urban centres. The Company's management believes that several drivers of growth will contribute to its taxi revenue reaching its medium-term targets and objectives, including: increases in the average trip length and average revenue per kilometre (with the revenue per kilometre expected to continue to benefit from periodic adjustments for inflation and fuel price changes) and investments in digitalisation (include e-hailing). The Company's digitalisation investments and e-hailing help to optimise the Company's operations and increase efficiency, including through reducing kilometre wastage. The Company's management also believe that its taxi utilisation rate will improve and contribute to its achievement of its targets and objectives, in part due to achieving an increase in the driver-to-taxi ratio, increasing the proportion of the taxi fleet which are hybrid vehicles (with lower maintenance requirements and thus less time offline and which streamline operations by reducing the frequency of petrol fill-ups). The Company's taxi revenue target also assumes it will be able to continue to expand its taxi fleet in a manner that enables DTC to maintain a stable market share.

Limousine service

Revenue from the limousine segment was AED 137.3 million for the year ended 31 December 2022. The Company is targeting low teen compound growth for the limousine segment in the medium term compared to the year ended 31 December 2022. Like the taxi segment, the Company's targeted medium term growth for its limousine segment is anticipated to be in line with the expansion of the Dubai city area and urban centres. The limousine segment's targets and objectives assume growth in this segment will be driven by investments in digitalisation (including e-hailing) and the entry into additional exclusivity agreements with additional venues and booking aggregators. They also assume the Company will expand its limousine fleet over the medium term, following recent fleet optimisation.

Bus Services

Revenue from the bus segment was AED 89.7 million for the year ended 31 December 2022. The Company is targeting low teen compound growth for the bus segment in the medium term compared to the year ended in 31 December 2022. The Company assumes its medium term growth will be supported by its long-term contracts with Ministry of Education in Dubai and Ajman, which Ajman Bus Award (as defined below) commenced on 1 September 2023. It also believes its medium term growth will be driven by the growth of commercial transport services provided in Abu Dhabi city, Al Dhafra and Al Ain regions.

Delivery bike services

Revenue from delivery bike services and other was AED 2.2 million for the year ended 31 December 2022. The Company is targeting approximately six to seven times growth for these services for the year ending 31 December 2023 compared to the year ended 31 December 2022. In the medium term, it is targeting high teen compound growth compared to the year ending 31 December 2023. Management believes delivery bikes services to be a high-growth market segment supported by strong fundamentals such as a robust UAE population and GDP growth, coupled with the widespread popularity of delivery services with consumers, as well as increasing appetite for the convenience of last-mile delivery.

Gross Profit Margin Targets and Objectives

The Company's Gross Profit for the six months ended 30 June 2023 it was AED 216.2 million, reflecting a Gross Profit Margin of 22.6%. The Company is targeting mid-single digit percentage point Gross Profit Margin improvement in the medium term in comparison to the six months ended 30 June 2023. The Company's management believes its Gross Profit Margin target will be driven by the following developments within its segments:

- ***Regular taxis (which includes delivery bike services):*** The Company anticipates a structural shift in Gross Profit Margin following rapid fleet expansion, coupled with cost optimisation and improved operational efficiency, including as a result of switching all of its taxis to fuel-efficient hybrid vehicles by the end of 2024. The Company also expects further cost savings to come from improved fuel efficiency, a higher taxi utilisation rate and a reduction in wasted kilometres through prudent investments in tech capabilities such as predictive and "big data" analyses, as well as stronger e-hailing penetration via third party or DTC apps. The expected improvements in Gross Profit Margin is also expected to be attributable significant anticipated growth of the delivery bike services within this segment.
- ***Limousine service:*** The Company anticipates higher fuel efficiency in its limousine fleet resulting from fleet renewal and further technical upgrades (including as a result of switching all of its limousine to be electric or hybrid vehicles). The Company also aims to obtain a higher driver-to-limousine ratio which will contribute to increased utilisation of its limousines, resulting in Gross Profit Margin improvement.
- ***Bus Services:*** The Company anticipates future growth in this segment to be driven by further establishing its services in this market and servicing an increased number of schools and corporates, as well as through the expansion and growth in other emirates beyond Dubai. The Company expects certain fixed costs to remain the same for its bus services as revenue increases, resulting in Gross Profit Margin increases. In addition, the Company expects improvements in the Gross Profit Margin of its bus services will result from the replacement of its lease for 130 buses with buses it will purchase once its existing leases expire.

For more information about the preparation and presentation of Gross Profit, see "*Presentation of Financial and Other Information–Non-IFRS Information and Certain Operational Data—Non-IFRS Information—Direct Costs and Gross Profit" and "Selected Financial Information and Operational Data—Reconciliations of Non-IFRS Financial Measures—Direct Costs and Gross Profit".* The Gross Profit targets and objectives reflect the presentation of Gross Profit from the H1 2023 Interim Financial Statements.

Net Income Components Targets and Objectives

The Company's net income for the nine months ended 30 September 2023 was 267.1 million, reflecting a Net Income Margin of 18.9%. The Company is targeting a Net Income Margin in line with the amount achieved in the nine months ended 30 September 2023 in the short term. In the medium term, the Company is targeting a growth in Net Income Margin of approximately 1% to 2% in comparison to the nine months ended 30 September 2023.

The Company's medium term Net Income Margin target assumes the following with respect to the financial metrics that impact the achievement of its targets and objectives in respect of its Net Income Margin:

- ***General and administrative expenses and other income:*** The Company anticipates the general and administrative expenses and other income will be in line with its historical Financial Statements as a percentage of revenue in the medium term.
- ***Finance income – net:*** With respect to finance income – net, for the year ended 31 December 2022 this income mainly consisted of income from marketable financial investments, which the Company recently disposed of in connection with its entry into its CTA for its Facilities. In the medium term, the Company anticipates finance income/expense – net will also include interest payments in line with the terms of the CTA for the Company's Facilities which were entered into on 28 September 2023. See "*Related Party Transactions and Material Contracts—Contracts with Related Parties—Commercial Terms Agreement for term and revolving Murabaha facilities"* for further detail about the terms of the CTA and Facilities.
- ***Impairment loss on financial assets:*** The Company's impairment loss on financial assets mainly consists of impairment on payables due from staff as well as on trade receivables, and partially on investments (which have now been divested by the Company), as well as on cash balances. In the year ending 31 December 2023, the Company expects its impairment loss on financial assets to be in line with those for the six month ended 30 June 2023 as a percentage of its total revenue. These impairments are primarily due to a one-off delay in collection of receivables attributable to Ministry of Education. In the medium term, the Company is expecting impairment loss on financial assets to remain negligible as a percentage of the Company's revenue.
- ***Tax expense:*** With regards to tax expense, the Company has not been subject to any corporate tax. In line with recent changes to the UAE CT Law (as defined below), taxes under UAE corporate law will be reflected on the income statement starting from 1 January 2024, with current year tax payables paid in the following year. In the medium term, the Company anticipates its tax expense will reflect expenses in line with the recent changes to the UAE CT Law. See "*Taxation*" for further information about the UAE CT Law.
- ***Staff bonus:*** With regards to staff bonus, the Company paid a 5% bonus on net profit for the period in 2021 and 2022 and during the six months ended 30 June 2023 which is paid to all employees. This 5% staff bonus was part of the Company's decree which specifies that 5% of the Company's profit is for an employee bonus. However, the 5% staff bonus is not part of the Company's Amending Decree so the Company will have more flexibility in setting the staff bonus for the time periods after the effective date of the Amending Decree. However, the Company has assumed the staff bonus will continue to operate as it has historically as a percentage of net profit for the period in the medium term in setting its targets and objectives.

EBITDA Target and Objectives

The Company's EBITDA was 316.4 million for the year ended 31 December 2022. While the Company has not provided an EBITDA target or objective for the medium term, it has provided targets in respect to certain items that comprise EBITDA. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting the Company's Results of Operation—Gross Profit Margin and EBITDA Margin*" for more information.

- ***Finance income – net:*** See "*Net Income Components Targets and Objectives—Finance income – net*" for a discussion of anticipated changes.
- **Tax expense:** See "*Net Income Components Targets and Objectives—Tax expense*" for a discussion of anticipated changes.
- ***Depreciation of property and equipment and amortisation of right of use asset ("D&A"):*** D&A has historically been included in both the Company's Direct Costs and its general and administrative expenses. The Company anticipates D&A to be in line with its historical Financial Statements as percentage of revenue in the medium term.

Net Capex Targets and Objectives

2023 Targets and Objectives for the Company

The Company is targeting Net Capex for all its segments to reach approximately AED 380 to 400 million in the year ending 31 December 2023.

2024 to 2027 Targets and Objectives for the Regular Taxi Segment

From 2024 to 2027, the Company anticipates a total of approximately AED 575 million Net Capex (which excludes any plate capex) for the taxi segment. Given the percentage of the taxi fleet that has been replaced in 2021 and in 2022, most of the anticipated AED 575 million Net Capex is expected toward the last two years of the 2024 to 2027 capital expenditure cycle. This Net Capex is expected to mainly consist of replacement capital expenditure (i.e. replacing the existing taxi fleet) but also includes an insignificant growth capital expenditure related to new taxis as the Company continues to incrementally expand its taxi fleet. After 2027, the Company expects its capital expenditure cycle to repeat, following a similar pattern to that reflected from 2024 to 2027 for Net Capex.

Targets and Objectives for Plate Capex for 2024 Onwards

The Company anticipates an average of approximately AED 25 to 35 million plate capex per annum for the taxi segment from 2024 onward.

Targets and Objectives for Other Capex for 2024 Onwards

The Company also anticipates an average of approximately AED 50 million in total Net Capex per annum for its limousine, bus and delivery bikes from 2024 onward.

The Company anticipates approximately Net Capex of AED 10 to 20 million per annum for its digitalisation initiatives from 2024 onward.

Net Working Capital Targets and Objectives

In the historical Financial Statements, Net Working Capital was variable due to the impact of COVID-19. Moving forward, the Company is targeting Net Working Capital as a percentage of revenue to be more consistent, ranging from approximately 14% to 19% annually. Net Working Capital as a percentage of revenue is anticipated to move towards approximately 14% by the end of 2024 compared to the level for the year ended 31 December 2022, going up towards the higher end of the range by the end of 2027 followed by a decline towards the middle of the range by the end of 2028.

DESCRIPTION OF BUSINESS

Business lines

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 limousine, buses and other services (which includes last-mile delivery bike services).

Taxis

At the core of DTC's mobility offerings are its taxi services, offered through its large eco-friendly fleet. For the year ended 31 December 2022, revenue from the Company's taxi services amounted to AED 1,533.6 million, making up approximately 87.0% of the Company's total revenue for the year. For the six months ended 30 June 2023, revenue for the Company's taxi services amounted to AED 835.7 million, making up 87.4% of the Company's total revenue for the period. During the last twelve months ended 30 June 2023, the Company provided approximately 42 million taxi trips.

As at 30 June 2023, DTC holds the largest vehicle fleet in Dubai, owning 5,216 taxis, or 44% of Dubai's total taxi fleet, giving it a leading position in the market against its four direct competitors. The Company is generally able to quickly and efficiently procure its taxis from local dealers, and in 2022, it added or replaced 1,000 of its taxi fleet over a four month period. Out of the 5,216 vehicles in DTC's taxi fleet as at 30 June 2023, 4,191 or approximately 80% are hybrid vehicles.

Through the Company's taxis, customers are offered comfort and quality transportation in regularly maintained vehicles at regulated prices. The Company'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 the Company's Operations and Control Centre (the "**OCC**").

DTC provides its taxi services through Franchise Agreements with the RTA. The Company, rather than its drivers or the RTA, own all the taxi vehicles used for its services. Under the terms of the Company's Franchise Agreements with the RTA, it typically pays the RTA a monthly franchise fee of AED 5,000 per vehicle. However, a certain number of its taxi plate, 410 as of the date of this Offering Memorandum, which relate to its airport taxi plates and ladies taxi plates, are subject to a reduced monthly franchise fee of AED 3,600 per month. The Company also has 14 exempt licence plates for its people of determination taxis (and is expecting to receive 13 additional such plates in the near future), which are not subject to a monthly franchisee fee or plate capex. In addition, starting from 2023 the Company is not required to pay monthly franchise fees for 5% of its license plates. This is to account for the fact that, typically, 5% of the fleet is undergoing maintenance on any given day. See *Related Party Transactions and Material Contracts—Contracts with Related Parties—Franchise Agreements for the Operation of Taxi Vehicles in the Emirate of Dubai*.

Solutions

<u>Taxis</u> (Regu<u>lar)</u>

Taxis are the Company'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 the Company or its competitors may have exclusivity agreements in place with the venue for limousine services), the Company is the only taxi company authorised to pick up passengers by taxi at the Dubai Airports and Port Rashid. See *"—Exclusivity Agreement"* below for additional details. As at 30 June 2023, 4,741 of the Company's 5,216 taxis in its fleet were regular taxis and vans capable of providing customers with transport.

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

<u>Rental taxis</u>

For travel within Dubai, customers can rent the Company's taxis for a period of time rather than per trip. Rental taxi services are charged through time-based rates regulated by the RTA.

Customers are able to request rental taxi services through the DTC Call Centre or by email.

<u>People of determination taxis</u>

The Company'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. For the six months ended 30 June 2023, 27 of the Company's 5,216 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.

<u>Ladies and family taxis</u>

Through its ladies and family taxis, the Company provides mobility solutions exclusively to women and family commuters in taxis driven solely by female drivers. As at 30 June 2023, 98 of the Company's 5,216 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.

Limousines

Through its limousine transportation service, the Company provides luxury chauffeur-driven vehicles for Dubai visitors, business professionals and various clients with competitive rates, convenient booking and 24/7 customer care. For the year ended 31 December 2022, revenue from the Company's limousine services amounted to AED 137.3 million, making up 7.8% of the Company's total revenue for the year.

For the six months ended 30 June 2023, revenue from the Company's limousine services amounted to AED 58.1 million or 6% of the Company's total revenue for the period. For the same period, the driver to limousine vehicle ratio was approximately 1.5x.

As at 30 June 2023, the Company's limousine fleet consisted of 387 luxury vehicles, of which approximately 35% (137 vehicles) were hybrid and 41% were electric vehicles (which consisted of 160 Tesla vehicles). The Company 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, the Company 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, the Company provides a large vehicle, luxury chauffeured service for group-commute experiences.

The Company 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 the Company's limousine services via the DTC App, the Company's call centre or via the Careem limousine or Uber apps or other aggregators. See *"—Exclusivity Agreement"* below for additional details.

Bus Services

The Company'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, 87% of the Company's bus services are linked to the Company's contracts with the Ministry of Education. For the year ended 31 December 2022, revenue from the Company's bus services amounted to AED 89.7 million, making up 5.1% of the Company's total revenue for the year. For the six months ended 30 June 2023, revenue from the Company's bus services amounted to AED 57.1 million or 6% of the Company's total revenue for the period.

The Company'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 the Company's smart-apps, bus tracking, monitor 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. See "*Operations—DTC School Bus App*" below for more information.

As at 30 June 2023, the Company had 946 customised buses which serve more than 24,500 registered school and university students under long-term contractual agreements in Dubai and Ajman with private schools and the Ministry of Education. Of the Company's 946 buses in its fleet, all but 130 are owned by the Company. Because of supply chain issues and an inability to buy new buses, the Company leased additional buses in order to fulfil its contracts during COVID-19. The Company is currently sourcing buses to purchase to replace its leased buses at the time that its lease agreement expires. The Company 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 the Company's services tailored to the needs of each customer. As at 30 June 2023, the Company was in the process of procuring an additional 315 buses to expand its fleet.

Other Services

In addition to its taxi, limousine and bus services, the Company offers delivery bike services and "My Driver" services. For the year ended 31 December 2022, revenue from the Company's other services amounted to AED 2.2 million, making up 0.1% of the Company's total revenue for the year. For the six months 30 June 2023, revenue from the Company's other services amounted to AED 5.7 million, making up 0.6% of the Company's revenue for the period.

Delivery Bikes

Launched in September 2022, the Company 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 and Power Lease (with additional customers expected to be added during the second half of 2023). As at 30 June 2023, the Company had 597 delivery bikes and from September 2022 to June 2023, DTC's delivery bikes completed 443,000 deliveries according to the Industry Consultant. Through its delivery bikes service, the Company offers petrol-powered delivery bikes and trained, professional drivers to service the delivery needs of Dubai-based restaurants and food retailers. Customers benefit from the 24/7 support, safety and reliability provided by DTC. 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.

For its delivery bikes, the Company is paid per delivery with negotiated minimum commitment clauses with each customer. Drivers also receive additional trip earnings according to a sliding scale based on the distance travelled and subject to meeting certain service and availability requirements.

Although the Company currently has no plans to create its own smart-app for delivery bike services, in the future, the Company 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 chauffer 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.

Regulatory Framework

Plate auction

Currently, the RTA has franchise agreements with five taxi companies in Dubai (including the Company). The RTA, as the sole regulator for the industry, monitors and controls the supply of new taxis to the market through an auction process for taxi licence plates. Using its forecasted market demand for taxi vehicles, the RTA determines how many additional taxi vehicles can be added to the market for the following year. Since 1 January 2018, the RTA has issued only 1,350 new taxi licence plates in the entire Dubai taxi market, which reflects a limited supply of new taxis for the Company and the market overall. DTC participated in all the auctions since 2018, of which the Company was awarded 200 plates in 2018, with most plates going to another franchisee as the RTA took an independent decision to allocate these to another franchise in order to reduce market concentration.

Every auction is a closed bid which is only open to the existing five taxi franchisees. Bids to purchase new licence plates are submitted and the RTA organises a procurement and selection process whereby entrants are awarded new licence plates based on their financial performance and technical performance (mainly consisting of vehicle availability and driver ratio thresholds) criteria and the price of their bid. Ultimately, the RTA retains discretion over the award of the plates and weighs the bids against various criteria, as well as the benefit of awarding plates to multiple franchisees to retain a competitive market. Following a successful bid, a taxi franchisee has approximately three months to purchase the vehicles, complete registration, employ and train drivers and deploy the vehicles on the road or the plates revert to the RTA. The plate capex due to the RTA on each plate is payable over a five-year period.

Customer Tariffs

The Company's taxi services provide customers with four key mobility solutions: taxis (city and airport), rental taxis, people of determination taxis and ladies and family taxis, each of which charges customer tariffs in line with regulated tariff amounts established by the RTA. These tariffs are applicable to all five of the taxi franchisees that operate in Dubai and regularly adjusted by the RTA to reflect fuel price movements. On a yearly basis and upon request from each franchisee, the RTA can also incorporate the impact of inflation on taxis customer tariffs and adjust accordingly. Pick-ups for the Company's taxis are restricted to Dubai and Hatta (an inland exclave of the Emirate of Dubai).

Customer tariffs for the Company's limousine services are not directly regulated by the RTA (as is the case for taxis), and DTC and other limousine companies are able to compete based on pricing, revising prices as needed. However, the Company's pricing model charges rates for its limousine services at rates that are indirectly determined by the taxi prices set by the RTA, as limousine customer tariffs must by regulation be, at a minimum, 30% higher than taxi tariffs fixed by the RTA. The Company adjusts its limousine pricing from time to time to remain competitive.

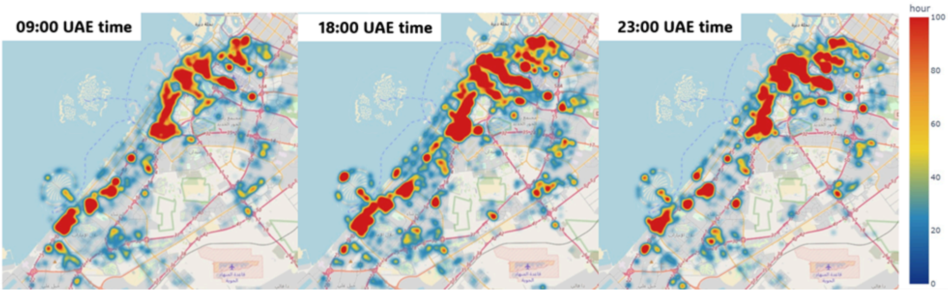
As the Company has started to expand its VIP limousine service outside of Dubai into neighbouring emirates, customer tariffs will be regulated by the relevant local transport authorities.

Operations

Operations Control Centre

The Company manages a 24/7 advanced OCC that is dedicated to managing all fleet operations and monitoring driver and vehicle performance. From the OCC, the Company can monitor driver behaviour and alert drivers of 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 the Company to manage its operations.

Figure 1. Heatmap of DTC Taxis (As of 28 August 2023)



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

DTC App

The Company'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, the Company 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 the Company's limousine drivers and drivers from external limousine companies.

While currently only offered for hailing the Company's limousines, the DTC App ecosystem has been designed to be able to scale up and expand to the Company's other service offerings in the future. Following the expiration of the DTC's exclusivity agreement with RTA Careem 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

The Company'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 onboard the Company'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. See "*Business Lines—Bus Services*".

DTC Partner App

The Company'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.

Key Suppliers

Fuel costs

The Company's operations are heavily dependent upon the use of fuel. The Company 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 the Company's mobility services. ENOC petrol and diesel are available at most petrol stations across Dubai. The Company'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 the Company for such purchases. The Company's fuel agreement with ENOC is subject to an annual cap, which has been enough to cover substantially all of the Company's fuel costs since 2021 when such fuel discount was introduced. Once the cap has been reached, the Company may purchase fuel from other suppliers or may continue to purchase from ENOC at the market price (i.e. without the agreed discount). The Company's current fuel contract expires on 29 February 2024 and can be terminated without cause by ENOC with three month's notice.

The Company 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, the Company 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 the Company 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, the Company utilises third party suppliers rather than using in-house maintenance, for which through the scale of its vehicle fleet, the Company is able negotiate reduced service fees

The Company's in-house maintenance facilities allow it to service and maintain its fleet (other than buses and electric vehicles) in a cost-effective manner and thus, eliminating service fees payable to third party maintenance services providers. In order to maintain these costs, the Company has systems in place so that its vehicles are maintained in accordance with manufacturer recommendation and an established monitoring system that tracks vehicle key performance indicators with the aim of ensuring optimum fleet utilisation. The Company's maintenance analysis also includes a failure analysis by brand or auto manufacturer which the Company 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 PTA, the Company 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 (with its electric limousines are replaced every seven years). For its buses, the Company expects a complete fleet overhaul approximately every 15 years. For the bikes, the Company replaces them every 4 years.

As part of its vehicle replacement strategy, the Company has a points-based system to evaluate disposal criteria. Its evaluation includes the following criteria:

- its operational requirements;
- the RTA green vehicle regulatory requirements;
- its vehicles lifetime based on operating capability;
- total losses of its fleet; and

- maintenance of its fleet.

In considering each of the above, the Company follows a points system, assigning a value to each of the criteria above as well as considerations on availability of replacement vehicles, economic conditions and the book value of the vehicle. The Company generally targets receiving approximately 15% of the purchase price of the vehicle at disposal under its points system. The information captured is later used to assist the Company in determining which vehicles to purchase.

The Company primarily relies on Dubai-based car suppliers for the purchase of new vehicles. The Company regularly enters into new agreements with car suppliers to meet its fleet procurement and replacement needs. The Company does not have any ongoing purchasing agreements in place with car suppliers, however, due to the scale of its operations, DTC believes it has a degree of negotiating power with its suppliers, which has historically allowed for better payment terms, lower acquisition costs, discounts on spare parts and charges from the suppliers in the case of delays. Management also believes that DTC's scale also makes it the preferred partner for car suppliers seeking to launch new vehicles, test prototypes or to provide bespoke car designs.

HUMAN CAPITAL: DRIVERS AND EMPLOYEES

Drivers

The Company views its drivers as integral partners in the provision of its mobility services. As the Company'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.

Driver Recruitment, Training and Retention

<u>Recruitment</u>

The Company has a recruitment unit to develop and implement a driver recruitment strategy for its taxis, buses and other services based on the current and future needs of the Company to support its operational efficiency. The Company targets a driver-to-vehicle ratio of approximately 2.5x for taxis and 2x for limousines, reflecting the fact that its taxi and limousine mobility services operate 24 hours a day, seven days a week.

The driver recruitment process is carried out in collaboration with recruitment agencies, combining both direct internal recruitment in the UAE and external international recruitment through agencies. The Company primarily recruits drivers from South Asia, in particular from Sri Lanka, India, Pakistan, Nepal and Bangladesh. Third-party recruitment agencies find, screen and bring potential drivers to Dubai.

The recruitment process consists of the following stages before drivers are able to work:

- Receiving CVs for the applicants;
- Interview;
- Security screening;
- Behavioural and psychometric testing for candidates;
- Work permit issuance, medical examination and obtaining UAE identity documentation;
- Residency visa issuance;
- Enrolling candidates in foundational training with the PTA;
- Receiving official uniforms, work cards and signing driver's contracts; and
- Scheduling drivers for work.

In addition to the stages above, candidates for the Company's taxis are required to enrol in driving institutes (for candidates without a UAE licence) and complete an internal orientation training. For more information on this see, "*Related Party Transactions and Material Contracts—Contracts with Related Parties—Franchise Agreements for the Operation of Taxi Vehicles in the Emirate of Dubai—Fees".*

The recruitment process takes up to 180 days from the date of interview until drivers who successfully complete the process are scheduled for work. In 2022, the Company recruited a total of 2,394 new drivers, and in the six months ended 30 June 2023, recruited a total of 2,716 drivers.

For more information on the total number of drivers recruited for its services, see "*Employees and Drivers—Employee and Driver Numbers—Non-employee drivers*" below.

Generally, the Company does not directly recruit limousine drivers. Instead, limousine drivers are experienced taxi drivers who excelled in the Company's training modules. Limousine drivers are often able to earn more in commission as the average cost for the ride is higher.

Training

In addition to the initial training required as part of the recruitment process, the Company has a driver training centre that provides ongoing internal training at no cost to drivers in order to increase their competencies beyond the requirements of obtaining a taxi driver ID permit. The Company offering these internal trainings to its taxi, limousine and bus drivers. Delivery bike drivers are trained by third-party aggregators.

The Company's driver training programmes have been designed to cover a wide range of training criteria relating to the provision of its services and operations. These include safe driving, customer service, quality control, quality assurance, meter function and more, which enable the drivers at the end of the course to achieve the standard required to offer the service, which is matched to international standards of quality. Mandatory training is planned according to each drivers' level, with the Company providing five levels of training ranging from:

- basic: covers the induction programme for new drivers;
- bronze: provides a corrective programme and rehabilitation training for drivers;
- silver: offers a proactive course for drivers to improve their competencies;
- gold: offers specialised training programmes; and
- diamond: driver's consultants, where experienced drivers provide trainings to other drivers.

The Company's driver training centre is certified by various certifying entities including: Rospa, Knowledge and Human Development Authority, Highfield International, and it holds ISO9001, ISO45001, and ISO 29993 certification standards, amongst others. It has also received recognition and awards, including the Gulf Sustainability Award for its Education Programme for DTC drivers in 2021. The British Highfield International 2019-2022 recognised the Company's drivers training centre as a distinguished training centre.

The Company's driving training centre provided 11,620 9,301, 22,866 and 12,175 trainings to drivers in 2019, 2020, 2021 and 2022, respectively. Each driver may receive multiple trainings during the year. The training figures in 2021 were particularly high as the Company introduced an additional training module required for all drivers in preparation for the Dubai Expo 2020 hosted from October 2021 through March 2022.

The Company's driver training centre also offers training to third party drivers. The Company refers to these as awareness campaigns. Since 2017, the Company has conducted driver awareness campaigns in partnership with government agencies and has entered into an agreement with certain third parties, including, Civil Defence, Dubai Police, Dubai Health Authority, Dubai Culture and Arts Authority and Noor Dubai Corporation. From 2017 to 2022, the Company's driver awareness campaign resulted in trainings to 19,253 drivers and the Company expects them to result in driver training to approximately 15,000 drivers in 2023.

Driver Compensation and Retention

The pay for DTC drivers varies based on the mobility solution. Bus drivers are paid a monthly fixed salary. Taxi drivers, limousine drivers and delivery bike drivers are each paid variable performance-based commissions based on a specific percentage of their net earnings achieved at the end of each month.

The Company's performance-based commission slab is divided into different tiers, which are determined according to the income achieved for each tier of revenue. Drivers' performance is evaluated based on several criteria, including traffic safety and the absence of any accidents or traffic violations, as well as excellence in customer service, any complaints or quality violations related to the driver, operational efficiency, kilometres driven and revenue generated. Drivers are also able to utilise the customer care line on DTC's app or a local toll free line to report incidents with passengers.

Furthermore, the DTC provides the following benefits to all of its drivers:

- health insurance services;
- 30 days paid annual leave;
- annual awards through various programmes; and
- providing facilities and services at the Company's main depot

Drivers also have the option to rent accommodation.

The Company's taxi drivers are subject to a regulatory requirement whereby, within two years after leaving the employment of or ending their association with the Company, they must receive a no objection certificate from the Company before working as a taxi or limousine driver for another company in Dubai. This requirement is applicable to all taxi drivers working for licenced taxi companies in Dubai.

Employee and Driver Numbers

Employees

The table below provides an overview of the number of employees employed by the Company as at the end of the periods indicated.

	As at 31 December			As at 30 June	
	2020	**2021**	**2022**	**2022**	**2023**
Regular staff (1)	411	422	442	439	450
Special contract employees (2)	103	97	102	102	108
School bus drivers(3)	356	943	961	1,561	970
School bus conductors(3)	119	709	785	-	863
Total	**989**	**2,171**	**2,290**	**2,102**	**2,391(4)**

(1) "Regular staff" is defined as full time equivalent staff and personnel.

(2) "Special contract employees" are defined as fixed-term contract employees hired for specific tasks. These primarily include the Company's support staff found in its IT and administrative departments.

(3) "School bus drivers and conductors" are defined at drivers and conductors contracted to operate the Company's buses. Figures as at 30 June 2022 present school bus drivers and conductors on an aggregated basis.

(4) Of which 61% were male and 39% female, from 36 different nationalities.

None of the Company's employees are subject to collective bargaining agreements. The Company's management considers its employee relations to be good. The Company has never experienced a work stoppage.

Non-employee drivers

The Company recruits and has a large pool of drivers for its taxis, limousine and delivery bike services who are not considered as regular staff, special contract employees, or employee drivers such as its school bus drivers and conductors. However, non-employee drivers still form a critical asset to the operations. See *"—Drivers"* above for more information. The table below provides an overview of the number of drivers employed by the Company for each period indicated.

	Year ended 31 December			Six months ended 30 June
	2020	**2021**	**2022**	**2023**
Taxi and limousine drivers at start of period	12,039	10,928	8,199	10,222
Taxi and limousine drivers terminated/resigning or leaving during the period	(2,516)	(2,963)	(371)	-
Taxi and limousine drivers recruited during the period	1,402	237	2,394	2,716
Taxi drivers at end of period	**10,142**	**7,589**	**9,700**	**12,336**
Limousine drivers at end of period	**783**	**613**	**522**	**602**
Delivery drivers at the start of the period	-	-	-	100
Delivery drivers terminated/resigning or leaving during the period	-	-	(1)	(54)
Deliver drivers recruited during the period	-	-	101	584
Delivery drivers at the end of the period	**-**	**-**	**100**	**630**
Total	**10,925**	**8,202**	**10,322**	**13,568**(1)

(1) Of which 99% were male and 1% female, from 52 different nationalities.

The Company does not directly recruit limousine drivers. Instead, limousine drivers are experienced taxi drivers who excelled in the Company's training modules and are hired as limousine drivers.

MARKETING AND CUSTOMER ACQUISITION

Marketing

At the core of its marketing strategy is the Company'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, the Company relies on its investments in bolstering brand recognition as well as its digital strategy and technology usage, including smart-apps and social media platforms.

Brand recognition

Management believes that its brand and focus on customer experience are key differentiators for its business and DTC therefore invests in providing a distinctive, high-quality service featuring clean and well-maintained interiors across each of its operations. Across its service locations, DTC vehicles can be recognised by the Company's distinctive branding and logos. Its taxis are distinguished from competitors by their red rooftops and its limousines and buses display the DTC logo.

The Company believes its brand is particularly important for its government and commercial customers, whether it be through agreeing to entering in exclusivity agreements for pick-up points, or long-term contracts, like that with the Ministry of Education. Users are choosing its services based on the generated brand affinity.

Digital Strategy

DTC has an established digital marketing approach intended to acquire and retain customers. At the core of the Company's digital marketing approach is an interactive ecosystem across various digital systems that enable communication with customers. The principle objectives of the Company's digital marketing strategy are to:

- increase brand awareness through effective digital marketing initiatives;
- highlight across the transportation industry the Company's civic image;
- communicate its values and commitment to sustainability;

- attract prospective customers through the use of smart-apps and targeted advertising;
- enhance its media library and create a coherent and unified brand theme and language;
- create a seamless and integrated digital marketing presence across multiple channels; and
- to bolster the brand through digital awareness and increase customer retention through organic engagement and paid campaigns.

Under the Company's digital strategy, customers can interact with its services, via websites of the Company, email or social media. Social media platforms are critical means through which the Company can communicate with its audiences. Through each, the Company is able to highlight the brand vision, mission and objectives and the services that its offers. The Company is also able to promote its commitment to sustainability by highlighting its electric and hybrid vehicles and usage across the various digital mediums.

Customer acquisition

In addition to its marketing strategy, DTC relies on a variety of means to acquire customers including exclusivity agreements, smart technology and other tracking and monitoring systems, such as e-hailing apps and heat maps.

Exclusivity agreement

In addition to the street hailing and booking options described above, the Company's taxi and limousine services benefit from a number of exclusivity agreements which allow the Company to exclusively provide taxi and limousine pick-up services at key locations with high pickup volumes and thus increase the number of customers it is able to acquire. Under its exclusivity agreements, DTC has the exclusive right (with only partial exclusivity in certain cases) to provide its pick-up services to customers at the taxi and limousine ranks of specified venues. In exchange for the exclusive right over the designated ranks, the Company typically pays the venue a service charge for each trip made by the Company's taxis or limousines from the designated ranks and must ensure that a certain number of vehicles are available at the venue at all times or at certain times of day, subject to the terms of the respective exclusivity agreement. With the exception of pick-up points at the Dubai Airports and Port Rashid, any exclusivity agreement entered into, including those that the Company has for its limousines, are not permitted to restrict other taxis from any such pick-up location as a result of RTA regulations. The Company does not pay additional fees to the RTA based on these agreements.

The Company currently has exclusivity agreements in place for pick-up at the Dubai International Airport Terminals 1, 2 and 3 and Port Rashid for its taxi services and exclusivity agreements in place for limousine pick-up at the Dubai International Airport at Terminals 1, 2 and 3, Port Rashid, the Global Village and Dubai World Trade Centre, with partial exclusivity for limousine pick-up at the Dubai Mall and the Atlantis. This partial exclusivity means that other limousine companies can be e-hailed to pick up guests from the location, but that the Company has exclusive right to have cars waiting at the specified pick up points. The Company also has agreements with Uber and Careem to provide limousine services required from the airport through their e-hailing apps. Uber and Careem also operate certain pick-up points in outer parking lots of the Dubai International Airport, which are not part of the Company's exclusivity arrangement with the Dubai Airports. For more information, see "*Related Party Transactions and Material Contracts—Material Contracts with Related Parties)—Taxi Service Agreement between the Company and the Dubai Airports Corporation*" and "*Risk Factors—Risks relating to the Company and its business and the industry in which it operates—The Company generates a significant percentage of its revenue from trips originated from locations where it has exclusive access to pick-up points for its taxis and limousines, particularly through its agreement with the Dubai Airports. If the Company's exclusive access to these pick-up points were negatively affected or lost, its financial results and future prospects would be adversely impacted".*

Many of the exclusivity agreements have been re-signed or extended and the list below does not show the initial start date of exclusivity. The current terms of each agreement are:

Location	**Start of Service**	**Expiration**
Dubai Airports	1 October 2021	30 September 2024
Port Rashid	27 December 2018	Automatically renews
The Global Village	25 October 2022	30 April 2025
Dubai World Trade Centre	6 February 2023	6 February 2026
Dubai Mall	1 June 2023	1 June 2026
The Atlantis	1 September 2023	31 August 2025

Figures 2 and 3 below show heatmaps of the Dubai on Monday, 28 August at 6 pm UAE time. These figures show the exclusive pickup points of DTC's taxi and limousine services, respectively.

Figure 2. Heatmap of DTC's Exclusive Pickup Locations for its Taxis

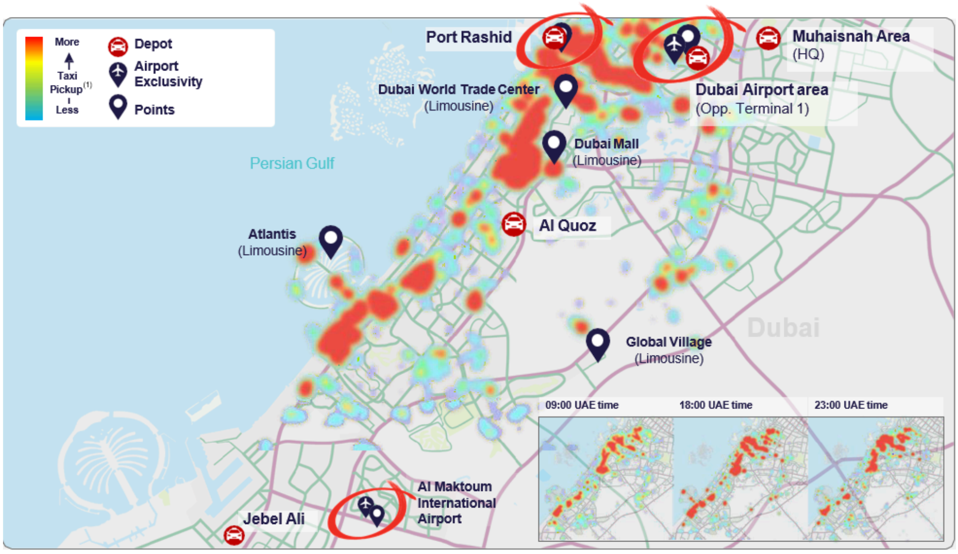
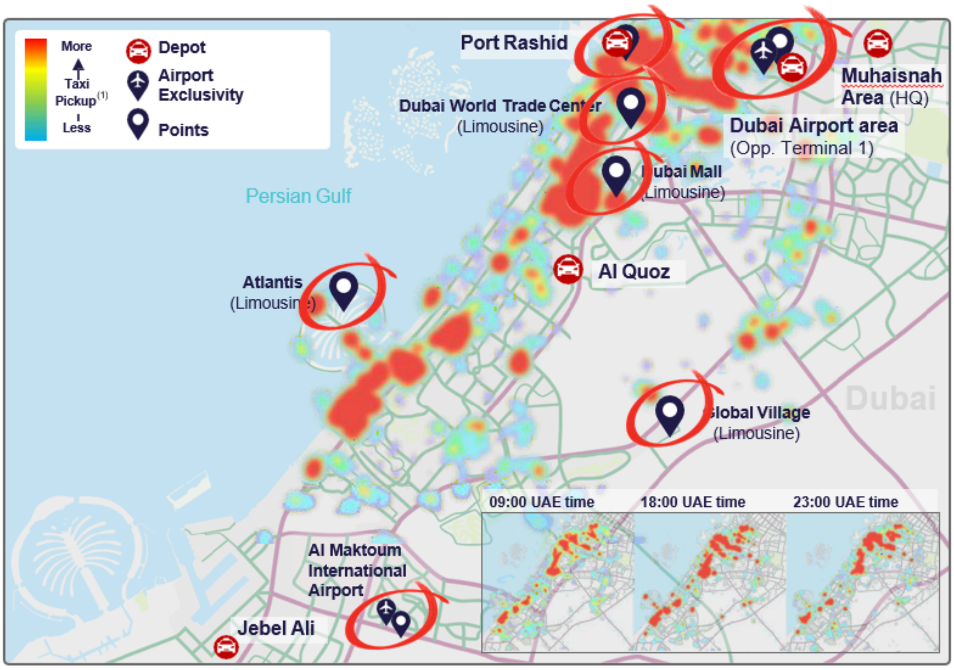


Figure 3. Heatmap of DTC's Exclusive Pickup Locations for its Limousines



Smart-technology and other Tracking and Monitoring Systems

DTC has integrated its services with smart-technology including e-hailing apps, such as the DTC App and Hala, and heat maps that allow the Company to access more customers. Through e-hailing, DTC is able to reduce its carbon emissions and the amount of milage and fuel expended in its vehicles as customers are able to quickly and easily request rides using either app on their mobile devices, rather than having the taxis driving around in search of customers. In addition, e-hailing apps enable the Company to access and serve a wider customer base, including those who may not have access to traditional taxi or limousine services. The Company also encourages use of the smart-apps for ride-hailing by providing special offers or promotions and by engaging with its customers through the features of the apps.

In addition to e-hailing, DTC also relies on the use of heat maps and other tracking and monitoring systems that show areas of high demand and areas where passengers are more likely to be found. The Company's heat maps are updated directly based on data monitored and analysed using AI in the OCC that compares the number of vehicles located in an area to the fleet's ability to meet the demand. Management believes that the Company's use of heat maps and other tracking and monitoring systems contributes to it achieving the highest satisfaction rates for passengers in terms of arrival times, which can be drastically reduced by the demand indicators shown by the maps and operational efficiency as fuel consumption is reduced.

CUSTOMERS AND CUSTOMER CARE

Customers

DTC's customers are a diverse and dynamic representation of the communities in which the Company operates. They represent all age groups and backgrounds and various industries or government authorities. DTC customers include: (i) passengers utilising the Company's taxis and limousines; (ii) government authorities or commercial entities contracting the Company's buses to serve students or employees; or (iii) 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.

For the year ended 31 December 2022, the Company achieved a general happiness rating of 88.4% for transport using the Company's taxis or limousines based on the PTA's rating. For bus services, the Company achieved a rating of 87.4% based on third-party customer ratings for the year ended 31 December 2022.

Customer Care

DTC strives to provide innovative, high-quality and sustainable digital transport services in line with global best practices, achieving high customer satisfaction. To do so, DTC aims to create a distinctive, high-quality service in clean and well-maintained interiors across each of its operations that will encourage its customers to frequently utilise their services and recommend the Company or its services to colleagues, friends and family.

Drivers are trained in customer satisfaction and management, ensuring that passengers are provided with a professional, high-quality services and that taxis, limousines or buses are well-maintained and clean.

Customers are also able to share feedback on their trips or experience using the Company's services by either calling or writing to the Company's customer service team. The Company's dedicated customer service and customer happiness team monitors complaints and grievances. Customers calls are tracked and monitored and should be resolved with certain agreed time periods. Each quarter, the grievances are reviewed by management so that the pattern of complaints can be monitored and coordinated corrective action can be taken if needed. This team also monitors social media and other channels for customer concerns and takes action when needed.

For rides booked using either Hala (as is the case for taxis) or the DTC App (as is the case for limousines), customers can utilise the compliant features within the app to share feedback. Once a complaint has been submitted, it is sent to an officer who aims to acknowledge receipt within 24 hours and will investigate the issue, following up with the customer as needed before issuing a resolution in the manner.

HEALTH AND SAFETY

The Company is committed to achieving a best practice approach to maintaining safe and healthy working environments, equipment and safety systems on each of its vehicles and adequate certification, licensing and training of its drivers and conductors. As part of this commitment, the Company has performance indicators in place, including (but not limited to) the number of reported accidents and incidents in its vehicles, customer satisfaction scores, vehicle maintenance checklists as well as vehicle maintenance protocols and adequate levels of training for its drivers and conductors. In order to ensure proper checks are taken daily by its drivers, the Company also levies penalties and quality check fines on its drivers if they violate its quality control policies.

In addition, the Company is subject to various health and safety related laws and policies in the UAE, including the RTA's Health, Safety and Environment Sustainability Policy (the "**HSAESP**"). Under the HSAESP, all RTA agencies or sectors are required to identify health and safety hazards and any associated impacts in their various activities and is required to assess the risks associated with the identified hazards and ensure adequate controls are established to prevent injuries, losses or other detrimental health and safety outcomes. The core policy objectives of the HSAESP embedded in the

Company's health and safety framework are to:

- define the legal, legislative, regulatory, contractual, and other obligations related to health and safety in the scope of Company operations and evaluate compliance with these obligations;
- establish a health and safety hazard identification and risk assessment frameworks;
- create strategic objectives and KPIs for the Company's daily health and safety management systems;
- provide competence training and awareness programmes to all staff, contractors and personnel, including in first aid and emergency readiness response;
- document and maintain records on the Company's health and safety KPIs, incidents and incident management, and general health and safety assessments; and
- prepare and implement operational control procedures that consider the risk and environmental impact, legal and contractual requirements, strategic objectives, lessons learned from accidents and findings of assessments and feedback from stakeholders.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Company has built an ESG framework that embeds ESG into its way of working. 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 and governance.

Through its own organisation and alignment with Dubai sustainability goals, DTC has implemented various sustainability measures and initiatives around ESG related themes to supports its members and the community it serves, of which some examples are included below.

Environmental

- As of 30 June 2023, the Company holds the largest fleet of environmentally-friendly vehicles in Dubai, with approximately 80% of the vehicles in its taxi being hybrid and approximately 77% of its limousine business lines being hybrid or electric, with a target to reach 100% hybrid or electric taxis and limousines by the end of 2024. This target is three years ahead of RTA's regulatory target of 2027 for taxis. The Company may look to procure electric and hydrogen-powered buses for its fleet in the future.
- DTC has signed various memorandums of understandings with clean-technology innovators and auto-manufacturers such as Blu Wave AI, Hyundai and KIA for AI-enabled fleet electrification and optimisation, customisation of hybrid taxi vehicles and to design 100% electric purpose-built vehicles with developments for an autonomous model in the future.
- In line with the RTA's ESG strategy, DTC intends to decarbonise its bus fleet by switching to electric or hydrogen powered buses by 2045.
- DTC, indirectly via RTA, was one of the first firm globally in the roads and public sector to release a GRI sustainability report.
- DTC, indirectly via RTA, is aligned with the ISO certification regime with a triple certification for its asset, environmental and energy management.
- For the period from 2015 to 2021, DTC directly had achieved up to 174,147 in tCO2e savings and has accelerated its efforts with a 22.5% reduction in tCO2e from the six months ended 30 June 2020 to the six months ended 30 June 2023.

Social

- DTC provides several initiatives for its drivers, including non-employee drivers. The initiatives range from over 45 awareness campaigns to educate drivers in various fields of work to partnerships with Dubai ambulance for first aid trainings. DTC has also signed a memorandum of understanding with Noor Dubai Corporation to provide free eye tests to its drivers.
- DTC recruits a diverse set of drivers, which come from approximately 52 different countries as at 30 June 2023.
- With the establishment of its Ameera limousines, DTC provided the first female chauffeured service for women in Dubai.

- In addition to Ameera limousines, DTC also provides designed services to women, children and people of determination through its ladies and family taxis, In Safe Hands Service, and people of determination taxis.

Governance

- DTC has a seasoned management team.
- DTC's governance structure has a number of committees that oversee key aspects of its operations and regularly report to its Supervisory Board.

INSURANCE

The principal risks covered by the Company's insurance policies relate to loss, fidelity insurance, cash-in transit insurance, damage and civil liability pertaining to the Company's vehicles and buses, driver and passenger accidents, damages resulting from natural disasters, fire and accidents resulting from vehicle collision with property or vehicles of DTC, riots, theft and vehicle transportation and certain other coverage consistent with customary practice for the type of business the Company operates. The Company's insurance policies allow its damaged vehicles, buses and bikes to be repaired at the Company's own in-house maintenance facilities without inspection from its insurer, provided the damage is below certain thresholds and certain documentation is made available to the Company's insurer. This allows for certain minor damage and repairs to be made efficiently and reduces the time vehicles are inoperable due to pending maintenance.

The Company believes that its insurance coverage, including the excess set, maximum coverage amounts, and terms and conditions of the policies are standard for the Company's industry and are appropriate.

INTELLECTUAL PROPERTY

The Company relies on a number of intellectual property rights such as trademarks and copyrights, including know-how and expertise as well as contracts such licence agreements and confidentiality agreements to protect its intellectual property. The Company has registered its DTC word marks and logos in the UAE and other applicable jurisdictions to protect its brand.

The Company's intellectual property includes the domain name for its website that it uses in its business.

In addition, the Company has intellectual property rights that are not registered. The business and IT systems used for the Company's service and operations, including its DTC App, the DTC School Bus App, several aspects of its platforms, are not protected by patents or registered design rights but contain trademark rights over logo and Company name, which is owned by the Company.

The Company also has a right of use to a keyless entry system for its vehicles (which allows drivers to use their respective taxis without having to go to a key room before their shift). The Company invested in the development of this technology and now has the right to use it without paying additional fees, however, the Company does not own the intellectual property for this system.

INFORMATION TECHNOLOGY

The Company relies on a number of IT systems to support its business operations. It has implemented a combination of standard and custom-made IT systems, including application-specific measures such as market standard virus and access protection and encryption systems as well as standardised IT infrastructure and applications, which are mainly used for enterprise resource planning, customer resource management including ticketing for the Company's taxis, finance, procurement, payroll and human resource management (including a performance management system) as well as for maintenance of its vehicle fleet and for procurement and logistics. The Company's enterprise resource planning and customer resource management software are custom configured to meet the Company's needs, with custom-made solutions in place to enable communication and configuration between the various applications used by the Company. For more information see, "*—Business Lines—Operations*".

The Company regularly tests and updates its IT systems to accommodate the changing requirements arising from the Company's growth. The Company is currently improving and investing in its IT systems, in particular in relation to enterprise resource planning and customer resource management integration into various applications for e-hail expansion.

Data centres and resilience

The Company's IT systems are hosted on its own servers which are located at the Company headquarters in Dubai. The Company also relies on cloud-based data storage systems hosted by third-party web services and has offsite backup of its data through a third-party data centre.

Data security

The Company's data security systems and processes are in place with the aim of ensuring that the Company's systems and operations remain safe, secure and compliant with all applicable laws and regulations. Ensuring the security and compliance of this data is important to the Company. It is committed to meeting the stringent requirements set forth by the Dubai Digital Authority and adhering to all relevant data protection laws. The Company has established a comprehensive framework of contracts, policies, and procedures that are specifically designed to ensure strict compliance with Dubai Digital Authority regulations and other applicable data protection laws. Data systems are only accessible from certain accounts designed by the Company and employees access systems via a secured connection and systems are in place to detect security breaches. The Company's data systems are ISO 27001 certified.

LITIGATION AND ARBITRATION

The Company is not currently a party to any material legal proceedings. However, the nature of the Company's business exposes it to the ongoing ordinary course claims and litigation related to personal injury, business contract or employment. In the future, it may be subject to claims, lawsuits, arbitration proceedings, administrative actions, government investigations and other legal and regulatory proceedings involving personal injury, property damage, worker classification, labour and employment, anti-discrimination, commercial disputes, competition, consumer complaints, intellectual property disputes, compliance with regulatory requirements and other matters, and may become subject to additional types of claims, lawsuits, arbitration proceedings, administrative actions, government investigations and legal and regulatory proceedings in the future and as the business grows.

While the Company generally believe that it has adequate insurance to cover many different types of liabilities, its insurance carriers may deny coverage, may be inadequately capitalised to pay on valid claims, or policy limits may be inadequate to fully satisfy any damage awards or settlements. If this were to happen, the payment of any such awards could have a material adverse effect on the Company's business, financial condition and results of operations. Additionally, any such claims, whether or not successful, could damage DTC's reputation and business.

PROPERTY AND LEASES

The following is a description of the Company's material properties and leases as of the date of this Offering Memorandum or as at the period indicated.

Headquarters, In-house Maintenance Centre and Other Buildings

The Company's main headquarters, in Dubai, is comprised of two buildings totalling 6,542.52 square metres and is owned by the DTC. At the site of its headquarters, the Company also operates its in-house maintenance centre where it completes in-house services and maintenance on the vehicles in its fleet. Its maintenance centre is comprised of three general workshops, a type workshop and an area for quality checks and washing of vehicles. It is 3,478.0 square metres in total and is owned by the DTC.

The Company's headquarter site also includes 28,352.12 square metres of accommodation, its operation building, key room building and services including a restaurant, cafeterias, a laundry facility and a gym.

The build-up area at the Company's headquarters, including the buildings listed above, totals 42,557.45 square metres, all of which buildings are owned by the Company.

Fleet

As of 30 June 2023, the Company has 7,146 vehicles in its fleet. This is comprised of 5,216 taxis, 387 VIP limousines, 946 buses and 597 delivery bikes. The Company's fleet is owned, except for 130 of its buses which are leased.

Leases

The Company leases the land from the RTA where its headquarters and in-house maintenance centre are located, which land is 96,395.45 meters squared. The Company also leases another plot of land located behind its headquarters from the RTA which is used for parking, which land is 83,165.65 meters squared. The Company leases a third plot of land from the RTA in Jabel Ali, near the Al Maktoum International Airport, which is 100,342.95 metres squared and is undeveloped. See "*Related Party Transactions and Material Contracts—Lease agreements with the RTA for use of land*".

MANAGEMENT AND CORPORATE GOVERNANCE

Board of Directors

The following table lists the names, nationality, ages and positions of the Directors.

Name	Year of birth	Nationality	Position	Year appointed[(1)]
Abdul Muhsen Ibrahim Kalbat	1967	UAE	Chair	2023
Ahmed Ali Al Kaabi	1971	UAE	Vice-Chair	2023
Shehab Hamad Abdullah Hamad Bu Shehab	1971	UAE	Director	2023
Abdulla Mohammed Abdulla Bin Damithan Al Qemzi	1978	UAE	Director	2023
Essa Abdulla Khamis Bin Natoof Al Falasi	1979	UAE	Director	2023
Yousuf Ahmad Ali Saeed Bin Ghulaita Almheiri	1968	UAE	Director	2023
Dr. Hanan Sulaiman Mohamed Khalifa Al Suwaidi	1980	UAE	Director	2023

Notes:

(1) Refers to the year in which each member began serving in his or her current position.

The business mailing address of each of the Directors is P.O. Box 2647, Dubai, UAE.

The management expertise and experience of each of the Directors is set out below:

Abdul Muhsen Ibrahim Kalbat – Chair

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. He has played an active role in the establishment of the RTA through the development of robust and effective governance, operational and cross-functional frameworks, and business organisational structure. He introduced creative management concepts and diverse approaches for improving administrative and technical processes across the RTA, which lead to transforming them from routine daily operations to a highly efficient strategic drive.

From 2005 through 2015, Mr. Kalbat was CEO of the RTA's Strategy and Corporate Governance sector, where he undertook the responsibility to define and steer the RTA's strategic direction towards fully integrated transportation solutions 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. During this period, he has been actively focusing his efforts on improving operational efficiency, maximising revenue and minimising expenditure. In addition to his determination to expand, enhance and develop Dubai's railway network, he is focused on the efficient and optimal utilisation of budget through the public-private partnership scheme. He has also accomplished significant cost-saving measures of more than AED 25 billion in development 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. He has also been serving as vice-chairman of the board of directors of the RTA since 2021 and of Salik Company P.J.S.C. since 2022.

He received his Bachelor of Arts in Computer Science from the University of the United Arab Emirates, Al Ain and is a graduate of Mohammed Bin Rashid Executive Leadership Development Program.

Ahmed Ali Al Kaabi – Vice-Chair

Ahmed Ali 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. Mr. Al Kaabi joined the RTA in 2005 as General Budget Manager, where he also served as Deputy Director and Senior Budget Manager from 2007 to 2009 and as Director of Finance Department from 2009 to 2015. He contributed to the RTA's strategic plans through charting out financial plans in support of the RTA's achievements. He chaired several key committees at the RTA such as Cutting Expenditures and Increasing Revenues

Committee, Executive Investment Committee, Follow-up Collection of the RTA Dues Committee, the Study of Variation Orders of the RTA Contracts Committee, Innovation Fund Administration Committee, and the Financial Resources Standard Committee. He also participated in several other RTA committees and teams, including the Budgets Preparation Committee, Board of Directors Council, and the Emergency and Crisis Management Team among others. He also took part in Dubai Government committees such as the Consultative Committee for Government Resource Planning Systems.

Prior to joining the RTA, Mr. Al Kaabi served as Costing and Budget Accountant, Roads and Projects Department, at the Dubai Municipality from 2000 to 2002, before being appointed as Head of Cost and Financial Analysis Unit from 2002 to 2005. Furthermore, 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.

Mr. Al Kaabi received a Higher Diploma in Accounting from the Higher Colleges of Technology of Dubai in 2000.

Shehab Hamad Abdullah Hamad Bu Shehab – Director

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 counselling 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. He was also a member of the Company's supervisory board from 2016 to 2023.

Beyond the RTA, Mr. Bu Shehab has also provided legal services to many relevant governmental authorities, and participated in the development of many regulations and legislation of governmental entities. Furthermore, during his career, Mr. Bu Shehab participated in the drafting of regulations governing the business of service providers, developed scenarios and plans to ensure quick response and achieve public goals, suggested efficient solutions to maintain corporate reputation and gain the confidence of the public and customers, contributed to expenditure control and revenue increase and coordinated with all local and federal agencies to ensure the proper functioning and delivery of tasks.

Mr. Bu Shehab received a Bachelor of Law and a Higher Diploma in Police Studies from the Dubai Police Academy.

Abdulla Mohammed Abdulla Bin Damithan Al Qemzi – Director

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. He leads DP World's business strategies in key GCC markets, including the United Arab Emirates and the Kingdom of Saudi Arabia. Mr. Bin Damithan primarily focuses on delivering end-to-end solutions for cargo owners, building world-class trade infrastructure across ports, terminals and free zones, and driving greater supply chain efficiency, transparency, resilience and sustainability. In the UAE, Mr. Bin Damithan leads DP World's Jebel Ali Port, ranked among the largest container ports in the world, and Jafza, DP World's flagship free zone and an essential part of its integrated regional business model. Additionally, Mr. Bin Damithan oversees DP World's Jeddah Islamic Port in Saudi Arabia, a facility accounting for nearly 60% of Saudi Arabia's sea imports. He also guides DP World's investment in improving terminal infrastructure at Jeddah Islamic Port, focusing on operational performance and port trade volume.

Mr. Bin Damithan received a BBA in Business Administration in Marketing from Suffolk University (Boston, U.S.A.) in 2001 and a Graduate Diploma in Maritime and Port Management from the National University of Singapore in 2004.

Essa Abdulla Khamis Bin Natoof Al Falasi – Director

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. Prior to that Mr. Bin Natoof served as the Director of the Social Security Affairs Department of the Dubai Government Human Resources Department since 2009. Mr. Bin Natoof's work with the Department of the Dubai Government Human Resources Department includes overseeing human resources and payroll matters for the Dubai Government, as well as overseeing Dubai Government's health insurance and pension services. From 2002 to 2009, he worked in various roles including Administrative Officer, Payroll Officer and Head of Payroll Section for H.H. The Ruler's Court in the Human Resources Department.

Mr. Bin Natoof received his Bachelor Degree in Business Administration in 2005 and a Higher Diploma in Business Administration in 2002 from the Higher Colleges of Technology of Dubai.

Yousuf Ahmad Ali Saeed Bin Ghulaita Almheiri – Director

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.

Additionally, Mr. Bin Ghulaita has been a member of the Board of Directors at Alshabab Al-Arabi Club of Dubai since 2004, where his main responsibilities include managing and administrating all the activities of the club, participating in meetings of the Board of Directors, developing all marketing plans and strategies for the utilisation of products and services, and drafting and negotiating all the contracts of the club. At Alshabab Al-Arabi Club, he has also been the General Financial Controller since 2009, the General Secretary from 2007 to 2009 and the Director of Finance from 2004 to 2006.

Mr. Bin Ghulaita received a Higher Diploma in Accounting Management from the Higher Colleges of Technology of Dubai in 1992.

Dr. Hanan Sulaiman Mohamed Khalifa Al Suwaidi – Director

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. Dr. Al Suwaidi has a keen interest in medical education and health management. Since 2013, Dr. Al Suwaidi has been a Partner of the United Medical Center.

Dr. Al Suwaidi received her Bachelor of Medicine, Bachelor of Surgery from the Faculty of Medicine and Health Sciences of the UAE University in 2005 and received her certification in Family Medicine in 2011 from the Arab Board of Health Specialisations. She also received a Master of Science in Public Health: Excellence in Health Care Management from the Hamdan Bin Mohammed Smart University (HBMSU) in 2011, and since 2011 she has been a member of the Royal College of General Practitioners.

Executive Management Team

The Company's senior managers of its executive management team are as follows:

Name	Year of birth	Nationality	Position	Year appointed[(1)]
Mansoor Rahma Juma Abdulla Alfalasi	1978	UAE	Chief Executive Officer	2020
Amit Khandelwal	1976	India	Chief Financial Officer	2023[(2)]

Notes:

(1) Refers to the year in which the member began serving in their current position.

(2) Offer accepted, start date to be agreed.

The Company shall also seek to appoint a permanent Chief Operating Officer ("**COO**") and Chief Technology Officer ("**CTO**") in due course following completion of the Global Offering.

The management expertise and experience of each of the senior managers of the executive management team is set out below.

Mansoor Rahma Juma Abdulla Alfalasi - Chief Executive Officer

Mansoor Rahma Juma Abdulla 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. During his period at the RTA, he primarily focused on managing operations related to driver's license administration, testing policies and procedures, developing strategic plans, and leading various project management teams to supervise all corporate initiatives relating to employees' wellness. Prior to joining the RTA, Mr. Alfalasi also served as Director of the Support and Resources Department at DTC from 2011 to 2014 (including serving as Acting Chief Executive Officer at DTC for four months), as Director of the Drivers Affairs Department at the Public Transport Agency (PTA) from 2009 to 2011, and as Manager of the Research and Studies Section at the Maritime Transport Agency (MTA) from 2005 to 2008.

Additionally, Mr. Alfalasi has been the Chairman of the Board at Al Nasr Sports Club Investment Company since 2021 and also serves on the Board of Directors of Al Nasr Sports Club.

He received a 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 and completed the Mohammed Bin Rashed Government Leaders 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.

Amit Khandelwal – Chief Financial Officer

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.

Mr. Khandelwal received a Bachelor of Engineering in Construction in 1999 and a Master of Management Studies in Finance in 2001 from Mumbai University (India).

Corporate Governance

The Company is committed to maintaining appropriate standards of corporate governance and to complying with all legal and regulatory requirements relating to corporate governance. The Company has established a framework of corporate governance policies, rules and practices which comply with the requirements of the Code of Governance issued by Chair of the SCA's Board of Directors' Resolution No. (3/Chairman) of 2020 (the **"Governance Rules"**) and take into consideration international best practices as appropriate. The most significant features of that framework are set out hereunder.

Board of Directors

The Board consists of seven Directors and is vested with the power to manage the Company and conduct its business in accordance with the Federal Law No. 32 of 2021 concerning Commercial Companies, as amended. The Board comprises seven non-executive independent directors. Each of the Directors has been appointed for a term of three years. The Board meets at least every three months.

The principal duties of the Board are to provide the Company's strategic leadership, to determine the fundamental management policies of the Company and to oversee the performance of the Company's business. The Board is the principal decision-making body for all matters that are significant to the Company, whether in terms of their strategic, financial or reputational implications. The Board has final authority to decide on all issues save for those which are specifically reserved to the general meeting of shareholders by law or by the Articles of Association. The key responsibilities of the Board include:

- determining the Company's strategy, budget and structure;
- approving the fundamental policies of the Company;
- implementing and overseeing appropriate financial reporting procedures, risk management policies and other internal and financial controls;
- proposing the issuance of new ordinary shares and any restructuring of the Company;
- appointing executive management;
- determining the remuneration policies of the Company and ensuring the independence of Directors and that potential conflicts of interest are managed; and
- calling Shareholder meetings and ensuring appropriate communication with shareholders.

As envisaged by the Governance Rules, the Board will establish two permanent committees: an Audit Committee and a Nomination and Remuneration Committee. If the need should arise, the Board may set up additional committees as appropriate.

Audit Committee

The Audit Committee assists the Board in discharging its responsibilities relating to financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the Company's financial statements, reviewing and monitoring the Company's financial and accounting policies and procedures, reviewing and monitoring the extent of the non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the relationship with the Company's external auditors, reviewing the effectiveness of the external audit process, and reviewing the effectiveness of the Company's internal control review function. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board. The Audit Committee will give due consideration to the applicable laws and regulations of the UAE, the SCA and the DFM, including the provisions of the Governance Rules.

The Governance Rules requires that the Audit Committee must comprise at least three members who are non-executive directors of whom at least two of its members must be independent. In addition, all members must have knowledge in financial and accounting matters and at least one member is required to have practical experience in accounting and finance or a university degree or professional certificate in accounting and finance or a related field. The Audit Committee will be chaired by one of the independent members and will include other members elected by the Board members from time to time. The Audit Committee will meet at least four times per year.

The Audit Committee will take appropriate steps to ensure that the Company's external auditors are independent of the Company as required by applicable law and intends to obtain written confirmation from the Company's auditors that they will comply with guidelines on independence issued by the relevant accountancy and auditing bodies.

The Audit Committee is chaired by Ahmed Ali Al Kaabi, and its other members are Yousuf Ahmad Ali Saeed Bin Ghulaita Almheiri and Dr. Hanan Sulaiman Mohamed Khalifa Al Suwaidi.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board in setting and overseeing the nomination and remuneration policies in respect of the Board, any committees of the Board and executive management, including recommending and overseeing the appointment of the members of the Board and endorsing the hiring of the executive management. In such capacity, it is responsible for evaluating the hiring of the Company's executive management, evaluating the balance of skills, knowledge and experience of the Board and committees of the Board and, in particular, monitoring the independent status of the independent Directors. It is also responsible for periodically reviewing the Board's structure and identifying, where relevant, potential independent candidates to be appointed as Directors or committee members as the need may arise. In addition, and subject to the Articles, the Nomination and Remuneration Committee assists the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration.

The Nomination and Remuneration Committee must be comprised of at least three non-executive directors, at least two of whom must be independent, in each case within the meaning of those terms in the Governance Rules. The chairperson of the Nomination and Remuneration Committee must be chosen from amongst the independent committee members, and its other members will be nominated by the Board. The Nomination and Remuneration Committee must meet at least twice a year, and otherwise from time to time based on the Company's requirements.

The Nomination and Remuneration Committee is chaired by Abdulla Mohammed Abdulla Bin Damithan Al Qemzi, and its other members are Shehab Hamad Abdullah Hamad Bu Shehab and Essa Abdulla Khamis Bin Natoof Al Falasi.

RELATED PARTY TRANSACTIONS AND MATERIAL CONTRACTS

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

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

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

The following is an overview of the Company's transactions with related parties for the periods and as at the dates indicated below. The Company's financial information set forth herein has, unless otherwise indicated, been extracted without material adjustment from the Financial Statements. Please refer to Note 21 to the Audited Financial Statements and Note 13 to the H1 2023 Interim Financial Statements included elsewhere in this Offering Memorandum.

Related Party Transactions

Balances Due from Related Parties

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

	As of 31 December			As of 30 June
	2020	**2021**	**2022**	**2023**
		AED 000'		*AED 000'* (*Unaudited*)
Public Transport Agency[(1)]	203.4	203.4	203.4	-
Allowance for doubtful debts	(203.4)	(203.4)	(203.4)	-

(1) Represents advertisement charges receivable from PTA.

Balances Due to Related Parties

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

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

(1) In the H1 2023 Interim Financial Statements the Company reclassified AED 5,659.8 million as the payables due to related parties as at 31 December 2022.

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

Related party transactions

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

	For the year ended 31 December			For the six months ended 30 June	
	2020	**2021**	**2022**	**2022**	**2023**
		AED 000'		*AED 000' (Unaudited)*	
Roads and Transport Authority:					
Plate and licence fees(1)	221,174.5	242,536.0	318,504.2	155,510.4	155,660.4
Salik charges(2)	31,846.4	48,303.5	31,858.7	31,858.7	34,547.5
Traffic fine(3)	10,201.8	14,714.8	9,552.2	5,003.3	4,403.4
Rent income(4)	7,200.0	7,200.0	7,200.0	3,780.0	3,780.0
Total	**270,422.7**	**312,754.3**	**367,115.1**	**196,152.4**	**198,391.3**

(1) Plate and licence fees pertain to the monthly amount charged by the RTA (AED 5,000 per taxi vehicle per month, AED 3,600 per airport or ladies and family taxi vehicle per month and AED 1,200 per limousine vehicle per month) depending upon the nature of the vehicle.

(2) These represent electronic toll charges incurred on the DTC fleet which are due to Salik. These charges are recovered from taxi customers and become payable to Salik in the case of the Company's taxi operations, while the Salik fee is factored in the Company's limousine pricing.

(3) Traffic fines represent charges incurred by the drivers as a result of traffic violations which are paid by the Company to RTA during the ordinary course of business.

(4) Rent income pertains to a lease agreement between the Company and the RTA for the use of office space at the Company's headquarters.

Remuneration of key management personnel

The remuneration of directors and other key members of management as reported in the Financial Statements is shown below for the periods indicated.

	For the year ended 31 December			As of 30 June	
	2020	**2021**	**2022**	**2022**	**2023**
		AED 000'		*AED 000' (Unaudited)*	
Remuneration and other benefits(1)	7,524.7	9,686.9	8,377.0	4,588.0	5,545.6

(1) Presentation of this line item reflects that in the Audited Financial Statements.

In addition to the related party transactions reflected above, the Company also has the related party transactions described below.

Material Contracts with Related Parties

Franchise Agreements for the Operation of Taxi Vehicles in the Emirate of Dubai

The Dubai Roads and Transport Authority ("**RTA**") has entered into agreements with the Company, whereby the Company is granted concessions for the display of licence plates on its taxis (each a "**Franchise Agreement**" and collectively, the **Franchise Agreements**). The Franchise Agreements will cover a batch of licence plates awarded to the Company at a particular time. The Company is awarded taxi licence plates through an auction process with the RTA. The Company has won plates through auctions over a number of years or acquired plates originally awarded to other parties. For the initial five years after the award of a taxi licence plate from the RTA, the Company must pay plate capex to the RTA for the plate. In addition, it pays a monthly franchise fee during the initial five years and every year thereafter while it utilises such taxi licence plate. The Franchise Agreements are generally for a five year period and renew automatically upon expiry. As a result, the Company accounts for its taxi plates as an asset with an infinite life and records them on the balance sheet as an intangible assets.

The Franchise Agreements are governed by UAE law. The terms of each of the Franchise Agreements are typically uniform. The key terms are set out below:

Fees

Pursuant to the Franchise Agreements, the Company is required to pay a monthly franchise fee, along with a number of other fees, broken down as follows:

- Monthly franchise fee: For the majority of the licence plates under the Franchise Agreements, the Company is required to pay the RTA AED 5,000 per month for each licence plate over five years, and the monthly value may be increased at any time at the discretion of the RTA. However, a certain number of its licence plates, 410 as of the date of this Offering Memorandum, which relate to airport licence plates and ladies and family licence plates, are subject to a reduced monthly fee of AED 3,600 per month to the RTA over five years. The Company has also been granted 14 licence plates which are exempt from the RTA monthly franchise fee, which include licence plates for people of determination taxis or licence plates for Hatta (an inland exclave of the Emirate of Dubai), and is expecting to receive 13 additional such plates in the near future. In addition, starting from the third quarter of 2023, through an amendment to one of the Franchise Agreements, the Company is not required to pay the monthly franchise fees for 268 of its licence plates, which represents approximately 5% of its taxi fleet. The RTA granted a waiver of fees for these 268 licence plates to account for the fact that, typically, 5% of the Company's taxi fleet is undergoing maintenance on any given day.
- Drivers' Professional Licence Fees: The Company is required to pay the RTA AED 100 per driver for testing which is conducted by the RTA. If the driver passes the test, the Company must then pay the RTA an additional AED 200 per driver for a practice permit which must thereafter be renewed annually for an additional AED 200 per driver.
- Car readiness check fees: The Company is required to pay AED 150 for each taxi it puts into operation. This car readiness check fee includes a meter check and calibration for each vehicle to check its readiness to work as a regulated taxi. In the event that the vehicle does not pass the inspection successfully, an additional AED 150 will be required upon re-examination.
- Training course fees: The Company must pay certain training courses fees for drivers as set out in the Franchise Agreements.
- Quality control fees: The Company may also be required to pay additional fees to the RTA for any violations of quality standards issued against its drivers.
- Optional services' fees: The Company may also be required to pay additional fees for any optional services that may be requested from the RTA, these include for example (a) a meter inspection fee of AED 100 per meter for each time (b) meter calibration fees of AED 150 per meter for each time; and (c) any other fees determined by the RTA in return for specific services or to be agreed upon at later stages, such as: consultations, various training courses, vehicles and equipment maintenance, uniforms, and others.

Technical Conditions

The Technical Conditions specified under the Franchise Agreements may evolve and be amended by the RTA as new Franchise Agreements are entered into and existing agreements are renewed. The Franchise Agreements include a number of technical conditions which the Company is required to operate under, including:

- maintaining certain levels of vehicle maintenance and availability, including replacing the taxis every four years from the date of their start of operation;
- meeting RTA's operational system quality standards;
- meeting RTA's driver quality standards;
- complying with laws and regulations;
- holding the necessary licences and permits; and
- following certain rules around car numbering, meters, insurance and the use of surveillance cameras in

the vehicles subject to by the Franchise Agreements.

Advertising on Vehicles

The RTA is the sole owner of the right to advertise on the vehicles subject to the Franchise Agreements, and the Company has no right to put any advertising inside or outside the vehicle, except after the written approval of the RTA, in accordance with the mechanism, system and fees approved by the RTA. The Company currently benefits from a contract with an advertising agency which was entered into and approved by the RTA in 2021, which expires in 2024. The advertising agency pays any fees due to RTA to advertise on the Company's vehicles and the Company receives an agreed portion of the advertising income, which is reported in the Company's Financial Statements as other income.

Termination of the Franchise Agreements the RTA

The RTA has the right to terminate the Franchise Agreements immediately if the Company becomes bankrupt or insolvent; fails to make required payments under the relevant Franchise Agreements within the agreed period; ceases its operations in the UAE or takes any steps that would stop its operations in the UAE; or commits a material breach of its obligations in the Franchise Agreements that is not corrected within the cure period under the Franchise Agreements. A material breach under the Franchise Agreements includes:

- manipulation of pricing by the Company;
- non-compliance with the applicable quality regulations adopted by the RTA;
- infringement of trademarks or taxi colouring and logos;
- failure to programme the Company's metres according to the tariff pricing approved by the RTA; and
- failure to utilise a system of operation which follows certain technical conditions, including having two drivers for each car throughout the term of the Franchise Agreements. The RTA was flexible about the application of these technical conditions during the extraordinary events surrounding the COVID-19 pandemic in 2020 and 2021. For more information see, "*Risk Factors- Risks Relating to the Company and its Business and the Industry in which it operates-If the Company fails to cost-effectively attract and retain qualified drivers for its taxi and other mobility services, or to increase the utilisation of its existing drivers, its business, financial condition and results of operations could be harmed*".

Termination of the Franchise Agreements by the Company

The Company has the right to terminate the Franchise Agreements with six months notice in the event of a material breach by the RTA of its obligations stipulated in the Franchise Agreements, which material breach would be met if the RTA were to fail to meet its obligations under the Franchise Agreements in a manner that effectively impedes the Company's business. If the Company exercises this termination right, it will be required to pay the RTA an amount equivalent to (25%) of the total value of the monthly concession licence fee for each year of the remaining years of the Franchise Agreements (with the months calculated on a pro rata basis), as compensation to the RTA for all damages and costs incurred in order to contract with the Company.

Non-Exclusivity of Concession Rights granted by the RTA to the Company

The Franchise Agreements grant the Company a non-exclusive right to provide the taxi services, subject to the requirement the Company respects the contracts and agreements in place between the RTA and its competitors for the provision of taxi services, which are subject to similar franchise agreements.

Assignment

The Company is not permitted to dispose of the right granted to it to operate and provide taxi services in Dubai by the RTA, whether through sale or assignment or any other rights related to it, except after obtaining the prior written consent of the RTA. Furthermore, the Company may not enter into any investment or other contracts in the field of passenger transport with any other party without obtaining the prior written approval of the RTA.

Limousine Agreement between the Company and the Roads and Transport Authority

On 26 April 2023, the RTA entered into RTA Limousine Agreement no. (PTA/PBD/23-6926) with the Company for the renewal of RTA Limousine Agreement no. (PTA/PBD/82006). The renewed agreement grants the Company the non-exclusive right to provide limousine reservation services through electronic means and smart applications (the "**RTA Limousine Agreement**"). The term of the RTA Limousine Agreement is from 1 October 2023 to 30 September 2025. If the Company wishes to renew the RTA Limousine Agreement, it must notify the RTA 180 days before the expiry of the RTA Limousine Agreement. The RTA Limousine Agreement is governed by UAE law.

The Company is not permitted to assign or transfers the right granted to it by the RTA except after obtaining the prior written consent of the RTA.

The RTA has the right to terminate the RTA Limousine Agreement at any time for any reason related to policies, regulations and laws, provided that a written notification is given to the Company 30 days before the effective termination date in any of the following cases:

- if the Company commits any breach of the provisions stipulated in the RTA Limousine Agreement and does not remedy the breach within 15 days; or
- for any reason, with three months' notice.

Taxi Commercial Agreement between the Company and RTA Careem LLC

On 30 April 2019, the Company entered into an agreement with RTA Careem LLC, an e-hail taxi joint venture between the RTA and Careem (whose ridesharing business is fully owned by Uber Technologies Inc), ("**RTA Careem**") to provide taxi services through RTA Careem's online app, Hala (the "**Hala Agreement**"). The Hala Agreement is governed by UAE law. The original contract term expired on 31 December 2022 and was amended on 8 August 2021 to extend the agreement until 31 December 2024. The Hala Agreement enables the Company to provide taxi transportation services to customers who are matched with its drivers via Hala. The amendment to the Hala Agreement grants Hala continued exclusivity over e-hailing for the taxi services provided by the Company through 31 December 2024, even after regulations changed in July 2023 to end RTA Careem's exclusivity rights over e-hailing services provided by domestic e-hailing operators in Dubai and through April 2024 for international e-hailing operators for Dubai taxi operators. Similar exclusivity agreements have been entered into by the Company's competitors. Pursuant to an addendum to the Hala Agreement that became effective on 1 June 2022, the Company agreed not to engage, directly or indirectly, in any business similar to that of RTA Careem or enter into any partnership, services agreement or similar arrangements with any international company whose business is similar to that of RTA Careem with respect to taxis during the term of the Agreement, which will renew automatically for one year upon expiration on 31 December 2024 if the Company does not notify RTA Careem that it is does not wish to renew before that date. In the event the Company does not renew the agreement with RTA Careem following the end of its exclusivity period on 31 December 2024, it would look to negotiate an agreement with RTA Careem on a non-exclusive basis that retains the fee of AED 0.9 per trip it currently has in place or provides for a lower fee for trips booked through the Hala app. The Company could also look to negotiate for continued exclusivity that would be more attractive than the current terms which could include, amongst other options, a revenue share model.

Under the terms of the Hala Agreement, the Company is responsible for maintaining its taxis, paying the per trip commission amounts to RTA Careem monthly, ensuring the safety and legality of its drivers and vehicles, and complying with all applicable laws and regulations. The Company must also pay Hala a monthly e-hailing fee (previously called a performance fee) based on the number of rides it is matched with via the Hala app during the month, which was reduced from AED 3.0 per trip to AED 0.9 per trip on 1 June 2022. Under the Hala Agreement, the Company covers the costs of devices and data necessary for the operation of its taxis and ensures that taxis are available for special events such as sports events and national celebrations and meet certain performance and quality indicators. Furthermore, the Company agrees to indemnify, defend and hold RTA Careem and its affiliates harmless from any losses resulting from or incurred in connection with any third-party claim or legal proceeding against RTA Careem, based on any breach, negligence, misconduct, fraud, or omission by the Company or its drivers.

Under the Hala Agreement, RTA Careem is responsible for providing the Company's drivers with information relating to each booking, for charging the customers, collecting payments from them and then remitting the amounts owed for the Company's share to it every week based on the rides that the Company provides, providing reports and information relating to drivers, requiring that customers agree to its terms of use, and providing refunds to customers in case of complaints. To support the Company and its drivers, RTA Careem is also required to provide a dedicated team, a care centre, and occasional bonuses and guarantees which are paid to the Company to be credited to the individual drivers, as well as tech features and benefits to improve the overall quality, performance and demand of the taxi market.

Either party can terminate the Hala Agreement based on applicable law, if the other party becomes insolvent or in the event of a material breach that has not been remedied within 30 days of a notice requiring remedy of the breach.

Commercial Terms Agreement for term and revolving murabaha facilities

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

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

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

Mandatory Prepayments

The CTA includes a change of control mandatory prepayment event whereby the financiers may choose to demand immediate payment of their participations if the Government of Dubai ceases to hold (directly or indirectly) at least 50.1% of the issued share capital of the Company following the completion of a listing event in respect of the Company.

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

Financial Covenant

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

Undertakings

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

Events of default

The CTA also contains certain customary events of default including non-payment, breach of a financial covenant or other undertaking and cross default in respect of other financial indebtedness of the Company. The occurrence of an event of default would allow the financiers to take acceleration action and cancel the financing. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*" for further information.

Lease agreements with the RTA for use of land

The Company has agreed to enter into a lease agreement with the RTA for a period of three years commencing from 25 October 2023. The lease agreement will cover each plot of land set out below:

- the land on which the Company’s headquarters building and in-house maintenance centre are located, which land is 96,395.45 metres squared;
- a 83,165.65 metres squared plot of land behind the Company’s headquarters which is used for parking; and
- a 100,342.95 metres squared plot of land in Jabel Ali which is near the Al Maktoum International Airport.

The Company owns its headquarters and in-house maintenance centre and the lease applies solely to rent for the land. As per the terms of the lease agreement, the Company will pay an aggregate amount of AED 3.15 as rent (including VAT). The RTA may terminate the lease agreements, without any penalty, at any time during the term of such agreements by giving not less than three months’ notice to the Company.

Contracts between the Company and the Ministry of Education- Emirates Schools Establishment Dubai

The Company entered into an exclusive transportation agreement with the Ministry of Education- Emirates Schools Establishment (the "**Ministry of Education**") to organise and manage school transportation and safety supervisors in buses for the Ministry of Education on 26 August 2021 (the **"Bus Agreement"**)*.* The Bus Agreement is governed by UAE law. The initial term of the Bus Agreement is 29 August 2021 to 1 July 2026. In the Bus Agreement, the Company agrees to provide, organise, and manage school buses for schools, institutes, centres and educational bodies affiliated with the Ministry of Education. The Ministry of Education agrees to pay the Company the contract value for the five-year period. It also agrees to pay the Company additional costs for annual mileage over 16,920 kilometres, or if it requires more than 3,043 trips each year.

The Company must provide both a driver and student supervisor (or conductor) for each bus, and must provide female drivers and supervisors for female schools. The Company agrees to satisfy certain safety standards laid out in the Bus Agreement, which include allowing the Ministry of Education to do background checks on all of its drivers, following certain safety checks when entering and exiting Ministry of Education headquarters and generally ensuring the safety of Ministry of Education's students. They also must keep their buses at a certain quality level. The Company is responsible for paying any penalties to the Ministry of Education for any traffic accidents that occur while it is providing services or for not meeting other key performance indicators laid out in the Bus Agreement.

The Ministry of Education must pay the Company monthly for these services, but are not obligated to pay for these services during school holidays when the buses are not running. They also must use the Company's services exclusively unless the Company declares its inability to perform the services.

An executive committee made up of members of both the Company and the Ministry of Education was established under the Bus Agreement in order to settle any disputes between the parties. If the Company breaches the Bus Agreement and does not remedy the situation within three days, the Ministry of Education can subtract a certain percentage from its payments, until the Company remedies the breach. If the Company does not rectify the breach within 30 days, the Ministry of Education may terminate the Bus Agreement, impose a penalty of 10% of the annual contract value on the Company or confiscate bank guarantee due to the Company.

The Company subsequently entered into a similar transportation agreement with the Ministry of Education to provide similar services in Abu Dhabi, Al Ain and Dhafra on 23 August 2022 for a term of 1 September 2022 to 31 August 2025. The terms of this agreement are in line with those of the Bus Agreement (the "**Abu Dhabi Bus Agreement**"). The Abu Dhabi Bus Agreement has a mileage cap of 40,000 kilometres per annum and provides that DTC has the right to increase prices based on increases in fuel prices. On 22 June 2023, the Company was awarded a bus contract by the Ministry of Education to provide school bus services in Ajman for a term of 5 years (the "**Ajman Bus Award**"). The initial services under this award commenced on 1 September 2023 and go until 31 August 2028 and result in the Company providing 200 school buses in Ajman. As with other awards for services from the Ministry of Education, the award reflects the initial terms and the agreement will be subsequently finalised. As of the date of this Offering Memorandum, the agreement with the Ministry of Education has not yet been entered into but the terms are expected to be similar to those of the Bus Agreement and Abu Dhabi Bus Agreement.

Agreement for Gas and Diesel Supply between the Company and Emirates National Oil Company LLC

On 5 January 2022, the Company entered into an agreement with ENOC to exclusively purchase their gas and diesel from ENOC in exchange for discounted fuel prices (the **"ENOC Agreement").** The initial term of the contract is one year, commencing on 1 March 2023 and terminating on 29 February 2024. The ENOC Agreement is governed by UAE law. Under the ENOC Agreement, ENOC has agreed to provide constant access to fuel for the Company at certain supply points around Dubai during the course of the agreement. The Company's drivers purchase the fuel from ENOC depots at market prices and ENOC applies a discount to the market price per litre when it bills the Company for such purchases. The Company's fuel agreement with ENOC is subject to an annual cap. Once the cap has been reached, the Company may purchase fuel from other suppliers or may continue to purchase from ENOC at the market price (i.e., without the discount). Either party has the power to terminate the ENOC Agreement with three months' notice.

Taxi Service Agreement between the Company and the Dubai Airports Corporation

The Company entered into an exclusive transportation agreement with Dubai Airports Corporation on 28 October 2021 to provide taxi and limousine services to the taxi ranks of both airports operated by Dubai Airports Corporation in Dubai (the **"Airport Agreement**"). The Airport Agreement is governed by UAE law. The initial term of the Airport Agreement is three years starting 1 October 2021, with Dubai Airports Corporation having the option to extend. The Airport Agreement grants the Company the exclusive right to provide taxi and limousine pick-up services to passengers and personnel at the taxi ranks of both Dubai International Airport and Al Maktoum International Airport. In the Airport Agreement, the Company agrees to provide and maintain sufficient vehicles, equipment and personnel to meet the demand for its services at all times, including demand for ladies and family taxis and people of determination taxis. It also agrees to comply with the quality and safety standards required by Dubai Airports Corporation and to pay Dubai Airports Corporation a service charge for every trip made by the Company's vehicles from the taxi ranks at the airports, except for free trips and trips for Dubai Airports Corporation personnel in addition to innovation and knowledge fees payable to Dubai Airports Corporation. The Company is required to provide monthly reports of the number of trips it makes and the amount due to Dubai Airports Corporation. The Company is also responsible for ensuring that its services are performed in accordance with certain key performance indicators and service levels set out in the Airport Agreement, as well as the applicable laws, regulations and policies of the UAE, Dubai and Dubai Airports Corporation

Dubai Airports Corporation are responsible for providing the Company with access to its taxi ranks, the sub staging areas and the relevant information, permits, cards and passes necessary for the provision of the services. Dubai Airports Corporation must also assist the Company in obtaining any official documents and approvals required by the competent authorities.

The Airport Agreement may be terminated by either party by giving written notice to the other party if either party is unable to pay its debts or becomes insolvent or subject to any similar proceedings or commits a material breach of the Airport Agreement and if either party is in material breach and either the breach is incapable of remedy or defaulting party fails to remedy it within 30 days after receiving written notice to do so. The Airport Agreement may also be terminated by Dubai Airports Corporation if the Company fails to pay any amount due to Dubai Airports Corporation within 60 business days of the due date while the Company may terminate the agreement by giving 30 days notice if Dubai Airports Corporation grants a licence to a third party to provide services covered by the agreement.

PRINCIPAL SHAREHOLDERS AND SELLING SHAREHOLDER

The following table sets forth information regarding the ownership of the Shares: (i) as at the date of this Offering Memorandum with a total share capital of AED 100,000,000; and (ii) immediately following the Global Offering, assuming that the Selling Shareholder sells all of the Offer Shares being offered and that the size of the Global Offering is not increased:

	As at the date of this Offering Memorandum		Immediately following the Global Offering	
Shareholders	**Number of Shares**	**Percentage**	**Number of Shares**	**Percentage**
DoF(1)	2,500,000,000	100.0	1,875,250,000	75.01
Public	—	—	624,750,000	24.99
Total	2,500,000,000	**100.0**	2,500,000,000	**100.0**

(1) The Government of Dubai is the ultimate beneficial owner of the DoF and, therefore, is deemed to have sole indirect legal and ultimate beneficial ownership of the Company's shares held by the DoF.

No holder of Shares has voting rights that differ from those of any other holders of Shares. As of the date of this Offering Memorandum, the Company is not aware of any arrangements that may result in a change in control of the Company.

DESCRIPTION OF SHARE CAPITAL

History

The Company 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. The Company commenced operations on 20 May 1995. In accordance with Law No. (20) of 2008, the Company was wholly owned by the Roads and Transports Authority, which was amended by the Amending Decree, pursuant to which based on the Government of Dubai's direction, the shares in DTC were transferred to the Department of Finance for the Government of Dubai, who became the sole shareholder in the Company.

Share Capital

Set out below is a summary of certain information concerning the Offer Shares, certain provisions of the Company's articles of association (the **"Articles of Association"**) and certain requirements of applicable laws and regulations in effect as at the date hereof. This summary does not purport to be complete.

As at the date of this Offering Memorandum, the Company's share capital is AED 100,000,000, consisting of 2,500,000,000 Shares, each with a nominal value of AED 0.04, all of which have been subscribed by the Selling Shareholder in full.

The Selling Shareholder will offer 24.99% of the Company's share capital for sale as part of the Global Offering, subject to the right of the Selling Shareholder to amend the size of the Global Offering at any time prior to the end of the subscription period at its sole discretion.

The Articles of Association and the Amending Decree provide that the Government of Dubai's equity in the Company may not fall below 60% of its subscribed share capital.

Memorandum and Articles of Association

The following is a summary of the rights under the Articles of Association and the UAE Companies Law which attach to the Shares, with which the Offer Shares will rank *pari passu* in all respects.

In the following description of the rights attaching to the Shares, a holder of Shares and a shareholder is, in both cases, the person registered in the Company’s register of shareholders as the holder of the relevant shares.

Objective

According to Article 5 of the Company’s Articles of Association, the Company shall have the objects set out in the Amending Decree, and certain additional objects set out in the Company’s Articles of Association. The objects include, without limitation: (a) specialized transportation activities using taxi vehicles, whether through transit journeys, communication, electronic media or smart applications; (b) specialized transportation activities through autonomous vehicles and air vehicles in accordance with the applicable legislation, whether inside or outside the Emirate of Dubai; (c) renting vehicles, whether with or without a driver, and providing services for providing, supplying and outsourcing drivers; (d) conducting studies and research related to the objectives of the Company and providing advisory services in the field of specialised transportation; (e) establishing, managing and operating systems for renting vehicles, transportation through taxi vehicles, school transportation and specialised transportation in accordance with the applicable legislation in the Emirate of Dubai; (f) renting bicycles to transport companies; (g) maintenance of vehicles, and building, owning, leasing and renting out workshops for the maintenance of its vehicles; (h) establishing gas and electric charging stations for its vehicles, and supplying them with fuel or energy in accordance with the applicable legislation in the Emirate of Dubai; (i) conducting recovery works on roads and towing its vehicles; (j) teaching vehicle driving and conducting examinations for drivers; (k) the activity of selling tyres and batteries; and (l) investment in the field of cars agencies, spare parts and vehicles auctions. The Board may establish branches and offices for the Company in or out of the UAE.

Attending General Assembly and Voting Rights

Each shareholder shall have the right to attend the general assembly meetings and shall have a number of votes equal to the number of his Shares.

Share Capital

All Shares rank in all respects equally with all other Shares of the same class. It is impermissible to divide share ownership; therefore, it is impermissible for one share to be owned by more than one person. Unless the general meeting decides to issue different classes of shares, each Share shall give its holder equal rights in the Company's assets, profits as well as rights to attend and vote at the general assembly of shareholders on a one-share-one-vote basis.

Share Register

Upon listing on the DFM, the Shares will be dematerialized and the share register will be maintained by the DFM at Dubai CSD.

Financial Information

A shareholder is entitled to request a copy of the annual audited financial statements of the Company.

Financial Year

The financial year of the Company will start on 1 January and end on 31 December of each year.

Dividends and Liquidation Proceeds

The Company shall pay dividends on Shares in compliance with the regulations and decisions issued by the Authority. Eligible shareholders shall have the sole right to the profits due on those Shares. In the event of liquidation of the Company, each shareholder shall be entitled to a part of the Company's assets in accordance with Article 223 of the Companies Law.

Interim Dividends

Subject to the Board' approval, the Company may distribute interim dividends on a semi annual or quarterly basis, provided that such interim dividends shall be ratified by the first annual general assembly meeting of the Company.

General Assembly

The Board may convene a general assembly whenever it deems necessary. The shareholders may also require the Board to convene a meeting if it is requested by a number of shareholders holding not less than 10% (ten per cent). of the Company's issued share capital. In any event, the general assembly must convene at least once a year upon an invitation by the Board within the four (4) months following the end of the financial year at the place and the time specified in the invitation to the meeting.

Any resolution adopted by the general assembly without consideration to the Company's interests in favour of a particular group of shareholders, causing damage to them or providing a private benefit to the members of the Board or to third parties, may be revoked.

The judgment annulling a resolution of a general assembly shall consequently lead to the resolution being considered as non-existent *vis à vis* all shareholders. The Board must publish the annulment judgment in two local daily newspapers published in the Arabic language.

Proceedings for annulment are time barred on the expiry of sixty days from the date of adopting the resolution contested. Initiating the proceedings will not prevent the implementation of the resolution unless the court decides otherwise.

Liability of the Board

The Board shall be liable towards the Company, the shareholders and third parties for all acts of fraud, abuse of power, violation of the law or the Company's Articles of Association, in addition to mismanagement. The Company shall have the right to initiate proceedings against the members of the Board claiming damages suffered by the shareholders as a result of the Board's abuse of power, violation of the law or the Company's Articles of Association and mismanagement. A resolution of the general assembly shall be adopted specifying who shall initiate the proceedings on behalf of the Company.

Any shareholder may independently initiate proceedings if the Company fails to do so, if the Board's acts have caused a particular damage to the initiating shareholder. However, he must notify the Company of his intention to initiate proceedings beforehand.

Appointment of the Board and Chair of the Board

The Articles of Association provide that the Board shall elect, from amongst their members, a chair and a vice-chair. The chair shall represent the Company before the courts and shall execute the resolutions adopted by the Board. In the event that there is an equality of votes by the directors, then the Chair shall have a casting vote.

Specific Rights

Article 9 of the Amending Decree provides that:

(a) the Company shall engage in the business of providing passenger transportation services in the locations specified by the applicable regulation in the Emirate of Dubai, or those which are determined by a decision of the President of the Executive Council; and

(b) notwithstanding what is stated in (a) above, the Company may outsource the provision of passenger transportation, in accordance with a contract concluded by the Company with the relevant companies and institutions that wish to provide this service, pursuant to which the duration and the rights and obligations of the parties are to be determined.

TAXATION

The following comments are general in character and are based on the current tax regimes applicable in the UAE and the current practice of the UAE authorities as at the date of this Offering Memorandum. The comments do not constitute tax advice and no assurance can be given that future legislative, judicial or administrative changes or tax authority guidance will not materially alter the position set out below, potentially with retroactive effect. The comments do not purport to be a comprehensive analysis of all the tax consequences applicable to all types of investors and do not relate to any taxation regime outside the UAE. Each prospective investor is responsible for its own tax position and it is the responsibility of each investor to inform themselves as to any tax consequences which are relevant to their particular circumstances in connection with the acquisition, holding or disposition of Offer Shares in the Company. Investors should therefore seek their own independent professional advice without delay if required.

Taxation of companies in the UAE

Federal level corporate tax regime

The UAE enacted a new Federal Decree (Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses) (the "**CT Law**") which imposes corporate tax on juridical persons (including resident persons such as corporations, partnerships, foundations, and non-resident entities with a permanent establishment ("**PE**") or nexus in the UAE or deriving UAE sourced income) and individuals (natural persons) engaged in a business or business activity. The CT Law applies from October 25, 2022 and is effective for businesses for tax periods commencing on or after June 1, 2023. The general anti-abuse rules apply from the date the CT Law was published in the Official Gazette (October 10, 2022).

This legislation is untested, and some aspects contain a degree of uncertainty and the UAE Ministry of Finance's ("**MoF**") and Federal Tax Authority's ("**FTA**") published guidance do not resolve all points of uncertainty. Consequently, how the CT Law will be applied to the Company, or to investors therein, may not be entirely clear. Prospective investors are advised to seek their own tax advice from their advisors as to the tax consequences of the UAE CT regime.

Emirate level corporate tax regime

Historically, most of the individual Emirates have enacted their own corporate tax decrees. Whilst in theory these decrees could potentially levy corporate tax on all companies in the relevant Emirate, in practice corporate tax was only applied to certain companies operating in the upstream oil and gas industry. Furthermore, some of the individual Emirates have also issued banking tax decrees which are applicable to mainland branches of foreign banks in the UAE on their net income. Therefore, the Company should in principle continue to be subject to the Emirate level corporate tax regime. In practice, however, the Company is not currently paying any corporate tax and not required to make any Emirate level corporate tax filings.

Federal UAE corporate tax law

On December 9, 2022, the UAE released the CT Law, which introduced a corporate tax regime for financial years commencing on or after June 1, 2023. The CT Law was published in the Official Gazette on October 10, 2022 and the law came into force on October 25, 2022. The CT Law is complemented with a number of cabinet and ministerial decisions, which provide detailed provisions of the implemented tax regime. The MoF also issued an Explanatory Guide to the CT Law on May 12, 2023 that provides an explanation of the meaning and intended effect of each article of the CT Law. Additionally, the MoF and FTA have published a list of frequently asked questions ("**FAQs**") relating to the CT Law on their respective websites. Further FTA on September 11, 2023 have published a Corporate Tax Guide which provides further guidance to the CT Law and cabinet decisions and some practical examples of application of the tax provisions under the new CT regime. The Explanatory Guide, the FAQs and the Corporate Tax Guide are not law and do not have any legal power.

The CT Law is effective for tax periods commencing on or after June 1, 2023. UAE entities, such as the Company, with financial calendar years running from January 1 to December 31 will become subject to the UAE CT Law from January 1, 2024.

In the UAE, corporate tax is imposed on the taxable income of resident persons or, in specific circumstances, non-resident persons. The term "resident persons" includes persons that are: (1) incorporated in the UAE, or (2) incorporated in a foreign jurisdiction, but effectively managed from and controlled in the UAE, or (3) a natural person who conducts a business or business activity in the UAE, or

(4) any other person as may be determined in a decision issued by the Cabinet. The term "non-resident persons" refers to juridical persons that are not resident in the UAE but (i) have a PE in the UAE, (ii) derive UAE sourced income and (iii) have nexus in the UAE (i.e. derive income from immovable property in the UAE).

The CT Law provides for a specific regime for "Free Zone Persons" that are incorporated, established or otherwise registered in one of the UAE free zones (including a branch of a non-resident person registered in a free zone).

The CT Law applies to all businesses and business activities operating across the UAE, with certain exceptions. The CT Law does not apply to income of individuals from activities that are not considered to be a business or business activity. Certain types of income (e.g., salary, personal investment income and real estate investment income) are not deemed to be related to a business or business activity.

Qualifying Free Zone Persons

A Free Zone Person may be considered a "Qualifying Free Zone Person" if it meets all of the following conditions:

(1) it maintains adequate substance in the free zone;

(2) It derives Qualifying Income (as defined below);

(3) It has not elected to be subject to corporate tax;

(4) It has complied with the arms-length principle (Article 34 of the CT Law) and transfer pricing documentation transfer pricing documentation (Article 55 of the CT Law) requirements;

(5) It does not fail the "de minimis test" (as defined by Cabinet Decision No. 55 of 2023 on Determining Qualifying Income for the Qualifying Free Zone Person);

(6) It prepares audited financial statements in accordance with Ministerial-Decision-No.-82-of-2023 or any other decisions issued by the Minister; and

(7) It has complied with any other conditions set by the MoF.

A Qualifying Free Zone Person who fails to meet any of the above conditions will lose that status and be subject to the regular corporate tax rate of 9 percent for the year in which it fails to meet the above conditions and for a further four years following the year that it fails to qualify. As per the Corporate Tax Guide the AED 375,000 zero tax band does not apply to the income of a Qualifying Free Zone Person that is subject to the 9 percent corporate tax rate.

Qualifying Income

Qualifying Income is defined as follows:

(1) income derived from transactions with other Free Zone Persons, except for income derived from Excluded Activities (as defined below). The other Free Zone Persons must be the beneficial recipients of a transaction where that other Free Zone Person has the right to use and enjoy the supply by the Qualifying free Zone Person without being under a legal or contractual obligation to pass on the services or goods supplied to another person; or

(2) income derived from transactions with a Non-Free Zone Person, but only in respect of Qualifying Activities that are not Excluded Activities (as defined in Ministerial Decision No. 139 of 2023 Regarding Qualifying Activities in Excluded Activities); or

(3) any other income provided that the Qualifying Free Zone Person satisfies the "de minimis" requirements.

Qualifying Income cannot include income attributable to a foreign PE or a domestic PE. It also cannot apply to the ownership or exploitation of immovable property (except in the case of transactions with Free Zone Persons involving commercial property located in a free zone).

Corporate Tax Rates

The corporate tax rate is set at zero percent for taxable income up to AED 375,000, and nine percent for taxable income that exceeds AED 375,000.

The MoF has announced that as a member of the OECD Base Erosion and Profit Shifting ("**BEPS**") Inclusive Framework it is committed to addressing the challenges faced by tax jurisdictions internationally.

As such the introduction of a corporate tax regime helps to provide the UAE with a framework to adopt Pillar 2 rules (as defined in the OECD/G20 Inclusive Framework on BEPS). The corporate tax FAQs published by the MoF and FTA specify that Qualifying Free Zone entities that are part of a large multinational group are expected to be subject to the Pillar 2 global minimum tax once these rules have been implemented.

On the announcement of the UAE corporate tax MoF stated that UAE entities within a large multinational group that fall under the scope of Pillar 2 of the OECD BEPS 2.0 framework (i.e. those with consolidated global annual revenue of more than EUR 750 million, equivalent to approximately AED 3.15 billion on or about the date of this Offering Memorandum) will be subject to a different higher rate, which is still to be announced. The global minimum effective tax rate proposed by the OECD is 15 percent.

It is not currently clear how UAE will embed the Pillar 2 rules into domestic legislation and how the Pillar 2 regime will interact with the new federal corporate tax regime, but it should be noted that this may impact the application of the zero percent rate for Qualifying Free Zone entities that fall within the Pillar 2 rules. It is currently expected that the UAE will enact Pillar 2 from 2025.

The MoF is expected to release a public consultation in the first quarter of 2024 on the Pillar 2 proposals. This consultation will seek input on the design and timing of the Pillar 2 rules in the UAE from the relevant stakeholders.

Taxable profit

UAE corporate tax will be payable on taxable income, reflecting the accounting net profit reported in the financial statements of the business with certain adjustments.

Broadly speaking, expenditure incurred wholly and exclusively for the purposes of the "Taxable Person's" business that is not capital in nature is deductible in the period in which it is incurred.

Taxable Person is defined as a person who is subject to corporate tax in the UAE under the CT Law.

Non-deductible expenses

No deduction is available when calculating taxable income for the following (not an exhaustive list):

- expenditure not incurred for the purpose of the Taxable Person's business;
- expenditure incurred in deriving Exempt Income (as defined below);
- losses not connected with or arising out of the Taxable Person's business;
- net interest/finance expense which exceeds the higher of (1) 30 percent of tax adjusted EBITDA, or (2) AED 12,000,000 (subject to certain additional conditions/ requirement);
- penalties, bribes or other illicit payments;
- dividends or other profit distributions;
- corporate tax imposed under the CT Law, tax imposed on the Taxable Person outside the UAE and recoverable value added tax ("**VAT**");
- donations paid to organisations that are not a Qualifying Public Benefit Entity (as defined under Article 9 of the CT Law);
- 50 percent of expenditure incurred by a Taxable Person on the entertainment of customers, shareholders, suppliers or other business partners;
- adjustment for transactions with related parties that are not on arm's length; and
- such other expenditure as may be specified in a decision issued by the Cabinet.

Exempt Income

- dividends paid by UAE resident juridical person; and
- dividends and other profit distributions received from a foreign Participation that is not a Resident Person and local/foreign capital gains or losses on the transfer, sale or other disposition of Participating Interest (or part thereof) subject to complying with the participation exemption rules.
- income of a foreign permanent establishment where an election under Article 24 of the CT Law has been made

- income derived by a Non-Resident Person from operating aircraft or ships in international transportation that meets certain conditions.

Withholding Tax

At the time of enacting the CT Law, withholding tax is charged at a rate of zero percent on certain categories of UAE sourced income derived by a non-resident insofar as such income is not attributable to a PE of the non-resident person in the UAE.

The CT Law includes provisions which specifically allow the UAE Cabinet of Ministers to change the withholding tax rate. The CT Law also specifies that a Cabinet decision will be issued which will detail the categories of income which will be subject to withholding taxes. The UAE Cabinet of Ministers decisions have not yet been issued.

Therefore in practice, UAE businesses will not be expected to make any deductions from payments of UAE sourced income to residents or non-residents unless the UAE Cabinet of Ministers decides to introduce a withholding tax rate of greater than zero percent in the future.

Transfer Pricing

Under the CT Law, transactions carried out between related parties and connected parties should be priced in line with the arm's length principle ("**ALP**"). The ALP is met where the transaction or agreement is consistent with the results that would have been realised where unrelated parties had engaged in a similar transaction or agreement under similar circumstances.

The ALP should be supported by a functional, assets and risk analysis which is intended to be aligned with the OECD TP Guidelines as clarified by the Explanatory Guide issued by the MoF.

<u>Tax considerations for prospective investors</u>

Taxation of individuals in the UAE

As of the date of this Offering Memorandum, there is currently no federal or Emirate-level personal income tax levied on individuals in the UAE. Non-UAE tax residents, or dual tax residents, individuals and corporations, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with the Global Offering based on local tax regulations in their respective jurisdictions.

Individuals who conduct a business or business activity in the UAE will be subject to corporate tax. Businesses or business activities conducted by a resident person or non-resident person shall be subject to corporate tax only where the total turnover derived from such businesses or business activities exceeds AED 1 million within a calendar year.

Taxation on purchase of Shares

Completion of the Global Offering is likely to be characterised for UAE tax purposes as a purchase of shares by investors. If a prospective investor is tax resident outside the UAE and/or is subject to tax in another jurisdiction, the Global Offering may be characterised differently and may be subject to tax in that jurisdiction.

There are no transfer taxes in the UAE on the purchase of Shares. Accordingly, the purchase of Shares should not result in any transfer tax liabilities in the UAE for resident individual or corporate investors. Non-UAE tax residents, or dual tax resident individuals and corporations, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Shares based on local tax regulations in their respective jurisdictions.

From a VAT perspective, the purchase of Shares is considered an exempt supply for the purposes of VAT (unless a zero-rating provision applies) pursuant to Article 42 of the UAE VAT Executive Regulations. As such, no VAT implications for the purchase of Shares is anticipated. See *"—Value Added Tax"* discussed below for further VAT considerations with respect to the purchase and holding of the Shares.

Taxation of dividends and capital gains on sale

UAE tax resident and non-resident individual investors

Under the CT Law, the purchase of Shares and any related dividend income, or gains on sale of Shares, should not result in any UAE tax liabilities for UAE tax resident or non-resident natural persons so long as it qualifies as a "personal investment". Under UAE Cabinet decision No 49 for 2023 a "personal investment" is defined as investment activity that a natural person conducts for their personal account that is neither conducted through a license or requiring a license from a licensing authority in the UAE, nor considered as a commercial business in accordance with the UAE Federal Decree-Law No 50 of 2022, Commercial Transactions Law.

Non-UAE tax residents, or dual tax residents, may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with the Shares based on local tax regulations in their respective jurisdictions.

UAE tax resident corporate investors

Under the CT Law, the purchase of Shares should not result in any UAE tax liabilities for corporations (purchaser) which are tax resident in the UAE.

Under the CT Law, dividends received from UAE resident juridical persons are exempt from tax.

Gains realised by UAE resident corporate investors in relation to the disposal of their investment will be subject to corporate tax at a rate of 9 percent. The participation exemption may exempt any gain arising where all of the following conditions are met:

- the ownership interest held by the investor represent at least 5 percent or minimum historical acquisition costs of AED 4,000,000 is made;
- the investor holds the investment for a 12-month uninterrupted period (or the has the intention to hold the investment for 12 months);
- the investment is subject to tax in its country or territory of residence at a rate that is not lower than 9 percent (this condition is assumed to be met where the investment is either a Qualifying Free Zone Person or an Exempt Person);
- not more than 50 percent of the direct and indirect assets held by the underlying foreign subsidiaries/ investments consist of ownership interests that would not have qualified for a participation exemption if held directly by the investment;
- The investor has a right to receive at least 5 percent of the profits and liquidation proceeds of the subsidiary; and
- Any other conditions as may be prescribed by the Minister of Finance.

Where the participation exemption applies on the disposal of the investment, any expenditure incurred in relation to the acquisition, transfer or sale of the investment, will not be deductible.

Non-UAE tax resident corporate investors

Non-UAE tax resident companies or dual tax resident corporations may be subject to taxation in jurisdictions outside the UAE with respect to the ownership of, or income derived in connection with, the Shares based on local tax regulations in their respective jurisdictions, and prospective investors should consult their own tax advisors.

Under the CT Law, dividends from resident juridical persons are exempt from tax. Where dividends from resident juridical persons are classed as state sourced income, the dividend income would be subject to withholding tax which is currently charged at zero percent. Gains realized by non UAE tax resident corporate investors or a non UAE PE in relation to the disposal of their investment would represent UAE sourced income and therefore would be subject to tax under the CT Law. This gain would be subject to withholding tax which is currently charged at zero percent. For further details on withholding tax refer to withholding tax section above.

Value Added Tax

VAT was introduced in the UAE on 1 January 2018, pursuant to Federal Decree Law No. (8) of 2017 on VAT and its Executive Regulations. The standard VAT rate is 5 percent and applies to most goods and services, with some goods and services subject to a zero percent rate (zero-rated) or an exemption from VAT (subject to specific conditions being met).

The zero percent VAT rate applies to goods and services exported outside the UAE, international transportation, the supply of crude oil/natural gas, the first supply of residential real estate, and some specific areas, such as health care and education.

A VAT exemption applies to certain financial services, as well as to the subsequent supply of residential real estate. The purchase of Shares is considered an exempt supply for the purposes of VAT (unless a zero-rating provision applies) pursuant to Article 42 of the UAE VAT Executive Regulations. As such, no VAT implications for the purchase of Shares is anticipated. Further, transactions related to bare land, residential buildings (other than the first supply) and domestic passenger transport are also exempt from VAT.

Further, certain transactions in goods between companies established in UAE Designated Free Zones (as notified specifically for VAT purposes) ("**DZs**") may not be subject to VAT. The supply of goods & services within DZs is, however, subject to VAT in accordance with the general application of the UAE VAT legislation.

Businesses are entitled to claim a credit for VAT paid on their purchases (subject to maintaining the relevant supporting documents especially a tax invoice) if they relate to a supply that is standard rated or zero-rated (taxable supplies). However, any VAT incurred in connection with a supply that is exempt from VAT cannot be reclaimed. Where VAT incurred cannot be attributed specifically to a taxable or an exempt supply, it is possible to recover a portion of this (for example, overhead costs for the business). This recovery can be made in line with an apportionment calculation and subsequent annual washup exercise.

Excess input VAT can, in principle, be claimed back from the FTA, subject to a specific procedure. Alternatively, VAT credits may be carried forward and offset against the net VAT payable in the next taxable period(s). The FTA may offset unclaimed VAT credits against taxpayer liabilities, including outstanding penalty amounts. On the other hand the tax section is not addressing the company's tax position which we are not engaged to comment on and did not perform any diligence type work on the company to comment on their tax status.

Businesses that do not comply with their VAT obligations can be subject to fines and penalties. There are both fixed and percentage based penalties. The FTA may offset unclaimed VAT credits against taxpayer liabilities, including outstanding penalty amounts.

Under the UAE VAT legislation, no VAT should be payable in respect to the acquisition or sale of Shares. However, it should be noted that fees relating to the transfer of ownership of Shares would be subject to VAT at the standard rate of five percent. Certain fees may be subject to VAT at zero percent where the buyer is non-resident and the sale meets the conditions for zero-rated export of services.

For completeness, dividend income received by merely holding shares in a company does not constitute consideration for a supply. Therefore, passively earned dividend income would not amount to a consideration for a taxable supply and should be outside the scope of UAE VAT.

A sale of asset would be subject to VAT at the standard rate of 5 percent, unless it qualifies as a transfer of a business as a going concern (in which case a transaction should be outside the scope of UAE VAT). Capital gains realised from the sale of assets would not constitute a consideration for a taxable supply and should be outside the scope of UAE VAT.

Investors should seek advice in relation to the impact of VAT in relation to their acquisition of Shares.

SUBSCRIPTION AND SALE

The Company, the Selling Shareholder and the Joint Bookrunners named below have entered into an underwriting agreement dated 21 November 2023 with respect to the Offer Shares (the **"Underwriting Agreement"**). Subject to the satisfaction of certain conditions set out in the Underwriting Agreement (described below), each Joint Bookrunner has agreed, severally but not jointly, to purchase or procure purchasers for such number of Offer Shares as will be set forth opposite its name in the pricing agreement that will be entered into by the Company, the Selling Shareholder and the Joint Bookrunners no later than the expected pricing date.

The Offer Price Range is AED 1.80 to AED 1.85 per Offer Share. The offer price for the Offer Shares will be agreed between the Company, the Selling Shareholder and the Joint Global Coordinators following a bookbuilding process.

All selling commissions and any discretionary fees will be paid by the Selling Shareholder. The expenses of the Global Offering will be borne by the Selling Shareholder.

Underwriting Agreement

In the Underwriting Agreement, the Company and the Selling Shareholder have made certain representations and warranties and agreed to indemnify the Joint Bookrunners against certain liabilities, including liability under the Securities Act. The Joint Bookrunners are offering the Offer Shares when, as and if delivered to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Offer Shares, and other conditions contained in the Underwriting Agreement, such as Admission and the receipt by the Joint Bookrunners of officers' certificates and legal opinions.

The Joint Global Coordinators may terminate the Underwriting Agreement prior to the closing of the Global Offering under certain specified conditions that are typical for an agreement of this nature. If any of such conditions are not satisfied or waived by the Joint Global Coordinators in accordance with the terms of the Underwriting Agreement, or the Underwriting Agreement is terminated prior to the closing of the Global Offering, then the Global Offering will lapse.

Pricing of the Global Offering

Prior to the Global Offering, there has been no public market for the Offer Shares. The offer price will be determined by negotiations between the Joint Global Coordinators, the Selling Shareholder and the Company. Among the factors considered in determining the offer price following the bookbuilding process will be the Company's future prospects and the prospects of its industry in general, the Company's revenue, net profit and certain other financial operating information with respect to the Company's in recent periods, and the financial ratios, market prices of securities and certain financial and operating information of companies engaged in activities similar to the Company's.

Lock-up Arrangements

The Selling Shareholder has contractually agreed, for a period of 180 calendar days from the Closing Date, that neither it nor any of its affiliates nor any person acting on its or their behalf will, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed) (i) directly or indirectly, offer, pledge, sell, contract to sell, sell or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or other shares of the Company, or any securities convertible or exchangeable into or exercisable for any ordinary shares or warrants or other rights to purchase ordinary shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the ordinary shares (excluding for the avoidance of doubt any securities issued by the Selling Shareholder); (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the ordinary shares, in each case, whether any such transaction is to be settled by delivery of ordinary shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction.

The foregoing restriction shall not apply to: (a) the offer and sale of the Shares in the Global Offering; (b) any transfers of ordinary shares by the Selling Shareholder in favour of its affiliates (the “**Transferees**”) (provided that the transferee agrees to comply with the foregoing restrictions), but in the event that the Transferee is due to cease to be an affiliate, the ordinary shares shall be transferred back to the Selling

Shareholder before such Transferee ceases to be an affiliate; (c) accepting a general offer (including from the Company) made to all holders of ordinary shares then in issue (other than ordinary shares held by the person making the offer or its affiliates) on terms which treat all holders of ordinary shares alike, or executing and delivering an irrevocable commitment or undertaking to accept such a general offer (without any further agreement to transfer or dispose of any Shares or any interest therein); (d) taking up any rights granted in respect of a pre-emptive share offering by the Company in order to sell a sufficient number of its rights in order to acquire the balance of its rights; (e) selling or otherwise disposing of ordinary shares pursuant to any offer by the Company to purchase its own ordinary shares which is made on identical terms to all holders of ordinary shares in the Company; (f) transferring ordinary shares or other shares of the Company or any securities convertible into or exercisable or exchangeable for ordinary shares or other shares of the Company (the "**Relevant Securities**") (i) upon giving prior written notice to the Joint Global Coordinators, to: (A) any foreign government or (B) a foreign strategic investor who operates in the infrastructure sector and who will provide technical and operational support to, and for the benefit of, the Company or (ii) with the prior written consent of the Joint Global Coordinators, to any other investor, (in each case a "**Permitted Transferee**") provided that, in each case, (X) the Relevant Securities to be transferred will (i) comprise, whether in one or a series of related transactions, not less than 2.5 percent of the Company's outstanding issued share capital at such time and (ii) not be sold at a price which is less than the Offer Price and (Y) as a condition to such transfer, the relevant Permitted Transferee shall comply with the same lock-up restrictions in relation to the Relevant Securities as are applicable to the Selling Shareholder in the Underwriting Agreement in addition to any lock-up restrictions imposed by applicable rules and regulations or any other restrictions agreed to by such Permitted Transferee; (g) any disposal by and/or allotment and issue of shares to the Selling Shareholder pursuant to any capital reorganisation in respect of any ordinary shares beneficially owned, held or controlled by the Selling Shareholder (provided that any shares issued to or otherwise acquired by the Selling Shareholder pursuant to such capital reorganisation shall be subject to the foregoing restrictions); (h) transferring any securities convertible into or exercisable or exchangeable for ordinary shares or other shares of the Company; provided that such securities are only convertible into or exercisable or exchangeable for ordinary shares or other shares of the Company pursuant to their terms after the lapse of at least twelve months since the date on which they are issued and/or transferred; (i) transferring or otherwise disposing of ordinary shares where such transfer or disposal is required by law or any competent authority or by a final order of a court of competent jurisdiction; (j) transferring or otherwise disposing of ordinary shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members or any class of them which is agreed to by the creditor or members and (where required) sanctioned by any applicable authority; or (k) transfers permitted under Article 215 of the Companies Law.

The Company has contractually agreed, for a period of 180 calendar days from the Closing Date, that neither it nor any of its affiliates nor any person acting on its or their behalf will, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed): (i) directly or indirectly, issue, offer, pledge, sell, contract to sell, sell, or grant any option, right, warrant, or contract to purchase, exercise any option to sell, purchase any option or contract to sell or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or other shares of the Company, or any securities convertible or exchangeable into or exercisable for any ordinary shares or warrants or other rights to purchase ordinary shares or any security or financial product whose value is determined, directly or indirectly, by reference to the price of the ordinary shares; (ii) enter into any swap, or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any ordinary shares, in each case, whether any such transaction described in (i) or (ii) is to be settled by delivery of ordinary shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction referred to in (i) and / or (ii).

The Fatwa issued in relation to the Global Offering does not approve the transactions listed above unless such transactions are structured in a Shari'ah compliant manner.

Allocation

The Global Offering comprises the International Offering, the Exempt Offer, the UAE Retail Offer, the EIA Offer and the Pension Fund Offer. The allocation of Offer Shares among the International Offering, the Exempt Offer, the UAE Retail Offer, the EIA Offer and the Pension Fund Offer will be determined by the Joint Global Coordinators, the Selling Shareholder and the Company.

Factors that may be taken into account by the Joint Global Coordinators, the Selling Shareholder and the Company when determining the allocations between prospective investors in the event of over-subscription may include participation in the marketing process for the Global Offering, holding behaviour in previous offerings, holdings in similar companies, pre-funding of indication of interest and other factors that the Joint Global Coordinators, the Selling Shareholder and the Company may deem relevant.

Other relationships

Subject to the terms and conditions of the Underwriting Agreement, each of the Joint Bookrunners and any affiliate, acting as an investor for its own account, in connection with the Global Offering, may take up Offer Shares and in that capacity may retain, purchase or sell for its own account such Offer Shares and any related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Global Offering. Accordingly, references in this Offering Memorandum to the Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to the Joint Bookrunners and any affiliate acting as an investor for its own account.

Moreover, in the course of their business with the Company and with parties affiliated with the Company (including the Selling Shareholder), the Joint Bookrunners (and/or their respective affiliates) have from time to time been engaged, and may in the future engage, in commercial banking, financing, trading, Shariah compliant hedging, investment banking and financial advisory and ancillary activities, for which they have received, and may in the future receive, subject to foregoing being Shariah compliant, customary compensation. In respect of the aforementioned, the sharing of information is generally restricted for reasons of confidentiality, by internal procedures or by rules and regulations. As a result of any such transactions, any Joint Bookrunner may have interests that may not be aligned, or could potentially conflict, with the interests of holders of Shares or with the interests of the Company or the Selling Shareholder.

None of the Joint Bookrunners intend to disclose the extent of any such investment or transactions otherwise than to the Company and the Selling Shareholder and in accordance with any legal or regulatory obligation to do so. In addition, in connection with the Global Offering, certain of the Joint Bookrunners may enter into financing arrangements with investors, such as hedging arrangements or other arrangements or any other arrangements where securities are used as collateral, that could result in such Joint Bookrunners acquiring shares in the Company.

Selling Restrictions

No action has been taken or will be taken in any jurisdiction that would permit a public offering of the Offer Shares (save for in the UAE, as described in and pursuant to the UAE Prospectus) or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Company or the Offer Shares in any country or jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, nor may this Offering Memorandum or any other offering material or advertisement or other document or information in connection with the Offer Shares be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

United States

The Offer Shares have not been and will not be registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States.

Each purchaser of the Offer Shares outside of the United States pursuant to Regulation S, by its acceptance of delivery of this Offering Memorandum and the Shares, will be deemed to have represented, agreed and acknowledged as follows:

- The purchaser is, or at the time the Offer Shares were purchased will be, the beneficial owner of such Offer Shares and (i) is, and the person, if any, for whose account it is acquiring the Offer Shares is, outside the United States, (ii) is not an affiliate of the Company or a person acting on behalf of such an affiliate and (iii) is not in the business of buying or selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of the Offer Shares.
- The purchaser (i) is aware and agrees that the Offer Shares (a) have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction within the United States; and (b) are being sold in accordance with Rule 903 or 904 of Regulation S and is purchasing such Shares in an "offshore transaction" in reliance on Regulation S.
- The purchaser represents, warrants and undertakes that neither it, its affiliates (as defined in Rule 501 under the Securities Act), nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Offer Shares.

The purchaser acknowledges that the Company, the Selling Shareholders and the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of the acknowledgements, representations and agreements in the foregoing paragraphs.

European Economic Area

In relation to each member state of the European Economic Area (each a **"Relevant Member State"**), no Offer Shares which are the subject of the Global Offering have been offered or will be offered to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State (all in accordance with the Prospectus Regulation), except that an offer of Offer Shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Regulation:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation) per Relevant Member State, subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Offer Shares shall require the Company or any Joint Bookrunner to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, and each person in a Relevant Member State who initially acquires any Offer Shares or to whom any offer is made under the Global Offering will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" as defined in the Prospectus Regulation.

For the purposes of this provision, the expression **an offer of any Offer Shares to the public** in relation to any Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information of the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase any Shares, and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

In the case of any Offer Shares being offered to a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Offer Shares acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Offer Shares to the public other than their offer or resale in a Relevant Member State to qualified investors in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale.

The Company, the Selling Shareholder, the Joint Bookrunners and their respective affiliates, and others will rely (and the Company and the Selling Shareholder each acknowledge that the Joint Bookrunners and their respective affiliates and others will rely) upon the truth and accuracy of the foregoing representations, acknowledgements and agreements and will not be responsible for any loss occasioned by such reliance. Notwithstanding the above, a person who is not a qualified investor and who has notified the Joint Global Coordinators of such fact in writing may, with the consent of the Joint Global Coordinators, be permitted to subscribe for or purchase Offer Shares.

United Kingdom

No Offer Shares have been offered or will be offered pursuant to the Global Offering to the public in the UK prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the FCA in the UK in accordance with the UK Prospectus Regulation and the FSMA, except that offers of the Offer Shares may be made to the public in the UK at any time under the following exemptions under the UK Prospectus Regulation and the FSMA:

(i) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

(iii) in any other circumstances falling under the scope of Section 86 of the FSMA,

provided that no such offer of Offer Shares shall require the Company or the Joint Bookrunners to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an **offer of any Offer Shares to the public** in relation to any Offer Shares in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and any Offer Shares to be offered so as to enable an investor to decide to purchase, or subscribe for, any Offer Shares, and the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Each person in the UK who initially acquires any Offer Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company and the Joint Bookrunners that it is a qualified investor within the meaning of the UK Prospectus Regulation.

In the case of any Offer Shares being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Offer Shares acquired by it in the Global Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Offer Shares to the public other than their offer or resale in the UK to qualified investors, in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale.

The Company, the Joint Bookrunners and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

United Arab Emirates (excluding the ADGM and the DIFC)

This Offering Memorandum is strictly private and confidential and is being distributed to a limited number of Professional Investors within the meaning of the United Arab Emirates SCA's Board of Directors Decision No. (13/Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms Rule Book, and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this Offering Memorandum, you should consult an authorised financial adviser.

By receiving this Offering Memorandum, the person or entity to whom it has been issued understands, acknowledges and agrees that this Offering Memorandum has not been approved by or filed with the UAE Central Bank, the SCA or any other authorities in the UAE, nor have the Joint Bookrunners received authorisation or licensing from the UAE Central Bank, the SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE. It should not be assumed that any of the Joint Bookrunners is a licenced broker, dealer or investment adviser under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products. The Offer Shares offered pursuant to this Offering Memorandum may not be offered or sold directly or indirectly to the public in the UAE and do not constitute a public offer of securities in the UAE in accordance with the CCL or otherwise.

Nothing contained in this Offering Memorandum is intended to constitute investment, legal, tax, accounting or other professional advice. This Offering Memorandum is for your information only and nothing in this Offering Memorandum is intended to endorse or recommend a particular course of action. Any person considering acquiring securities should consult with an appropriate professional for specific advice rendered based on their respective situation.

ADGM

This Offering Memorandum relates to an exempt offer which is not subject to any form of regulation or approval by the FSRA. The FSRA has not approved this Offering Memorandum nor has any responsibility for reviewing or verifying any document or other documents in connection with this the Global Offering. Accordingly, the FSRA has not approved this Offering Memorandum or any other associated documents nor taken any steps to verify the information set out in this Offering Memorandum and has no responsibility for it.

The Offer Shares have not been offered and will not be offered to any persons in the ADGM except on the basis that an offer is:

(i) an "Exempt Offer" in accordance with the FSRA Financial Services and Markets Regulations and Market Rules of the FSRA; and

(ii) made only to persons who are "Authorised Persons" or "Recognised Bodies" (as such terms are defined in the FSMR)

or persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of the FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.

DIFC

This Offering Memorandum relates to an exempt offer which is not subject to any form of regulation or approval by the DFSA. The DFSA has not approved this Offering Memorandum nor has any responsibility for reviewing or verifying any document or other documents in connection with the Global Offering. Accordingly, the DFSA has not approved this Offering Memorandum or any other associated documents nor taken any steps to verify the information set out in this Offering Memorandum, and has no responsibility for it.

The Offer Shares have not been offered and will not be offered to any persons in the DIFC except on the basis that an offer is:

an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the DFSA Rulebook; and

made only to persons who meet the "Deemed Professional Client" criteria set out in Rule 2.3.4 of the Conduct of Business Module of the DFSA Rulebook and who are not natural persons.

Kingdom of Saudi Arabia

This Offering Memorandum may not be distributed in Saudi Arabia, except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations (the Saudi Regulations) issued by the Board of the Capital Market Authority (the **"Capital Market Authority"**) pursuant to resolution number 3-123-2017, dated 27 December 2017G, based on the Capital Market Law issued by Royal Decree No. M/30 dated 2/6/1424H (as amended by Resolution of the Board of the Capital Market Authority number 8-5-2023 dated 18 January 2023G).

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Offering Memorandum, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Offering Memorandum. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If a prospective purchaser does not understand the contents of this Offering Memorandum, he or she should consult an authorised financial adviser.

The Offer Shares must not be advertised, offered or sold and no memorandum, information circular, brochure or any similar document has or will be distributed, directly or indirectly, to any person in Saudi Arabia other than as permitted by the Saudi Regulations.

The Global Offering of the Offer Shares in Saudi Arabia shall not constitute a "public offer" pursuant to the Saudi Regulations. Prospective investors are informed that Article 14 of the Saudi Regulations places restrictions on secondary market activity with respect to the Offer Shares. Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the Saudi Regulations shall not be recognised by us.

Lebanon

This Offering Memorandum does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Offer Shares in the Company in the Lebanese territory, nor shall it (or any part of it), nor the fact of its distribution, form the basis of, or be relied on in connection with, any subscription.

The Company has not been, and will not be, authorised or licenced by the Central Bank of Lebanon and its Offer Shares cannot be marketed and sold in Lebanon. No public offering of the Offer Shares is being made in Lebanon and no mass-media means of contact are being employed. This Offering Memorandum is aimed at institutions and sophisticated, high net worth individuals only, and this Offering Memorandum will not be provided to any person in Lebanon except upon the written request of such person.

Recipients of this Offering Memorandum should pay particular attention to the section titled "*Risk Factors*" in this Offering Memorandum. Investment in the Offer Shares is suitable only for sophisticated investors with the financial ability and willingness to accept the risks associated with such an investment, and said investors must be prepared to bear those risks.

Oman

This Offering Memorandum does not constitute a public offer of securities in the Sultanate of Oman, as contemplated by the Commercial Companies Law of Oman (Royal Decree No. 4/1974) or the Capital Market Law of Oman (Royal Decree No. 80/1998) and Ministerial Decision No. 1/2009 or an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman.

This Offering Memorandum is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to make an offer to the Company to enter into commitments to invest in the Offer Shares outside of the Sultanate of Oman upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient.

Additionally, this Offering Memorandum is not intended to lead to the making of any contract within the territory or under the laws of the Sultanate of Oman.

The Capital Market Authority of Oman and the Central Bank of Oman take no responsibility for the accuracy of the statements and information contained in this Offering Memorandum or for the performance of the Company with respect to the Offer Shares, nor shall they have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein.

Bahrain

The Offer Shares have not been offered or sold, and will not be offered or sold, to any person in the Kingdom of Bahrain except on a private placement basis to persons who are "accredited investors".

For this purpose, an **"accredited investor"** means:

(i) an individual holding financial assets (either singly or jointly with a spouse) of U.S.$1,000,000 or more, excluding that person's principal place of residence;

(ii) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000; or

(iii) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Kuwait

The Offer Shares have not been and will not be offered, sold, promoted or advertised in Kuwait except on the basis that an offer is made in compliance with Decree Law No. 31 of 1990 and the implementing regulations thereto, as amended, and Law No. 7 of 2010 and the bylaws thereto, as amended governing the issue, offering and sale of securities. No private or public offering of the Offer Shares is being made in Kuwait, and no agreement relating to the sale of the Offer Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Offer Shares in Kuwait.

Qatar

The Offer Shares have not been offered or sold, and will not be offered or sold or delivered, directly or indirectly, in the State of Qatar including the Qatar Financial Centre, other than on the basis that an offer is made: (i) in compliance with all applicable laws and regulations of the State of Qatar including the Qatar Financial Centre; and (ii) through persons or corporate entities authorized and licenced to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar.

Jordan

Any marketing of the Offer Shares to Jordanian investors shall be done by way of private placement only. The Offer Shares are being offered in Jordan on a cross-border basis based on one-on-one contacts to no more than 30 potential investors and, accordingly, the Offer Shares will not be registered with the Jordanian

Securities Commission and a local prospectus in Jordan will not be issued.

Australia

The Offer Shares have not been offered and will not be offered pursuant to the Global Offering in Australia, except to select investors who are able to demonstrate that they fall within one or more of the following categories of investors:

- a " sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act 2001 (the "Australia Corporations Act")
- a " sophisticated investor" under section 708(8)(c) or (d) of the Australia Corporations Act and that you have provided an accountant's certificate to the Company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Australia Corporations Act and related regulations before the offer has been made;
- a person associated with the company under section 708(12) of the Australia Corporations Act; or
- a " professional investor" within the meaning of section 708(11)(a) or (b) of the Australia Corporations Act.

This document does not constitute a prospectus or other disclosure document under Chapter 6D.2 of the Australia Corporations Act, has not been, and will not be, lodged or registered with the Australian Securities and Investments Commission (**"ASIC"**) or the Australian Securities Exchange (**"ASX"**) or any other regulatory body or agency in Australia and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Australia Corporations Act.

Japan

The Offer Shares have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the **"FIEL"**). This Offering Memorandum is not an offer of securities for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Switzerland

The offering of the Offer Shares in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act (**"FinSA"**) because the Offer Shares are offered only to professional investors and the Offer Shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Offering Memorandum does not constitute a prospectus or a similar document pursuant to FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Offer Shares.

Canada

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105) or Ontario Instrument 33-507 *Exemption from Underwriting Conflicts Disclosure Requirements*, the Joint Bookrunners are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Global Offering.

Hong Kong

This Offering Memorandum has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly, (i) the Offer Shares may not be offered or sold in Hong Kong by means of this Offering Memorandum or any other document other than to "professional investors" as defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571) and any rules made thereunder, or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **"C(WUMP)O"**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O and (ii) no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Offer Shares which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as set out above).

Singapore

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may the Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act) pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person (as defined in Section 275(2) of the Securities and Futures Act) pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the Securities and Futures Act, and (where applicable) Regulation 3 of the Securities and Futures (classes of Investors) Regulation 2018 of Singapore or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Offer Shares are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

the securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Offer Shares pursuant to an offer made under Section 275 of the Securities and Futures Act except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the Securities and Futures Act; or

(ii) where no consideration is or will be given for the transfer; or

(iii) where the transfer is by operation of law; or

(iv) as specified in Section 276(7) of the Securities and Futures Act; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the Securities and Futures Act is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the Securities and Futures Act or any provision in the Securities and Futures Act is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notice to Investors in Singapore

<u>*Notification under Section 309B(1)(c) of the Securities and Futures Act*</u>

In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the **"Securities and Futures Act"**), and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the CMP Regulations 2018), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the Securities and Futures Act), that the Offer Shares are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Africa

The Offer Shares are not the subject of a registered prospectus in terms of chapter 4 of the South African Companies Act, 71 of 2008 (**"South Africa Companies Act"**). Any purchaser of the Offer Shares in South Africa may not offer the Offer Shares for sale to the public in South Africa unless such offer is accompanied by a prospectus, or where applicable a written statement, that is registered with the Companies and Intellectual Property Commission in terms of the said chapter of the South Africa Companies Act and which complies with all relevant provisions in this regard. No advertisement in relation to a public offer may be made unless it complies with section 98 of the South Africa Companies Act. The public includes any section of the public.

Certain offers of Shares are deemed, in terms of the safe harbour provisions of section 96 of the South Africa Companies Act, to not be offers to the public. These include offers to (i) persons whose ordinary business is dealing in securities, whether as principals or agents; (ii) the Public Investment Corporation SOC Limited; (iii) registered banks; (iv) authorised and licenced financial services providers; and (v) financial institutions as defined in the Financial Services Board Act, 1990, or a combination of any of the foregoing. Also included in the safe harbours are offers where the minimum offer consideration per offeree, acting as principal, is R1,000,000 (one million Rand). Accordingly, offers may be made to such institutions or under such circumstances without having to comply with chapter 4 of the South Africa Companies Act.

TRANSFER RESTRICTIONS

The Offer Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

United States

The Offer Shares have not been and will not be registered under the Securities Act or under any applicable securities laws or regulations of any state or other jurisdiction of the United States and may not be offered or sold within the United States.

Regulation S

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S, by its acceptance of delivery of this Offering Memorandum and the Offer Shares, will be deemed to have represented, agreed and acknowledged as follows:

(i) The purchaser is, or at the time the Offer Shares were purchased will be, the beneficial owner of such Shares and (a) is, and the person, if any, for whose account it is acquiring the Offer Shares is, outside the United States, (b) is not an affiliate of the company or a person acting on behalf of such an affiliate, and (c) is not in the business of buying or selling securities or, if it is in such a business, it did not acquire such Shares from the company or an affiliate thereof in the initial distribution of such Offer Shares.

(ii) The purchaser is aware that such Shares: (a) have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction within the United States; and (b) are being sold in accordance with Rule 903 or 904 of Regulation S and is purchasing such Shares in an "offshore transaction" in reliance on Regulation S.

(iii) The purchaser represents, warrants and undertakes that neither it, its affiliates (as defined in Rule 501 under the Securities Act), nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Offer Shares.

The purchaser acknowledges that the Company, the Selling Shareholder, the Joint Bookrunners and their respective affiliates will rely upon the truth and accuracy of the acknowledgements, representations and agreements in the foregoing paragraphs.

SETTLEMENT AND DELIVERY

Trading of the Offer Shares will take place through the trading system of the DFM. Offer Shares will be held under NINs assigned by the DFM either to the holders directly or through custodian omnibus accounts and the ownership of the Offer Shares will be evidenced by the holdings under each such NIN. Clearing and settlement of trades on the DFM by brokers or custodians may be performed only through members of the DFM that are Clearing Members. Settlement of securities trading on the DFM is governed by the DFM's rules and regulations, which are available from its website www.dfm.ae.

Investors will be required to complete an application form for the Offer Shares and return such form to the Joint Bookrunners during the bookbuilding period. Application forms will be available from the Joint Bookrunners.

Investors who receive an allocation of Offer Shares will be required to deliver to the Joint Bookrunners a signed trade confirmation on the business day following notice of its allocation. The form of trade confirmation will be provided to such investors when allocations are notified on or around 5 December 2023 to investors subscribing in the Qualified Investor Offering.

Payment for the Offer Shares purchased in connection with the Qualified Investor Offering shall be made in AED. Purchasers will be required to make full payment for the Offer Shares to the Joint Bookrunners for receipt by the Joint Bookrunners two business days prior to the expected Closing Date, unless otherwise agreed with the Joint Bookrunners. In the event of a failure to make timely payment, purchasers of the Offer Shares may incur significant charges or forfeit their Offer Shares.

Delivery of the Offer Shares is expected to be made on the Closing Date to the accounts of purchasers through the book-entry facilities operated by the DFM. There can be no assurance that such Offer Shares will be credited to the NIN account of the relevant investor during trading hours of the DFM on the Closing Date and such investor may not be able to deal in the relevant Offer Shares comprising its allocation in the Global Offering until such time as they are in fact credited to its NIN account, which may be one or more business days following the Closing Date.

LEGAL MATTERS

Certain legal matters with respect to the Global Offering will be passed upon for the Company by Allen & Overy LLP, London, United Kingdom; Allen & Overy LLP, Abu Dhabi, UAE and Ibrahim & Partners, UAE. Certain legal matters with respect to the Global Offering will be passed upon for the Joint Bookrunners by Clifford Chance LLP.

INDEPENDENT AUDITORS

The Audited Financial Statements have been audited by KPMG Lower Gulf Limited (**KPMG**) of The Offices 5 at One Central, Level 4, Office No: 04.01, Sheikh Zayed Road, P.O. Box 3800, Dubai, UAE as stated in their reports appearing elsewhere herein.

The Interim Financial Statements have been reviewed in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" by KPMG as stated in their review report appearing elsewhere herein. However, their reports included herein, states that they did not audit and they do not express any audit opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

GENERAL INFORMATION

It is expected that the Offer Shares will be admitted to trading on the DFM on 7 December 2023.

The registered office of the Company is located at Muhaisnah 4, Dubai, with its mailing address at Dubai Taxi Company, P.O. Box 2647, Dubai, UAE.

The Company has no subsidiaries.

The Company has obtained all consents, approvals and authorisations in the UAE in connection with the Global Offering.

KPMG has given and has not withdrawn its written consent to the inclusion in this Offering Memorandum of its reports set out under the heading "*Financial Statements*", in the form and context in which each report appears.

DEFINITIONS

The following definitions apply throughout this Offering Memorandum unless the context requires otherwise:

ADGM	the Abu Dhabi Global Market;
Admission	the admission of the Offer Shares to trading on the DFM;
ADNOC	Abu Dhabi National Oil Company;
AI	artificial intelligence;
Amending Decree	the provisions of Law No. (21) of 2023 Concering the Dubai Taxi Company decreed by H. H. The Ruler of Dubai, which is effective as of 9 November 2023;
Articles of Association	the articles of association of the Company, as may be amended from time to time;
Audited Financial Statements	the Company's audited financial statements as of and for the years ended 31 December 2020, 2021 and 2022;
Board	the board of directors of the Company;
Careem	Careem Inc, including its subsidiaries Careem Networks FZ LLC and RTA Careem LLC, an app company whose ridesharing business is fully owned by Uber Technologies, Inc.
CCL	Federal Law By Decree No. 32 of 2021 on Commercial Companies;
CID	Dubai Crime Investigation Department;
Company	Dubai Taxi Company PJSC;
commission slab	the tiered commission structure used by the Company to compensate its taxi and limousine drivers, which takes into account driver utilisation and revenue generation as well as the seniority and experience level of the driver;
COVID-19	a novel strain of coronavirus causing COVID-19 disease;
CTA	the commercial terms agreement set out in "*Related Party Transactions and Material Contracts*" relating to the Facilities;
defleet	park and store vehicles and take them out of operation;
DFM	the Dubai Financial Market;
DFSA	the Dubai Financial Services Authority;
DIFC	the Dubai International Financial Centre;
Directors	the directors of the Company, a list of whom appears on page 158 of this Offering Memorandum;
DoF	Department of Finance for the Government of Dubai;
Dubai Airports	Dubai International Airport and Al Maktoum International Airport;
EBITDA	the non-IFRS financial measure as set out in "*Presentation of Financial and Other Information-Non-IFRS Information*"
ENOC	Emirates National Oil Company;

Facilities	the Facilities set out in "*Related Party Transactions and Material Contracts*" as described in the CTA;
FATC	Financial Action Task Force;
Financial Adviser	Rothschild and Co Middle East Limited;
flagfall	a fixed initial charge incurred at the start of a taxi journey, as part of the overall tariff;
Franchise Agreements	the Company's franchise agreements with the RTA as defined in "*Related Party Transactions and Material Contracts—Contracts with Related Parties*"
GCC	the Gulf Cooperation Council (or the Cooperation Council for the Arab States of the Gulf) which is a regional intergovernmental political and economic union consisting of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE;
GDP	Gross Domestic Product;
Hala	an app provided by a joint venture between the RTA and Careem, which offers a technology platform utilising the Company's fleet and the fleets of other taxi companies in Dubai;
IFRS	International Financial Reporting Standards;
Joint Bookrunners	the Joint Global Coordinators and EFG Hermes and First Abu Dhabi Bank PJSC;
Joint Global Coordinators	Citigroup Global Markets Limited, Emirates NBD Capital PSC and Merrill Lynch International;
KPIs	key performance indicators;
KPMG	KPMG Lower Gulf Limited;
Ministry of Education	the Ministry of Education- Emirates Schools Establishment;
My Driver	Mashaweer, or a service DTC offers to customers who have their own vehicles;
non-IFRS measures	the financial measures set out in "*Presentation of Financial and Other Information-Non-IFRS Information*" that are not defined or recognised under IFRS, which are sometimes used by investors to evaluate the efficiency of a company's operations and its ability to employ its earnings toward payment of debt, capital expenditures and working capital requirements;
OCC	Operating Control Centre;
Offer Price	the price at which each Offer Share is to be sold pursuant to the Global Offering;
PTA	the Public Transport Authority of Dubai;
plate capex	as defined in "*Presentation of Financial and Other Information-Non-IFRS Information—Net Capex*";
Regulation S	Regulation S under the Securities Act, as amended;
RTA	the Roads and Transport Authority of Dubai;
RTA Careem	a joint venture between the RTA and Careem Inc;
SCA	the UAE Securities and Commodities Authority;

SEC	the U.S. Securities and Exchange Commission;
Securities Act	the U.S. Securities Act of 1933, as amended;
Selling Shareholder	the Department of Finance for the Government of Dubai;
Shares	the shares of the Company, having the rights set out in the Articles of Association;
TEAMS	Taxi eHail Automated Management Systems;
UAE	the United Arab Emirates;
Interim Financial Statements	the unaudited interim condensed financial statements as of and for the six months ended 30 June 2023 and as of and for the nine months ended 30 September 2023; and
VAT	value added tax.

FINANCIAL STATEMENTS

COMPANY

DUBAI TAXI COMPANY PJSC
(a public joint stock company established in the Emirate of Dubai, United Arab Emirates)
P.O. Box 2647, Dubai, United Arab Emirates

SELLING SHAREHOLDER

Department of Finance
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P.O. Box 516, Dubai, United Arab Emirates

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United Arab Emirates

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JOINT BOOKRUNNERS

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FINANCIAL ADVISER

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To the Company as to English and UAE law

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To the Company as to UAE law

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United Arab Emirates

To the Joint Global Coordinators and Joint Bookrunners as to English, UAE and U.S. law

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Clifford Chance LLP
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AUDITORS TO THE COMPANY

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