DUBAI TAXI COMPANY P.J.S.C.

CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2024

Dubai Taxi Company P.J.S.C.

Consolidated financial statements
For the year ended 31 December 2024

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Dubai Taxi Company P.J.S.C.

DIRECTORS' REPORT

The Board of Directors of **Dubai Taxi Company P.J.S.C.** (the "Company") has the pleasure in submitting the audited consolidated financial statements of the Company and its subsidiary (together as the "Group") for the year ended 31 December 2024.

Board of Directors
The Board of Directors of the Company comprises:

Chairman: H.E. Abdul Muhsen Ibrahim Kalbat

Vice chairman: Mr. Ahmed Ali Al Kaabi

Members: Mr. Shehab Hamad Abdullah Hamad Bu Shehab
Mr. Abdulla Mohammed Abdulla Bin Damithan Al Qemzi
Mr. Essa Abdulla Khamis Bin Natoof Al Falasi
Mr. Yousuf Ahmad Ali Saeed Bin Ghulaita Almheiri
Dr. Hanan Sulaiman Mohamed Khalifa Al Suwaidi

Principal activities
The principal activities of the Group are transportation solutions across its five key business lines, including taxi services, VIP limousine services, bus services, last mile delivery bike services and passengers transport via e-services. The registered address of the Group is P.O. Box 2647, Dubai, United Arab Emirates.

Financial results
The Group has earned revenue of AED 2,196,607,262 for the year ended 31 December 2024 (2023: AED 1,953,512,802) and achieved a net profit after tax of AED 331,280,243 for the year ended 31 December 2024 (2023: AED 345,325,089).

Auditors
The consolidated financial statements for the year ended 31 December 2024 have been audited by Deloitte & Touche (M.E.).

On behalf of the Board of Directors

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H.E. Abdul Muhsen Ibrahim Kalbat
Chairman

Dubai, United Arab Emirates
19 February 2025

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INDEPENDENT AUDITOR'S REPORT

The Shareholders
Dubai Taxi Company P.J.S.C.
Dubai
United Arab Emirates

Report on the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of **Dubai Taxi Company P.J.S.C.** (the "Company"), **and its subsidiary** (together the "Group") Dubai, United Arab Emirates, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Cont'd...

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition from taxi services The Group reported revenue of AED 2.2 billion during the year. AED 1.9 billion of this amount related to revenue earned from taxi services. Revenue from taxi services is recognized on completion of the taxi trip. Revenue from taxi services is measured based on rates and other items which are stipulated by the Roads & Transport Authority (RTA). Due to the large transaction volume and the interfaces between multiple application systems, this could create the opportunity for manual intervention which could lead to errors within revenue. Consequently, together with the greater level of auditor effort required to audit revenue, we have identified revenue recognition from taxi services as a key audit matter. The revenue for the year from the provision of taxi services and the accounting policy associated with the recognition and measurement of revenue is disclosed in note 19 and 3 respectively.	Our procedures included, inter alia, the following: • We obtained an understanding of the process adopted by management to measure and recognize revenue and identified the key controls within this process. • We utilized our IT specialists to assist us in obtaining an understanding of the applications relevant to significant business processes, financial reporting and the infrastructure supporting these applications, including the relevant key controls. • We assessed the abovementioned controls to determine if they had been appropriately designed and implemented. • We assessed the Group's accounting policy for the recognition and measurement of revenue against the requirements of IFRS Accounting Standards. • We obtained taxi service trips reports and, with the assistance of our IT specialists, reconciled the taxi service trips report for the year ended 31 December 2024 to the accounting records and agreed these amounts to bank statements. • We reconciled, with the assistance of our IT specialists, the amount of revenue recorded to taxi service trip reports and bank statements. • We selected recorded revenue transactions before and after the reporting date and determined if they had been recorded in the correct period. • We tested journal entries posted to revenue accounts by identifying and investigating unusual revenue-related entries, including post-year-end reversals. • We assessed the disclosure in the financial statements relating to this matter against the requirements of IFRSs.

Other Matter

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

Other information

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

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion. We remain solely responsible for our audit opinion.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021, we report that for the year ended 31 December 2024:

- we have obtained all the information we considered necessary for the purposes of our audit;
- the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021;
- the Group has maintained proper books of account;
- as disclosed in note 14 to the consolidated financial statements the Group has purchased or invested in shares during the year ended 31 December 2024;
- note 17 to the consolidated financial statements discloses material related party transactions, and the terms under which they were conducted;
- based on the information that has been made available to us, nothing has come to our attention that causes us to believe that the Company has contravened during the year ended 31 December 2024, any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, or in respect of the Company, its Memorandum of Association which would materially affect its activities or its financial position as at 31 December 2024; and
- note 22 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2024.

Deloitte & Touche (M.E.)

Firas Anabtawi
Registration No.: 5482
19 February 2025
Dubai
United Arab Emirates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2024

	Note	**2024 AED**	2023 AED
Assets			
Non-current assets			
Property and equipment	*5*	**793,353,885**	734,965,656
Intangible assets	*6*	**802,981,283**	556,708,240
Right of use asset	*7*	**3,537,969**	-
Trade and other receivables	*8*	**9,132,340**	47,462,290
Deferred tax assets	*31*	**1,092,727**	1,159,019
		1,610,098,204	1,340,295,205
Current assets			
Inventories		**2,166,110**	2,466,728
Trade and other receivables	*8*	**254,052,583**	171,777,998
Investment in financial assets at amortized cost	*9*	**70,267,628**	66,548,953
Financial assets measured at fair value through profit or loss	*9*	**11,688,000**	-
Due from a related party	*17*	**22,989,363**	8,345,915
Wakala deposits	*10.1*	**-**	42,093,333
Cash and cash equivalents	*10*	**336,071,609**	295,590,340
		697,235,293	586,823,267
Assets held for sale	*11*	**11,027,855**	28,889,111
		708,263,148	615,712,378
Total assets		**2,318,361,352**	1,956,007,583
Equity and liabilities			
Equity			
Share capital	*12*	**100,000,000**	100,000,000
Statutory reserve	*13*	**50,000,000**	50,000,000
Own shares	*14*	**(7,279)**	(23,636)
Own shares reserve	*14*	**562,430**	(1,264,162)
Retained earnings		**260,023,101**	158,992,767
Total equity		**410,578,252**	307,704,969
Liabilities			
Non-current liabilities			
Employees' end of service benefits	*15*	**33,362,608**	31,675,925
Bank borrowings	*18*	**997,642,750**	997,012,750
Due to related parties	*17*	**160,417,530**	-
Trade and other payables	*16*	**3,419,388**	3,466,826
Lease liability	*7*	**3,160,765**	-
		1,198,003,041	1,032,155,501
Current liabilities			
Trade and other payables	*16*	**558,260,454**	562,521,047
Due to related parties	*17*	**117,946,577**	53,626,066
Corporate tax liability	*31*	**32,875,384**	-
Lease liability	*7*	**697,644**	-
		709,780,059	616,147,113
Total liabilities		**1,907,783,100**	1,648,302,614
Total equity and liabilities		**2,318,361,352**	1,956,007,583

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

The attached notes 1 to 33 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2024

	Note	**2024 AED**	2023 AED
Revenue from contracts with customers	*19*	**2,196,607,262**	1,953,512,802
Direct costs	*20*	**(1,344,545,727)**	(1,182,833,216)
Plate and license fees	*17*	**(328,697,564)**	(309,826,800)
Gross profit		**523,363,971**	460,852,786
Other income	*21*	**36,740,365**	27,945,339
General and administrative expenses	*22*	**(118,353,986)**	(73,340,361)
Provision for expected credit losses	*8*	**(4,134,356)**	(44,435,778)
Staff bonus	*30*	**(25,620,315)**	(18,114,004)
Operating profit		**411,995,679**	352,907,982
Finance cost	*23*	**(62,566,555)**	(16,190,258)
Finance income	*24*	**14,792,795**	7,448,346
Profit before tax		**364,221,919**	344,166,070
Taxation	*31*	**(32,941,676)**	1,159,019
Profit for the year		**331,280,243**	345,325,089
Other comprehensive income		**-**	-
Total comprehensive income for the year		**331,280,243**	345,325,089
Basic and diluted earnings per share (AED)	*26*	**0.13**	0.14

The attached notes 1 to 33 form part of these consolidated financial statements.

Dubai Taxi Company P.J.S.C.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

	Share capital AED	Statutory reserve AED	General reserve AED	Own shares AED	Own shares reserve AED	Retained earnings AED	Total AED
At 1 January 2023	200,000,000	100,000,000	100,000,000	-	-	-	400,000,000
Profit for the year	-	-	-	-	-	345,325,089	345,325,089
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	345,325,089	345,325,089
Transfer to Roads & Transport Authority (note 17)	-	-	-	-	-	(186,332,322)	(186,332,322)
Own shares (note 14)	-	-	-	(23,636)	(1,264,162)	-	(1,287,798)
Reduction in share capital (note 12)	(100,000,000)	-	-	-	-	-	(100,000,000)
Dividend paid (note 17)	-	(50,000,000)	(100,000,000)	-	-	-	(150,000,000)
At 31 December 2023	100,000,000	50,000,000	-	(23,636)	(1,264,162)	158,992,767	307,704,969
At 1 January 2024	100,000,000	50,000,000	-	(23,636)	(1,264,162)	158,992,767	307,704,969
Profit for the year	-	-	-	-	-	331,280,243	331,280,243
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	331,280,243	331,280,243
Dividend paid (note 33)	-	-	-	-	-	(230,249,909)	(230,249,909)
Own shares (note 14)	-	-	-	16,357	1,826,592	-	1,842,949
At 31 December 2024	**100,000,000**	**50,000,000**	**-**	**(7,279)**	**562,430**	**260,023,101**	**410,578,252**

The attached notes 1 to 33 form part of these consolidated financial statements

Dubai Taxi Company P.J.S.C.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Note	2024 AED	2023 AED
Cash flows from operating activities			
Profit before tax for the year		**364,221,919**	344,166,070
Adjustments for:			
Depreciation of property and equipment	*5*	**172,167,661**	136,455,613
Provision for expected credit losses on financial assets	*8*	**4,134,356**	44,416,212
Gain on equity securities held at fair value through profit or loss	*9*	**(6,648,000)**	(4,617,327)
Loss on disposal of investment in financial assets	*21*	**-**	3,647,402
Dividend income	*21*	**-**	(898,479)
Finance income	*24*	**(14,792,795)**	(7,448,346)
Interest on bank borrowings	*23*	**60,320,776**	15,855,032
Amortization of loan arrangement fee	*23*	**630,000**	162,750
Unwinding of long-term liabilities	*23*	**907,095**	-
Provision for employees' end of service benefits	*15*	**6,237,789**	5,664,884
Gain on disposal of property and equipment	*21*	**(9,830,290)**	(5,031,152)
Gain on disposal of assets held for sale	*21*	**(2,096,486)**	(1,519,380)
Depreciation of right-of-use asset	*7*	**252,712**	-
Interest expense on lease liability	*7*	**67,727**	-
		575,572,464	530,853,279
Working capital adjustments:			
Decrease/(increase) in inventories		**300,618**	(73,575)
Increase in trade and other receivables		**(44,776,049)**	(109,700,230)
Increase in due from a related party		**(14,643,448)**	(8,345,915)
Increase in trade and other payables		**(9,475,739)**	31,809,533
Increase/(decrease) in due to related parties		**224,738,041**	(690,649,093)
		731,715,887	(246,106,001)
Payment of employees' end of service benefits		**(2,745,186)**	(2,545,951)
Interest paid		**(60,677,663)**	(15,349,020)
Net cash flows generated from / (used in) operating activities		**668,293,038**	(264,000,972)
Cash flows from investing activities			
Proceeds from disposal of investment in financial assets		**-**	173,401,029
Purchase of investments in financial assets	*9*	**(5,040,000)**	-
Increase in wakala deposit held with financial institution, net		**40,000,000**	-
Purchase of property and equipment	*5*	**(297,608,487)**	(358,376,895)
Purchase of intangible assets		**(247,180,138)**	-
Proceeds from disposal of property and equipment and assets held for sale		**96,840,630**	34,401,621
Dividend income received		**-**	898,479
Interest income received		**15,426,135**	11,466,616
Net cash flows used in investing activities		**(397,561,860)**	(138,209,150)
Cash flows from financing activities			
Proceeds from bank borrowings		**-**	1,000,000,000
Acquisition of own shares, net		**-**	(1,287,798)
Repayment of due to a related party		**-**	(282,863,684)
Reduction in share capital		**-**	(100,000,000)
Dividend paid		**(230,249,909)**	(150,000,000)
Payment of loan arrangement fee		**-**	(3,150,000)
Net cash flows (used in) / generated from financing activities		**(230,249,909)**	462,698,518
Net increase in cash and cash equivalents		**40,481,269**	60,488,396
Cash and cash equivalents at beginning of the year		**295,590,340**	235,101,944
Cash and cash equivalents at end of the year	*10*	**336,071,609**	295,590,340

The attached notes 1 to 33 form part of these consolidated financial statements.

1 LEGAL STATUS AND ACTIVITIES

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

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

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

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

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

	31 December 2024 Ownership	31 December 2023 Ownership
Dubai Investment Fund	**75.01%**	75.01%
Local and international investors	**24.99%**	24.99%
	100%	100%

On 6 November 2024, the Company established a new subsidiary, as part of its strategic initiatives to expand operations and enhance business capabilities. The subsidiary is engaged in passengers transport by vehicles via e-services. These consolidated financial statements comprise Company and its subsidiary (together referred to as "the Group"). Details of the subsidiary as at 31 December 2024 are as follows:

Company name	**Activity**	**Country of incorporation**	**Ownership held**
Connectech L.L.C	Passengers transport by vehicles via e-services	UAE	100%

The principal activities of the Group are transportation solutions across its five key business lines, including taxi services, VIP limousine services, bus services, last mile delivery bike services and passengers transport by vehicles via e-services in the Emirate of Dubai and extending to other Emirates. The registered address of the Group is P.O. Box 2647, Dubai, UAE.

During the year ended 31 December 2024, the Group has purchased own shares as disclosed in note 14 to these consolidated financial statements.

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 19 February 2025.

2 APPLICATION OF NEW AND REVISED STANDARDS

2.1 New and amended IFRS Standards that are effective for the current period

In the current period, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2024.

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these consolidated financial statements. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

- Amendments to IAS 1 Presentation of Financial Statements relating to classification of Liabilities as Current or Non-Current,
- Amendments to IFRS 16 Lease liability in a sale and leaseback; and
- Amendments to IAS 7 and IFRS 7 Supplier finance arrangements.

Other than the above, there are no other significant IFRSs and amendments that were effective for the first time for the financial year beginning on or after 1 January 2024.

2.2 New and revised IFRS in issue but not yet effective and not early adopted

At the date of authorisation of these consolidated financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRSs	**Effective for annual periods beginning on or after**
Amendment to IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures* relating to treatment of sale or contribution of assets from investors	Effective date deferred indefinitely
Amendments to IAS 21 *Lack of Exchangeability*	Effective 1 January 2025
Amendments to IFRS 9 *Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments*	Effective 1 January 2026
IFRS 18 *Presentation and Disclosure Financial Statements Issued*	Effective 1 January 2027
IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	Effective 1 January 2027

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION

Statement of compliance

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

Basis of preparation

The consolidated financial statements of the Group have been prepared on the historical cost convention basis except for certain investment in financial assets which are stated at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The summary of material accounting policies information are set out below.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entity controlled by the Company (its subsidiary).

Subsidiary is consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has the rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meeting.

When the Company loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit and loss;
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit and loss or retained earnings, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with those adopted at Group level.

All intra group balances, transactions, income and expenses and profits or losses resulting from intra group transactions are eliminated in full on consolidation.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Business combinations

Business combinations are accounted for using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in consolidated statement of profit or loss and other comprehensive income immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in consolidated statement of profit or loss and other comprehensive income.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in consolidated statement of profit or loss and other comprehensive income.

Subsidiary
Subsidiary is entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary is included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interest (NCI)
NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control
When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in consolidated statement of profit or loss and other comprehensive income. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Employee benefits

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

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Employee benefits (continued)

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

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

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

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

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

Subsequent costs
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the consolidated statement of profit or loss and other comprehensive income in the period in which they are incurred.

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

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

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

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Property and equipment (continued)

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

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

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

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss and other comprehensive income.

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

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss and other comprehensive income.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income.

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Intangible assets (continued)

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

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

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

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

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

Leases

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

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

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

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

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Leases (continued)

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

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

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

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

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

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

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

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

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

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

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Inventories

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

Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. All financial assets held by the Group are at amortised cost and include balances with advances and other receivables, due from related parties, due from shareholders, cash and cash equivalents and margin deposits.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial assets (continued)

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial assets (continued)

Classification of financial assets (Continued)

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in consolidated statement of profit or loss and other comprehensive income and is included in the “Finance income” line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in consolidated statement of profit or loss and other comprehensive income in the ‘other gains and losses’ line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in consolidated statement of profit or loss and other comprehensive income in the ‘other gains and losses’ line item. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in consolidated statement of profit or loss and other comprehensive income in the ‘other gains and losses’ line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on balances with banks, advances and other receivables, and due from related parties. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for advances and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the drivers, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default,
(2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when amounts due from customers, are past due (between 180 days to over 300 days, based on the segment and geographical location of the particular customer).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or the balance is significantly overdue and the Group is no longer dealing with the borrower or a legal case has been filed against the borrower (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that there is no realistic prospect of recovery, e.g. when the counter-party has been placed under liquidation or has entered into bankruptcy proceedings, or any factor demonstrate that the related amount cannot be recovered. None of the financial assets that have been written off is subject to enforcement activities. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in consolidated statement of profit or loss and other comprehensive income.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in consolidated statement of profit or loss and other comprehensive income for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Calculation of expected credit loss

IFRS 9 pertains to the credit risk associated with a particular counterparty- that is the risk that payment is not received in whole or payment is delayed beyond the terms originally agreed between parties (default risk).

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be credit-impaired when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

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

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

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Calculation of expected credit loss (continued)

The Group recognises an impairment gain or loss in consolidated statement of profit or loss and other comprehensive income for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

Derecognition of financial assets

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in consolidated statement of profit or loss and other comprehensive income. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to consolidated statement of profit or loss and other comprehensive income. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to consolidated statement of profit or loss and other comprehensive income, but is transferred to retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in consolidated statement of profit or loss and other comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial liabilities (continued)

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other income'/'other expenses' line item in consolidated statement of profit or loss and other comprehensive income for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in consolidated statement of profit or loss and other comprehensive income for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in consolidated statement of profit or loss and other comprehensive income.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in consolidated statement of profit or loss and other comprehensive income as the modification gain or loss within other gains and losses.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Offsetting of financial instruments

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

Value added tax ("VAT")

Expenses and assets are recognised net of the amount of VAT, except:

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

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

Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Own shares

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

Dividends

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

Revenue recognition

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

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

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

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

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

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

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

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

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

The Group’s revenue mainly consists of revenue from below services:

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Revenue recognition (continued)

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

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

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

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

BOLT mobility services
BOLT mobility generates revenue primarily through service fees paid by drivers for accessing the BOLT platform and related services, enabling them to connect with riders and complete trips via the platform. Revenue is recognized upon the completion of a trip.

Incentives to drivers / customers
Incentives provided to drivers are treated as a reduction of revenue unless the Group receives a distinct good or service or can reasonably estimate the fair value of the good or service received. Incentives earned by customers for referring new users are considered payment for a distinct service and classified as customer acquisition costs. Such referral payments are expensed as incurred under sales and marketing expenses in the consolidated statement of profit or loss and other comprehensive income.

Market-wide promotions
Market-wide promotions, offered as discounts to reduce fares charged by drivers to non-customer end-users, enable these end-users to benefit from discounted rides on eligible trips. The cost of these promotions is recognized as a reduction of revenue when the corresponding transaction is completed.

Following are policies for other sources of income:

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

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Contingencies

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

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

Foreign currency transactions

The consolidated financial statements of the Group are presented in the currency of the primary economic environment in which the Group operates (its functional currency). These consolidated financial statements are presented in United Arab Emirates Dirhams (AED) since that is the currency of the country in which the Group is domiciled.

In preparing the consolidated financial statements, transactions in currencies other than the Group's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in consolidated statement of profit or loss and other comprehensive income.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Taxation

The income tax expense represents the sum of current and deferred income tax expense.

Current Tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investment in subsidiary, except where the Group is able to control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences, and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year
Current and deferred tax are recognized in consolidated statement of profit or loss and other comprehensive income, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

While applying the accounting policies as stated in note 3, management of the Group has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation of uncertainty

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

Useful lives and residual value of property and equipment

The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation / amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and the future depreciation / amortisation charge would be adjusted where management believes that the useful lives and residual value differ from previous estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated / amortised over the revised remaining useful life.

Impairment assessment of non-financial assets

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

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

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

Based on the assessment performed, management has not recorded any impairment loss on any of its non-financial assets for the year ended 31 December 2024 (2023: AED nil). Further, based on impairment testing conducted by management, no impairment loss was recorded on intangible assets with indefinite useful lives.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Key sources of estimation of uncertainty (continued)

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating etc.).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

At the reporting date, gross trade receivables were AED 140,155,541 (2023: AED 122,431,227), with provision for expected credit losses of AED 61,732,900 (2023: AED 69,705,708). Any difference between the amounts actually collected in future periods and the amounts expected to be received will be recognised in the consolidated statement of profit or loss and other comprehensive income.

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

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

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

At the reporting date, gross staff receivables were AED 199,616,096 (2023: AED 164,517,239), with provision for expected credit losses of AED 70,430,738 (2023: AED 58,324,794). Any difference between the amounts actually collected in future periods and the amounts expected to be received will be recognised in the consolidated statement of profit or loss and other comprehensive income.

5 PROPERTY AND EQUIPMENT

	Motor vehicles AED	Equipment AED	Building, prefabricated house and shed* AED	Furniture and fittings AED	Capital work-in-progress** AED	Total AED
Cost						
At 1 January 2023	824,053,356	40,123,853	129,541,034	25,515,972	2,717,370	1,021,951,585
Additions	341,423,101	3,490,478	244,125	4,187,140	9,032,051	358,376,895
Disposals	(76,560,021)	-	-	-	-	(76,560,021)
Transferred to assets held for sale (note 11)	(146,481,114)	-	-	-	-	(146,481,114)
At 31 December 2023	942,435,322	43,614,331	129,785,159	29,703,112	11,749,421	1,157,287,345
Additions	277,552,094	7,342,579	1,326,983	5,574,457	5,812,374	297,608,487
Transfers	3,550,050	3,652,689	4,757,552	613,120	(12,573,411)	-
Disposals	(160,385,246)	-	-	-	-	(160,385,246)
Transferred from assets held for sale (note 11)	27,698,397	-	-	-	-	27,698,397
Transferred to assets held for sale (note 11)	(21,665,976)	-	-	-	-	(21,665,976)
At 31 December 2024	**1,069,184,641**	**54,609,599**	**135,869,694**	**35,890,689**	**4,988,384**	**1,300,543,007**
Accumulated depreciation						
At 1 January 2023	328,847,861	34,715,318	81,639,086	19,911,979	-	465,114,244
Charge for the year	128,390,888	2,167,074	2,516,094	3,381,557	-	136,455,613
Eliminated on disposals	(57,743,338)	-	-	-	-	(57,743,338)
Transferred to assets held for sale (note 11)	(121,504,830)	-	-	-	-	(121,504,830)
At 31 December 2023	277,990,581	36,882,392	84,155,180	23,293,536	-	422,321,689
Charge for the year	162,196,329	3,133,862	2,738,643	4,098,827	-	172,167,661
Eliminated on disposals	(92,533,569)	-	-	-	-	(92,533,569)
Transferred from assets held for sale (note 11)	23,323,788	-	-	-	-	23,323,788
Transferred to assets held for sale (note 11)	(18,090,447)	-	-	-	-	(18,090,447)
At 31 December 2024	**352,886,682**	**40,016,254**	**86,893,823**	**27,392,363**	**-**	**507,189,122**
Net book value						
At 31 December 2024	**716,297,959**	**14,593,345**	**48,975,871**	**8,498,326**	**4,988,384**	**793,353,885**
At 31 December 2023	**664,444,741**	**6,731,939**	**45,629,979**	**6,409,576**	**11,749,421**	**734,965,656**

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

5 PROPERTY AND EQUIPMENT (continued)

Depreciation charge for the year has been allocated as follows:

	2024 AED	2023 AED
Direct costs (note 20)	**165,798,629**	131,039,503
General and administrative expenses (note 22)	**6,369,032**	5,416,110
	172,167,661	136,455,613

6 INTANGIBLE ASSETS

	Airport taxi licensed plates AED	Normal taxi licensed plates AED	Total AED
At 31 December 2024	**141,241,275**	**661,740,008**	**802,981,283**
At 31 December 2023	36,075,000	520,633,240	556,708,240

This represents license plates purchased from RTA as a consideration for obtaining the rights relating to operation of taxis. These have indefinite useful life, therefore, are not amortised.

Impairment assessment

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

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

Details of the CGU are shown below:

	2024 AED	2023 AED
Carrying value of regular taxis	**457,717,508**	448,617,436
Carrying value of licensed plates	**802,981,283**	556,708,240
	1,260,698,791	1,005,325,676

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

- Gross budgeted margins
- Discount rate
- Terminal growth rate

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

Gross budgeted margins – The basis used to determine the value assigned to the gross budgeted margin is the average gross margin achieved in the year immediately before the budgeted year, adjusted for expected growth. The initial gross budgeted margin stood at 34% (2023: 30%). A decrease in the margin by 25% (2023: 13%) would result in impairment.

6 INTANGIBLE ASSETS (continued)

Impairment assessment (continued)

Discount rates – The Group has taken the Weighted Average Cost of Capital (WACC) as the discount rate of 9.42% (2023: 9%). This represents the cost of capital adjusted for the UAE risk factor.

Terminal value growth rate – In management's view, the terminal growth rate is the minimum growth rate expected to be achieved beyond the five-year period. This is based on the overall regional economic growth forecasted and the Group's existing internal capacity changes. Based on the historical trend of growth, the long-term growth of 3% (2023: 3%) is considered reasonable.

Sensitivity to changes in assumptions

The calculation of value in use for the CGU requires estimates on future earnings and therefore a sensitivity analysis was performed. A sensitivity analysis demonstrated that a 20% (2023: 20%) decrease in earnings for a future period of five years from the reporting date would not result in impairment. An increase of 2.5% (2023: 2.5%) in discount rate and / or decrease of 0.5% (2023: 0.5%) in terminal value growth rate would not result in impairment.

7 RIGHT OF USE ASSET AND LEASE LIABILITY

Right of use asset

During the year, the Group entered into a 5-year land lease agreement. The table below shows the carrying amount of the right-of-use asset and its movements during the year:

	2024 **AED**	2023 AED
As at 1 January	**-**	-
Additions during the year	**3,790,681**	-
Amortization during the year	**(252,712)**	-
As at 31 December	**3,537,969**	-

Amounts recognised in relation to right-of-use asset and lease liabilities in the consolidated statement of profit or loss and other comprehensive income during the year is as follows:

	2024 **AED**	2023 AED
Depreciation of right-of-use asset (note 20)	**252,712**	-
Expense relating to short-term lease and low value assets (note 20)	**21,574,452**	17,196,542
Finance costs (note 23)	**67,727**	-
	21,894,891	17,196,542

7 RIGHT OF USE ASSET AND LEASE LIABILITY (continued)

Lease liability

Set below are the carrying amount of lease liability and movement during the year:

	2024 AED	2023 AED
As at 1 January	**-**	-
Additions during the year	**3,790,681**	-
Finance cost (note 23)	**67,727**	-
As at 31 December	**3,858,408**	-

Lease liability is presented in the consolidated statement of financial position as follows:

	2024 AED	2023 AED
Current liability	**697,643**	-
Non-current	**3,160,765**	-
	3,858,408	-

8 TRADE AND OTHER RECEIVABLES

	2024 AED	2023 AED
Trade receivables	**140,155,541**	122,431,227
Less: provision for expected credit losses	**(61,732,900)**	(69,705,708)
Trade receivables, net	**78,422,641**	52,725,519
Staff receivables	**199,616,096**	164,517,239
Less: provision for expected credit losses	**(70,430,738)**	(58,324,794)
Staff receivables, net	**129,185,358**	106,192,445
Prepaid expenses	**3,095,628**	13,563,154
Advances to suppliers	**2,581,575**	599,538
Other receivables*	**49,899,721**	46,159,632
	263,184,923	219,240,288
Non-current portion	**(9,132,340)**	(47,462,290)
Current portion	**254,052,583**	171,777,998

The average credit period on rendering of services is 30 - 90 days (2023: 30 - 90 days). No interest is charged on the outstanding trade receivables.

*Included in other receivables is a balance held with a liquidity provider as of 31 December 2024 amounting to AED 24,872,651 (2023: AED 23,661,724) (Note 14).

8 TRADE AND OTHER RECEIVABLES (continued)

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

	31 December 2024			31 December 2023		
	ECL %	**Gross carrying amount at default AED**	**Life time ECL AED**	ECL %	Gross carrying amount at default AED	Lifetime ECL AED
Not yet due	**5%**	**19,710,412**	**1,015,152**	6%	21,114,957	1,353,323
0 to 30	**8%**	**14,514,680**	**1,172,751**	20%	7,812,849	1,573,214
31 to 60	**1%**	**22,191,923**	**198,183**	26%	11,085,394	2,827,275
61 to 90	**3%**	**1,882,852**	**59,964**	23%	8,738,003	2,038,908
91 to 180	**3%**	**17,937,272**	**524,381**	25%	15,335,732	3,882,853
181 to 365	**65%**	**14,569,765**	**9,413,832**	94%	5,300,516	4,986,360
Above 365	**100%**	**49,348,637**	**49,348,637**	100%	53,043,776	53,043,775
		140,155,541	**61,732,900**		122,431,227	69,705,708

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

	2024 AED	2023 AED
As at 1 January	**69,705,708**	56,365,470
(Reversal) / charge for the year	**(7,972,808)**	13,340,238
As at 31 December	**61,732,900**	69,705,708

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

	31 December 2024			31 December 2023		
		Gross carrying amount at default AED	**ECL AED**		Gross carrying amount at default AED	ECL AED
Active	**10%**	**117,011,758**	**12,086,755**	13%	101,762,526	12,874,043
Suspended	**72%**	**996,038**	**720,225**	74%	20,820,469	15,391,373
Terminated	**71%**	**81,608,300**	**57,623,758**	72%	41,934,244	30,059,378
		199,616,096	**70,430,738**		164,517,239	58,324,794

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

	2024 AED	2023 AED
As at 1 January	**58,324,794**	27,170,906
Charge for the year	**12,105,944**	31,153,888
As at 31 December	**70,430,738**	58,324,794

8 TRADE AND OTHER RECEIVABLES (continued)

The details of the provision for expected credit losses, as required under IFRS 9, presented in the consolidated statement of profit or loss and other comprehensive income are as follows:

	2024 AED	2023 AED
Charge/ (reversal) during the year on trade receivables	**(7,972,808)**	13,340,238
Charge during the year on staff receivables	**12,105,944**	31,153,888
Charge/ (reversal) during the year on investment in financial assets (note 9)	**58,547**	(77,914)
(Reversal) / charge for the year on cash and cash equivalents (note 10)	**(57,327)**	19,566
	4,134,356	44,435,778

9 INVESTMENTS IN FINANCIAL ASSETS

Investments in financial assets at amortized cost	2024 AED	2023 AED
National bonds	**70,347,428**	66,570,206
Less: allowance for expected credit loss	**(79,800)**	(21,253)
	70,267,628	66,548,953

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

	2024 AED	2023 AED
At 1 January	**21,253**	99,167
Charge/ (reversal) during the year	**58,547**	(77,914)
As at 31 December	**79,800**	21,253

These are investments in listed national bonds. The national bonds are held by the Group within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Hence the national bonds are classified at amortized cost. The interest from these investments are ranging between 3% - 5% (2023: 3% - 5%) with a maturity period within 1 - 5 years.

Financial assets measured at fair value through profit or loss	2024 AED	2023 AED
Investment in equity securities	**11,688,000**	-

This represents investment in equity securities of Parkin Company P.J.S.C. which is listed on stock exchange and is actively traded in the market. Accordingly, fair value of this investment is categorized at Level 1 of the fair value hierarchy.

Movement during the year in financial assets measured at fair value through profit or loss is as follows:

	2024 AED	2023 AED
At 1 January	**-**	18,491,719
Additions	**5,040,000**	-
Change in fair value (note 21)	**6,648,000**	4,617,327
Disposals	**-**	(23,109,046)
At 31 December	**11,688,000**	-

10 CASH AND CASH EQUIVALENTS

	2024 AED	2023 AED
Cash in hand	**196,228**	137,472
Cash at banks	**82,249,103**	295,563,917
Short term wakala deposits (note 10.1)	**253,680,000**	-
Less: provision for expected credit losses	**(53,722)**	(111,049)
Cash and cash equivalents	**336,071,609**	295,590,340

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

	2024 AED	2023 AED
As at 1 January	**111,049**	91,483
(Reversal) / charge for the year	**(57,327)**	19,566
As at 31 December	**53,722**	111,049

10.1 Wakala deposits

	2024 AED	2023 AED
Wakala deposits	**253,680,000**	42,093,333
Less: deposits with original maturity of three months or less	**(253,680,000)**	-
	-	42,093,333

These represent deposits held with financial institutions, earning interest rates ranging from 4.0% to 4.7% (2023: 3.5% to 4.5%). Deposits with original maturities of three months or less are classified as cash and cash equivalents and are accordingly disclosed under that category.

11 ASSETS HELD FOR SALE

	2024 AED	2023 AED
At 1 January	**28,889,111**	12,947,233
Transfer from property and equipment (note 5)	**3,575,529**	24,976,284
Completed sale during the year	**(17,062,176)**	(9,034,406)
Net transfer to property and equipment (Note 5)	**(4,374,609)**	-
At 31 December	**11,027,855**	28,889,111

The Group has classified a portion of its vehicle fleet as held for sale. This classification signifies the intent to sell or otherwise dispose these assets. The assets held for sale are reported separately on the balance sheet, and their carrying amount is presented at the lower of their carrying amount or fair value less costs to sell. The Group is actively pursuing the disposal of these vehicles, and any significant changes in their status will be disclosed in the consolidated financial statements. Assets held for sale amounting to AED 6,105,829 (2023: AED 22,392,047) and AED 4,922,026 (2023: AED 6,497,064) relates to regular taxi and limousine service segments respectively.

12 SHARE CAPITAL

	2024 AED	2023 AED
Authorised issued and fully paid		
2,500,000,000 shares of AED 0.04 each	**100,000,000**	100,000,000

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

Under the authority of the Group's Board of Directors, the remaining share capital has been subdivided into 2,500,000,000 shares, each having a nominal value of AED 0.04. All shares within the Group maintain equal status in all respects. Therefore, as of December 31, 2024, the Group's share capital is composed of authorized and paid-up capital amounting to AED 100 million.

13 STATUTORY RESERVE

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

14 OWN SHARES

During 2023, the Group engaged a third-party licensed Market Maker on the Dubai Financial Market that offers liquidity provision services, to place buy and sell orders of the Group's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. The initial advance balance remitted to the liquidity provider amounting to AED 25,000,000, and the outstanding balance as of 31 December 2024, stands at AED 24,872,651 (2023: AED 23,661,724). Below are the details relating to own shares:

	2024 AED	2023 AED
Own shares		
Number of shares outstanding	**181,971**	590,889
Nominal value per share	**0.04**	0.04
Shares' nominal value as at 31 December	**(7,279)**	(23,636)
Own shares reserve		
Market value per share	**2.780**	2.130
Shares premium	**(498,601)**	(1,234,958)
Cash dividend	**181,342**	-
Realized profit (loss)	**879,689**	(29,204)
At 31 December	**562,430**	(1,264,162)

15 EMPLOYEES' END OF SERVICE BENEFITS

	2024 AED	2023 AED
At 1 January	**31,675,925**	28,556,992
Charge for the year	**6,237,789**	5,664,884
Transfer during the year to current liabilities (note 16)	**(1,805,920)**	-
Paid during the year	**(2,745,186)**	(2,545,951)
At 31 December	**33,362,608**	31,675,925

In addition to the above, the Group contributes 15% of the 'contribution calculation salary' in case of UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. The Group's employer contribution is recognised as an expense in the consolidated statement of profit or loss and other comprehensive income as incurred.

16 TRADE AND OTHER PAYABLES

	2024 AED	2023 AED
Trade payables	**129,337,118**	306,334,309
Staff payable	**128,744,450**	110,848,048
Vehicles acquisition costs accrual*	**124,369,014**	5,193,504
Accrued expenses	**50,693,021**	61,727,395
Leave salary provision**	**42,232,956**	26,577,266
Bonus payable	**34,145,668**	24,147,486
Gratuity Provision - current	**1,805,920**	-
Interest payable	**149,125**	506,012
Other payables	**50,202,570**	30,653,853
	561,679,842	565,987,873
Non-current portion	**(3,419,388)**	(3,466,826)
Current portion	**558,260,454**	562,521,047

*This includes vehicles received but not yet invoiced.

**Leave salary provision movement during the year is as follows:

	2024 AED	2023 AED
As at 1 January	**26,577,266**	23,844,205
Charged during the year	**37,453,874**	19,526,637
Utilized during the year	**(21,798,184)**	(16,793,576)
At 31 December	**42,232,956**	26,577,266

17 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the Parent, ultimate controlling party, the shareholders, key management personnel, subsidiaries, joint venture and businesses which are controlled directly or indirectly by the ultimate controlling party or directors or over which they exercise significant management influence. The Group has availed the exemption as per para 25 of IAS 24 *Related Party Disclosure* and consider the entities controlled by the Government of Dubai as non-related. The Group, in the normal course of business, receives goods / services from related parties at terms mutually agreed.

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

	2024	2023
	AED	AED
Due from a related party		
Entity with common key management personnel		
RTA Careem LLC	**22,989,363**	8,345,915
Due to related parties		
Entities with common key management personnel		
Roads & transport authority ("RTA")	**265,095,583**	41,815,718
Salik Company PJSC	**13,268,524**	11,810,348
	278,364,107	53,626,066
Less: non-current portion	**(160,417,530)**	-
Current portion	**117,946,577**	53,626,066

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

During the year, the Group entered into the following significant transactions with related parties in the ordinary course of business, carried out on an arm's length:

	2024	2023
	AED	AED
Entities with common key management personnel:		
Plate and license fees*	**328,697,564**	309,826,800
New plates fees	**267,795,000**	-
Hala trip charges	**74,709,203**	56,593,429
Salik charges	**69,542,380**	74,756,822
Traffic related fines	**8,142,388**	8,405,470
Rent income**	**7,200,000**	7,200,000
Dividend income	**-**	346,445
Net profit transferred to RTA	**-**	186,332,322
Reduction in share capital (note 12)	**-**	100,000,000
Dividend paid	**-**	150,000,000

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

****** This pertains to office space leased to RTA.

17 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

	2024 AED	2023 AED
Salaries and short-term employee benefits	**8,919,513**	7,005,113
Post-employment benefits	**517,594**	541,621
	9,437,107	7,546,734
Board of directors and committees' remuneration	**4,904,772**	3,763,199

18 BANK BORROWINGS

	2024 AED	2023 AED
Unsecured term loan	**1,000,000,000**	1,000,000,000
Less: unamortized transaction cost:	**(2,357,250)**	(2,987,250)
	997,642,750	997,012,750

Disclosed in the consolidated statement of financial position as follows

Current	**-**	-
Non-current	**997,642,750**	997,012,750

Movement in unamortized transaction cost is as follows:

	2024 AED	2023 AED
As 1 January	**2,987,250**	-
Additions	**-**	3,150,000
Amortisation	**(630,000)**	(162,750)
At 31 December	**2,357,250**	2,987,250

The loan carries an interest rate of EIBOR plus 0.8% and is structured for repayment over a period of 5 years in the form of a bullet payment. The funds obtained from the loan drawdown were utilized to settle the RTA liability. Additionally, in 2023, the Group secured a revolving credit facility amounting to AED 200 million, maturing in 5 years. However, no drawdown was executed from the revolving credit facility throughout the year.

Financial covenants
The Group is subject to a leverage ratio requirement. The Group's leverage ratio must not exceed 4:1 in any relevant period.

19 REVENUE FROM CONTRACTS WITH CUSTOMERS

	2024 AED	2023 AED
Regular taxis	**1,917,667,073**	1,711,292,320
Limousine service	**124,487,665**	115,194,991
Bus service	**119,218,690**	107,034,261
Delivery services	**42,530,067**	18,673,537
BOLT mobility services	**4,523,437**	-
Others	**2,329,875**	1,317,693
	2,210,756,807	1,953,512,802
Discounts:		
Discounts to drivers / limo companies	**(4,523,437)**	-
Discounts to end user / riders	**(9,626,108)**	-
	(14,149,545)	-
Revenue from contracts with customers, net	**2,196,607,262**	1,953,512,802
Timing of revenue recognition		
Services transferred at point in time	**2,032,528,630**	1,826,487,311
Services transferred over the period of time	**164,078,632**	127,025,491
	2,196,607,262	1,953,512,802

All the revenues are generated within United Arab Emirates.

20 DIRECT COSTS

	2024 AED	2023 AED
Staff costs*	**565,090,403**	489,912,498
Fuel cost	**232,473,734**	237,599,335
Depreciation of property and equipment (note 5)	**165,798,629**	131,039,503
Charges and commission	**111,957,708**	108,533,113
Insurance	**77,763,642**	58,163,096
Vehicle maintenance	**62,807,304**	58,238,760
VAT expenses	**32,621,922**	26,276,018
Rent expense	**21,574,452**	17,196,542
Credit card processing fee	**20,804,449**	17,013,293
Vehicle surveillance hosting charges	**8,620,258**	7,622,078
BOLT service fee	**2,046,591**	-
Depreciation of right-of-use asset	**252,712**	-
Others	**42,733,923**	31,238,980
	1,344,545,727	1,182,833,216

*This includes drivers' commission and other benefits amounting to AED 439,695,887 for the year ended 31 December 2024 (2023: AED 370,576,693).

21 OTHER INCOME

	2024 AED	2023 AED
Penalties	**2,939,975**	-
Gain on disposal of property and equipment	**9,830,290**	5,031,152
Rental income	**8,707,513**	8,875,089
Gain on equity securities held at fair value through profit or loss	**6,648,000**	-
Advertising income	**4,252,962**	4,321,600
Gain on disposal of assets held for sale	**2,096,486**	1,519,380
Gain on disposal of equity securities held at fair value through profit or loss	**-**	4,617,327
Dividend income	**-**	898,479
Loss on disposal of investment in financial assets	**-**	(3,647,402)
Others	**2,265,139**	6,329,714
	36,740,365	27,945,339

22 GENERAL AND ADMINISTRATIVE EXPENSES

	2024 AED	2023 AED
Staff costs	**62,192,985**	46,241,342
Consultancy charges	**11,471,209**	222,401
Maintenance expenses	**9,652,722**	6,878,464
Depreciation of property and equipment (note 5)	**6,369,032**	5,416,110
Advertising	**5,802,374**	1,611,453
Insurance expenses	**4,804,912**	3,341,448
Security expenses	**2,726,470**	3,032,672
Software license fee	**2,620,298**	845,522
Cleaning expenses	**1,750,707**	1,553,592
Others	**10,963,277**	4,197,357
	118,353,986	73,340,361

The Group has made social contributions amounting to AED 80,410 for the year ended 31 December 2024 (2023: AED 614,000).

23 FINANCE COST

	2024 AED	2023 AED
Interest on bank borrowings	**60,320,776**	15,855,032
Unwinding of long-term liabilities	**907,095**	-
Bank charges	**640,957**	172,476
Amortization of arrangement fee (note 18)	**630,000**	162,750
Interest expense on lease liability	**67,727**	-
	62,566,555	16,190,258

24 FINANCE INCOME

	2024 AED	2023 AED
Interest income on sukuk and wakala deposits	**13,061,844**	6,935,317
Interest income on cash at banks	**1,730,951**	513,029
	14,792,795	7,448,346

25 SEGMENTAL ANALYSIS

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

- Regular taxis
- Limousine service
- Bus transport service

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

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

	Regular taxi		**Limousine service**		**Bus transport**		**Delivery service**		**Other services**		**Total**	
	31-Dec-24 AED	31-Dec-23 AED	**31-Dec-24 AED**	31-Dec-23 AED	**31-Dec-24 AED**	31-Dec-23 AED	**31-Dec-24 AED**	31-Dec-23 AED	**31-Dec-24 AED**	31-Dec-23 AED	**31-Dec-24 AED**	31-Dec-23 AED
Revenue	**1,917,667,073**	1,711,292,320	**124,487,665**	115,194,991	**119,218,690**	107,034,261	**42,530,067**	18,673,537	**(7,296,233)**	1,317,693	**2,196,607,262**	1,953,512,802
Gross profit	**467,404,416**	422,890,231	**22,953,394**	16,669,217	**21,330,880**	2,442,495	**8,493,542**	3,135,695	**3,181,739**	15,715,148	**523,363,971**	460,852,786
Operating profit (loss)*	**354,067,458**	320,017,263	**14,041,823**	9,508,482	**24,207,029**	(8,351,457)	**3,341,909**	1,718,602	**16,337,460**	30,015,092	**411,995,679**	352,907,982
Finance income	**-**	-	**-**	-	**-**	-	**-**	-	**14,792,795**	7,448,346	**14,792,795**	7,448,346
Finance cost	**(52,231,265)**	(13,405,349)	**(3,522,258)**	(949,012)	**(3,345,439)**	(1,127,265)	**(1,195,079)**	(217,270)	**(2,272,514)**	(491,362)	**(62,566,555)**	(16,190,258)
Profit before tax	**301,836,193**	306,611,914	**10,519,565**	8,559,470	**20,861,590**	(9,478,722)	**2,146,830**	1,501,332	**28,857,741**	36,972,076	**364,221,919**	344,166,070
Taxation	**(25,946,669)**	1,015,310	**(1,324,039)**	68,345	**(1,773,072)**	63,503	**(182,464)**	11,079	**(3,715,432)**	782	**(32,941,676)**	1,159,019
Profit for the year	**275,889,524**	307,627,224	**9,195,526**	8,627,815	**19,088,518**	(9,415,219)	**1,964,366**	1,512,411	**25,142,309**	36,972,858	**331,280,243**	345,325,089

**This includes provision for expected credit losses recognised in accordance with IFRS 9, amounting to AED 4,134,356 (2023: AED 44,435,778). A provision of AED 10,299,962 (2023: AED 33,522,889) is associated with regular taxis, while AED 669,811 (2023: AED 2,482,049) is linked to limousine services, and reversal of AED 8,007,674 (2023: provision of AED 8,430,840) pertains to bus transport services.*

	Regular taxi		**Limousine service**		**Bus transport**		**Delivery service**		**Other services**		**Total**	
	31-Dec-24 AED	31-Dec-23 AED	**31-Dec-24 AED**	31-Dec-23 AED	**31-Dec-24 AED**	31-Dec-23 AED	**31-Dec-24 AED**	31-Dec-23 AED	**31-Dec-24 AED**	31-Dec-23 AED	**31-Dec-24 AED**	31-Dec-23 AED
Total assets	**1,877,102,412**	1,520,417,354	**103,233,839**	92,867,902	**306,664,544**	326,051,959	**31,360,557**	16,670,368	**-**	-	**2,318,361,352**	1,956,007,583
Total liabilities	**1,693,987,556**	1,447,117,904	**110,726,114**	96,792,063	**72,555,484**	85,219,469	**30,513,946**	19,173,178	**-**	-	**1,907,783,100**	1,648,302,614

Timing of recognition of revenue from contract with customers (refer to note 19) for the Group's reportable segments is presented below:

	Regular taxi		**Limousine service**		**Bus transport**		**Delivery service**		**Other services**		**Total**	
	31-Dec-24 AED	31-Dec-23 AED	**31-Dec-24 AED**	31-Dec-23 AED	**31-Dec-24 AED**	31-Dec-23 AED	**31-Dec-24 AED**	31-Dec-23 AED	**31-Dec-24 AED**	31-Dec-23 AED	**31-Dec-24 AED**	31-Dec-23 AED
Transferred at point in time	**1,917,667,073**	1,711,292,320	**124,487,665**	115,194,991	**-**	-	**-**	-	**(9,626,108)**	-	**2,032,528,630**	1,826,487,311
Transferred over the period of time	**-**	-	**-**	-	**119,218,690**	107,034,261	**42,530,067**	18,673,537	**2,329,875**	1,317,693	**164,078,632**	127,025,491
Total	**1,917,667,073**	1,711,292,320	**124,487,665**	115,194,991	**119,218,690**	107,034,261	**42,530,067**	18,673,537	**(7,108,315)**	1,317,693	**2,196,607,262**	1,953,512,802

26 BASIC AND DILUTED EARNINGS PER SHARE

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

	2024 AED	2023 AED
Profit attributable to owners of the Group (AED)	**331,280,243**	345,325,089
Weighted average number of shares (shares)*	**2,498,376,413**	2,499,991,955
Basic and diluted earnings per share for the year (AED)	**0.13**	0.14

As of 31 December 2024, and 31 December 2023, the Group has not issued any instruments that have a dilutive impact on earnings per share when exercised.

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

During 2023, share capital amounting to AED 100 million has been subdivided into 2,500,000,000 shares, each having a nominal value of AED 0.04 (refer to note 12). As the issued shares did not have a corresponding change in resources, the number of shares as of 31 December 2023 had been adjusted for the purpose of calculating the weighted average number of ordinary shares.

27 FINANCIAL INSTRUMENTS

(a) Material accounting policies information

Details of the material accounting policies information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the consolidated financial statements.

(b) Categories of financial instruments

	2024 AED	2023 AED
Financial assets		
At amortised cost		
Trade and other receivables (excluding prepayments and advance to suppliers)	**257,507,720**	205,077,596
Investment in financial assets	**70,267,628**	66,570,206
Due from a related party	**22,989,363**	8,345,915
Wakala deposits	**-**	42,093,333
Cash and cash equivalents	**336,071,609**	295,590,340
	686,836,320	617,677,390
At fair value through profit or loss		
Investment in equity securities	**11,688,000**	-
	698,524,320	617,677,390
Financial liabilities		
Amortised cost		
Bank borrowings	**997,642,750**	997,012,750
Trade and other payables	**561,679,842**	565,987,873
Due to related parties	**278,364,107**	53,626,066
Corporate tax liability	**32,875,384**	-
Lease liabilities	**3,858,409**	-
	1,874,420,492	1,616,626,689

27 FINANCIAL INSTRUMENTS (continued)

(c) Fair value of financial instruments

The fair values of financial assets and financial liabilities approximate their respective carrying values in the consolidated statement of financial position as at the end of the reporting period. The following table presents the financial assets measured at fair value as at 31 December 2024 and 2023:

2024	**Level 1 AED**	**Level 2 AED**	**Level 3 AED**	**Total AED**
Financial assets measured at fair value through profit or loss				
- Investment in equity securities	**11,688,000**	**-**	**-**	**11,688,000**

2023	**Level 1 AED**	**Level 2 AED**	**Level 3 AED**	**Total AED**
Financial assets measured at fair value through profit or loss				
- Investment in equity securities	-	-	-	-

There were no transfers between each of level during the year. There are no other financial assets or liabilities which should be categorised under any of the levels in the table above.

28 FINANCIAL RISK MANAGEMENT

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

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

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risk, and the Group’s management of capital. Furthermore, quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

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

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group’s trade and other receivables, investment in financial assets and cash at banks. Customer credit risk is managed subject to the Group’s established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. The Group’s exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

28 FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

Exposure to credit risk

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

	2024	2023
	AED	AED
Cash and cash equivalents excluding cash on hand	**335,863,230**	295,452,868
Trade and other receivables (excluding prepayments and advances)	**257,507,720**	205,077,596
Due from a related party	**22,989,363**	8,345,915
Investments in financial assets at amortized cost	**70,267,628**	66,570,206
Financial asset at fair value through profit or loss	**11,688,000**	-
Wakala deposits	**-**	42,093,333
	698,315,941	617,539,918

Information about the credit risk exposure on the Group's trade and staff receivables is disclosed under note 8.

Cash and cash equivalents and wakala deposits

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

Impairment of cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central bank of UAE. Accordingly, management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL.

Investment in financial assets

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

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

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the board of directors, which has built a liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining reserves and by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

28 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

	Carrying value AED	**Contractual cash flows AED**	**Less than 1 year AED**	**1 – 5 years AED**
At 31 December 2024				
Non-derivative financial liabilities:				
Bank borrowings	**997,642,750**	**(1,188,322,608)**	**(50,912,461)**	**(1,137,410,147)**
Trade and other payables (excluding advances)	**561,679,842**	**(561,679,842)**	**(558,260,454)**	**(3,419,388)**
Due to related parties	**278,364,107**	**(278,364,107)**	**(117,946,577)**	**(160,417,530)**
Lease liability	**3,858,408**	**(4,345,231)**	**(878,416)**	**(3,466,815)**
	1,841,545,107	**(2,032,711,788)**	**(727,997,908)**	**(1,304,713,880)**

	Carrying value AED	Contractual cash flows AED	Less than 1 year AED	1 – 5 years AED
At 31 December 2023				
Non-derivative financial liabilities:				
Bank borrowings	997,012,750	(1,288,728,482)	(60,916,703)	(1,227,811,779)
Trade and other payables (excluding advances)	565,987,873	(565,987,873)	(562,521,047)	(3,466,826)
Due to related parties	53,626,066	(53,626,066)	(53,626,066)	-
	1,616,626,689	(1,908,342,421)	(677,063,816)	(1,231,278,605)

As at 31 December 2024 and 31 December 2023, there were no derivative financial instruments carried by the Group.

Market risk

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

Currency risk

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

Interest rate risk

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

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

	2024 AED	2023 AED
Fixed rate instruments		
Financial assets		
National bonds (note 9)	**70,267,628**	66,548,953
Wakala deposits (note 10.1)	**253,680,000**	42,093,333
	323,947,628	108,642,286
Floating rate instrument		
Financial liability		
Bank borrowings (note 18)	**997,642,750**	997,012,750

28 FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Sensitivity analysis for floating rate instruments
At 31 December 2024, if interest rates on the bank borrowings had been 10 basis points lower/higher with all other variables held constant, profit for the year would have been increased or decreased by AED 1,000,000 (2023: AED 1,000,000).

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

Fair value hierarchy

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

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

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

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

At 31 December 2024, investments in equity shares amounting to AED 11,688,000 (2023: Nil) are measured at fair value at Level 1 in the hierarchy.

29 COMMITEMENTS AND CONTINGENT LIABILITIES

The Group's capital commitments relating to purchase of motor vehicles at the reporting date amounted to AED 8,662,650 *(2023: AED* 30,064,642*)*. The Group does not have any contingent liabilities (2023: nil).

30 STAFF BONUS

Staff bonus represents bonuses related to management and the board of directors, calculated as 5% and 1%, respectively, of profit before bonus and tax.

31 CORPORATE TAXATION

	2024 AED	2023 AED
Corporate taxes		
Current corporate tax expense	**32,875,384**	-
Deferred corporate tax expense / (income)	**66,292**	(1,159,019)
	32,941,676	(1,159,019)

Deferred tax*		
Reconciliation of deferred tax assets:		
At 1 January	**1,159,019**	-
Tax (expense)/income recognised in consolidated statement of profit or loss and other comprehensive income during the year	**(66,292)**	1,159,019
At 31 December	**1,092,727**	1,159,019

*This pertains to deferred tax assets recognized on lease payments associated with plots of land provided by RTA, assuming that the transaction had been conducted at arm's length. The deferred tax is recorded in respect to opting of election under Article 20(3) of the UAE CT Law.

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

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to a 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to have been substantively enacted for the purposes of accounting for Income Taxes.

Subsequently, the UAE CT Law has been supplemented by a number of Decisions of the Cabinet of Ministers of the UAE (Decisions). Such Decisions and other interpretive guidance of the UAE Federal Tax Authority provide important details relating to the interpretation of the UAE CT Law and are required to fully evaluate the impact of the UAE CT Law on the Group.

The Group is subject to the provisions of the UAE CT Law with effect from 1 July 2023, and current taxes have been accounted for as appropriate in the consolidated financial statements for the financial year beginning 1 September 2023.

The taxable income of the Group for UAE CT purposes will be subject to the rate of 9% corporate tax.

The charge for the year can be reconciled to the profit before tax as follows:

	2024 AED	2023 AED
Profit before tax	**364,221,919**	-
Tax at the UAE corporate tax rate of 9% (2023:0%)	**32,779,973**	-
Tax effect of expenses that are not deductible in determining taxable profit	**470,411**	-
Tax effect of standard deduction	**(375,000)**	-
Current corporate tax expense for the year	**32,875,384**	-

32 COMPARATIVE INFORMATION

During the year, the Group undertook certain reclassifications of balances included within the consolidated financial statements. These reclassifications were made to ensure a more appropriate presentation of the Group's financial position. These reclassifications do not have any effect on total equity, net profit after tax and total comprehensive income for the year ended 31 December 2023. In accordance with the requirements of IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the below-mentioned "comparative information" at 31 December 2023 has been reclassified as follows:

Consolidated statement of financial position	2023 As previously reported (AED)	Reclassifications (AED)	As reported (AED)
Non-current assets			
Deferred tax assets (i)	-	1,159,019	1,159,019
Current assets			
Trade and other receivables (ii)	194,417,398	(22,639,400)	171,777,998
Due from a related party (ii & iii)	-	8,345,915	8,345,915
Current liabilities			
Trade and other payables (ii & iii)	577,605,263	(15,084,216)	562,521,047
Due to related parties (ii, iii & iv)	51,676,316	1,949,750	53,626,066

(i) Previously included under trade and other receivables, is now presented as a separate line item in the consolidated statement of financial position.

(ii) a. Previously presented separately under trade receivables and trade payables, amounts due from and due to the same counterparties amounting to AED 5,080,411 are now offset and presented on a net basis in the consolidated statement of financial position

b. Amounts due from a related party amounting to AED 16,397,345 and amounts due to a related party amounting to AED 2,625, previously included under trade receivables, are now presented as separate line item in the consolidated statement of financial position.

(iii) Amounts due to a related party amounting to AED 10,003,805, previously included under trade payables, are now presented as separate line items in the consolidated statement of financial position.

(iv) Amounts due from and due to the same related party amounting to AED 8,051,430 are now offset and presented on a net basis as due from a related party in the consolidated statement of financial position.

Consolidated statement of profit or loss and other comprehensive income	2023 As previously reported (AED)	Reclassifications (AED)	As reported (AED)
Direct costs (i)	(1,204,510,449)	21,677,233	(1,182,833,216)
Gross profit (i)	439,175,553	21,677,233	460,852,786
Other income (i & ii)	50,748,349	(22,803,010)	27,945,339
General and administrative expenses (i)	(73,307,119)	(33,242)	(73,340,361)
Taxation (ii)	-	1,159,019	1,159,019

(i) Certain fines, penalties, and recoveries from drivers, amounting to AED 21,643,991, previously presented separately under other income, are now offset and presented on a net basis as staff costs under direct costs in the consolidated statement of profit or loss and other comprehensive income.

Certain costs amounting to AED 33,242, previously classified as direct costs, are now reclassified under general and administrative expenses due to a change in department role and responsibilities.

(ii) Previously included under other income, is now presented as a separate line item in the consolidated statement of profit or loss and other comprehensive income.

32 COMPARATIVE INFORMATION (continued)

Consolidated statement of cash flows	2023 As previously reported (AED)	Reclassifications (AED)	As reported (AED)
Cash flow from operating activities			
Working capital adjustments:			
Increase in trade and other receivables	(132,339,630)	22,639,400	(109,700,230)
Increase in due from a related party	-	(8,345,915)	(8,345,915)
Increase in trade and other payables	46,893,749	(15,084,216)	31,809,533
Decrease in due to related parties	(692,598,843)	1,949,750	(690,649,093)

33 DIVIDENDS

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

On 25 July 2024, the Board of Directors proposed and approved to distribute a dividend payment of AED 159 million (AED 6.37 fils per share) for the first half of 2024, in accordance with the Company’s dividend policy and paid subsequently in the month of August 2024.

On 12 February 2025, the Board of Directors proposed and approved to distribute a dividend payment of AED 122 million (AED 4.89 fils per share) for the second half of 2024, in accordance with the Company’s dividend policy.