Emirates Driving Company P.J.S.C.

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

30 SEPTEMBER 2022 (UNAUDITED)

Building a better working world

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF EMIRATES DRIVING COMPANY P.J.S.C.

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of Emirates Driving Company P.J.S.C. ("the Company") and its subsidiary (together "the Group") as at 30 September 2022 and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three and nine month periods then ended and the interim condensed consolidated statements of changes in equity and cash flows for the nine month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

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

Other matter
The consolidated financial statements of the Group for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on 22 January 2022. The interim condensed consolidated financial statements of the Group for the nine month period ended 30 September 2021 were reviewed by another auditor who expressed an unmodified conclusion on those financial statements on 14 October 2021.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of the Group are not prepared, in all material respects, in accordance with IAS 34.

Signed by:
Raed Ahmad
Partner
Ernst & Young
Registration No. 811

17 October 2022
Abu Dhabi

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the three month and nine month periods ended 30 September 2022 (Unaudited)

	Notes	*Three months ended 30 September* 2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	*Nine months ended 30 September* 2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)
Revenue		**93,320**	65,793	**250,054**	189,024
Direct expenses		**(16,860)**	(11,501)	**(45,600)**	(35,039)
GROSS PROFIT		**76,460**	54,292	**204,454**	153,985
Net income from financial assets at fair value through profit or loss		**1,526**	1,193	**14,991**	6,410
Dividend income from financial assets at fair value through other comprehensive income (FVTOCI)	7	**-**	-	**1,622**	541
Rental income (net)		**1,134**	1,444	**3,621**	4,455
Interest income		**2,164**	209	**2,751**	991
Other income		**1,128**	1,481	**9,354**	5,821
General and administrative expenses		**(17,557)**	(12,612)	**(47,489)**	(39,190)
Finance cost		**(737)**	(748)	**(2,212)**	(2,243)
PROFIT FOR THE PERIOD		**64,118**	45,259	**187,092**	130,770
Basic earnings per share (AED)	3	**0.71**	0.50	**2.08**	1.46

The attached notes 1 to 16 form part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three month and nine month periods ended 30 September 2022 (Unaudited)

	Note	*Three months ended 30 September*		*Nine months ended 30 September*	
		2022	*2021*	***2022***	*2021*
	Note	***AED'000***	*AED'000*	***AED'000***	*AED'000*
		(Unaudited)	*(Unaudited)*	***(Unaudited)***	*(Unaudited)*
PROFIT FOR THE PERIOD		**64,118**	45,259	**187,092**	130,770
Other comprehensive (loss) income					
Items that will not to be reclassified to profit or loss					
Equity investments at fair value through other comprehensive income – net change in fair value	7	**(1,892)**	-	**(1,892)**	2,703
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**62,226**	45,259	**185,200**	133,473

The attached notes 1 to 16 form part of the interim condensed consolidated financial statements.

Emirates Driving Company P.J.S.C.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Notes	*30 September 2022 AED'000 (Unaudited)*	*31 December 2021 AED'000 (Audited)*
ASSETS			
Non-current assets			
Property and equipment	4	**211,011**	199,811
Right-of-use assets	5	**38,128**	39,344
Investment properties	6	**136,700**	136,700
Intangible assets		**3,182**	3,277
Financial assets at fair value through other comprehensive income	7	**36,227**	38,119
Total non-current assets		**425,248**	417,251
Current assets			
Financial assets at fair value through profit or loss	7	**49,511**	105,525
Inventories		**1,324**	2,521
Trade and other receivables	8	**11,173**	13,221
Cash and bank balances	9	**557,746**	373,131
Total current assets		**619,754**	494,398
TOTAL ASSETS		**1,045,002**	911,649
EQUITY AND LIABILITIES			
Equity			
Share capital	10	**89,786**	89,786
Legal reserve	11	**44,893**	44,893
General reserve	12	**44,893**	44,893
Cumulative changes in fair value		**22,520**	24,412
Retained earnings		**703,352**	601,557
Total equity		**905,444**	805,541
Liabilities			
Non-current liabilities			
Employees' end of service benefits		**7,095**	6,339
Lease liabilities	5	**37,923**	39,330
Total non-current liabilities		**45,018**	45,669
Current liabilities			
Trade and other payables	13	**64,453**	57,288
Dividends payable	15	**26,936**	-
Lease liabilities	5	**3,151**	3,151
Total current liabilities		**94,540**	60,439
Total liabilities		**139,558**	106,108
Total equity and liabilities		**1,045,002**	911,649

Chairman of the Board of Directors   Chief Executive Officer   Chief Financial Officer P.P.

The attached notes 1 to 16 form part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine month period ended 30 September 2022

	Share capital AED'000	*Legal reserve AED'000*	*General reserve AED'000*	*Cumulative change in fair value AED'000*	*Retained earnings AED'000*	*Total equity AED'000*
Balance at 1 January 2021 (Audited)	89,786	44,893	44,893	21,709	523,340	724,621
Profit for the period	-	-	-	-	130,770	130,770
Other comprehensive income for the period	-	-	-	2,703	-	2,703
Total comprehensive income for the period	-	-	-	2,703	130,770	133,473
Dividends declared (note 15)	-	-	-	-	(89,786)	(89,786)
Balance as at 30 September 2021 (Unaudited)	89,786	44,893	44,893	24,412	564,324	768,308
Balance at 1 January 2022 (Audited)	89,786	44,893	44,893	24,412	601,557	805,541
Profit for the period	-	-	-	-	187,092	187,092
Other comprehensive loss for the period	-	-	-	(1,892)	-	(1,892)
Total comprehensive income (loss) for the period	-	-	-	(1,892)	187,092	185,200
Dividends declared (note 15)	-	-	-	-	(85,297)	(85,297)
Balance as at 30 September 2022 (Unaudited)	**89,786**	**44,893**	**44,893**	**22,520**	**703,352**	**905,444**

The attached notes 1 to 16 form part of the interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the nine month period ended 30 September 2022 (Unaudited)

	Notes	*Nine months ended 30 September* 2022 AED'000 (Unaudited)	2021 AED'000 (Unaudited)
OPERATING ACTIVITIES			
Profit for the period		**187,092**	130,770
Adjustments for:			
Depreciation of property and equipment	4	**10,906**	10,709
Depreciation of right-of-use assets		**1,216**	1,275
Amortization of intangible assets		**644**	1,443
Provision for expected credit losses		**45**	-
Provision for employees' end of service benefits		**1,548**	1,383
Write-off of inventories		**1,053**	-
Dividend income		**(3,217)**	(1,538)
Unrealized gain on investments at fair value through profit or loss	7	**(2,852)**	(5,120)
Finance cost		**2,212**	2,243
Gain on disposal of property and equipment		**(790)**	(451)
Interest income		**(2,751)**	(991)
		195,106	139,723
Movements in working capital:			
Inventories		**144**	188
Trade and other receivables		**2,003**	(145)
Trade and other payables		**7,165**	1,459
Cash from operating activities		**204,418**	141,225
Employees' end of service benefits paid		**(792)**	(473)
Net cash from operating activities		**203,626**	140,752
INVESTING ACTIVITIES			
Purchase of property and equipment		**(22,178)**	(12,263)
Purchase of intangible assets		**(549)**	(1,209)
Proceeds from disposal of property and equipment		**862**	454
Dividends received		**3,217**	1,538
Purchase of financial assets at fair value through profit or loss	7	**(18,343)**	(25,276)
Proceeds from sale of financial assets at fair value through profit or loss	7	**77,209**	4,201
Movement in term deposits with original maturities more than three months		**-**	31,172
Interest received		**2,751**	991
Net cash from (used in) investing activities		**42,969**	(392)
FINANCING ACTIVITIES			
Dividends paid	15	**(58,361)**	(89,786)
Lease liabilities paid	5	**(3,619)**	(3,570)
Net cash used in financing activities		**(61,980)**	(93,356)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**184,615**	47,004
Cash and cash equivalents at the beginning of the period		**273,131**	283,308
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	9	**457,746**	330,312
Non-cash transactions excluded from the consolidated statement of cash flows:			
Dividend payable	15	**26,936**	-

The attached notes 1 to 16 form part of the interim condensed consolidated financial statements.

1 GENERAL

Emirates Driving Company P.J.S.C. (the "Company") was incorporated in the United Arab Emirates, as a Public Joint Stock Company, in accordance with the provisions of the Decree Law No. (32) of 2021.

The Company, and its subsidiaries, (together referred to as the "Group") are engaged in the management and development of motor vehicles driving training in addition to other investment opportunities including investment properties which is the primary operation of the subsidiary (Tabieah Properties Investments L.L.C.). Services are rendered to all people who are living in the United Arab Emirates. The Company's registered office is P O Box 2943, Abu Dhabi, United Arab Emirates.

The interim condensed consolidated financial statements of the Group were authorized for issue by the Chairman on behalf of the Board of Directors on 17 October 2022.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The interim condensed financial statements have been presented in United Arab Emirates Dirhams ("AED"), which is the functional and presentation currency of the Group.

Except as indicated, all financial information presented has been rounded to the nearest thousand ('000).

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual consolidated financial statements as at 31 December 2021. In addition, results for the nine month period ended 30 September 2022 are not necessarily indicative of the results that may be expected for the financial year ended 31 December 2022.

Basis of consolidation
The interim condensed consolidated financial statements comprise the financial statements of the Company its subsidiary:

Name of the subsidiary	*Country of incorporation*	*Percentage of holding %*	*Principal activities*
Tabieah Property Investments L.L.C.	U.A.E.	100%	To manage investment properties

The financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, income and expenses and profits or losses resulting from intra-group transactions that are recognized in assets, are eliminated in full.

2.2 SIGNIFICANT ACCOUNTING POLICIES

New and amended standards and interpretations
The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of following new standards effective as of 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- Reference to the Conceptual Framework – Amendments to IFRS 3
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Costs of fulfilling a contract – Amendments to IAS 37
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
- IAS 41 Agriculture – Taxation in fair value measurements

These amendments did not have a material impact on the interim condensed consolidated financial statements of the Group.

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

- IFRS 17 Insurance Contracts
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

The Group has concluded that these standards will not have a material impact on its interim condensed consolidated financial statements when implemented in future periods.

3 BASIC EARNING PER SHARE

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period as follows:

	Three months ended 30 September		***Nine months ended 30 September***	
	2022 AED'000 (Unaudited)	*2021 AED'000 (Unaudited)*	***2022 AED'000 (Unaudited)***	*2021 AED'000 (Unaudited)*
Profit for the period attributable to equity holders of the parent (AED'000)	**64,118**	45,259	**187,092**	130,770
Ordinary shares in issue through the period ('000)	**89,786**	89,786	**89,786**	89,786
Basic earnings per share (AED)	**0.71**	0.50	**2.08**	1.46

As of 30 September 2022, the Group has not issued any dilutive instruments that have an impact on earnings per share when exercised.

4 PROPERTY AND EQUIPMENT

During the nine months period ended 30 September 2022, the Group acquired assets with a cost of AED 3,402 thousand (30 September 2021: AED 5,763 thousand). Depreciation charges for nine months ended 30 September 2022 amounted to AED 10,906 thousand (30 September 2021: AED 10,709 thousand). During the nine months period ended 30 September 2022 additional amount incurred for the construction and development of new assets amounted to AED 18,776 thousand (30 September 2021: AED 6,500 thousand).

5 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	Right-of-use assets AED'000	*Lease liabilities AED'000*
As at 1 January 2022 (audited)	**39,344**	**42,481**
Depreciation expense	**(1,216)**	**-**
Finance cost	**-**	**2,212**
Payments	**-**	**(3,619)**
As at 30 September 2022 (unaudited)	**38,128**	**41,074**
As at 1 January 2021 (audited)	41,043	43,133
Depreciation expense	(1,699)	-
Finance cost	-	2,992
Payments	-	(3,644)
As at 31 December 2021 (audited)	39,344	42,481

Lease liabilities is analysed in the interim condensed consolidated statement of financial position as follows:

	30 September 2022 AED'000 (Unaudited)	*31 December 2021 AED'000 (Audited)*
Current	**3,151**	3,151
Non-current	**37,923**	39,330
Total	**41,074**	42,481

6 INVESTMENT PROPERTIES

	30 September 2022 AED'000 (Unaudited)	*31 December 2021 AED'000 (Audited)*
Balance at the beginning of the period/year	**136,700**	134,250
Change in fair value	**-**	2,450
Balance at the end of the period/year	**136,700**	136,700

7 FINANCIAL ASSETS

a) *Financial assets at fair value through other comprehensive income*

	30 September 2022 AED'000 (Unaudited)	*31 December 2021 AED'000 (Audited)*
At 1 January	**38,119**	35,416
Change in fair value	**(1,892)**	2,703
Balance at the end of the period / year	**36,227**	38,119

Financial assets at fair value through other comprehensive income represent investments in quoted shares of a UAE Company.

During the nine months period ended 30 September 2022 the Group received dividend income of AED 1,622 thousand (30 September 2021: AED 541 thousand) from financial assets at fair value through other comprehensive income on investments held at the reporting date. The fair value measurement has been categorised as a level 1 fair value based on the input to the valuation technique used.

	Level 1 AED'000	*Level 2 AED'000*	*Level 3 AED'000*	*Total AED'000*
30 September 2022 (Unaudited)				
Financial assets through other comprehensive income	**36,227**	**-**	**-**	**36,227**
31 December 2021 (Audited)				
Financial assets through other comprehensive income	38,119	-	-	38,119

b) *Financial assets at fair value through profit or loss*

	30 September 2022 AED'000 (Unaudited)	*31 December 2021 AED'000 (Audited)*
At 1 January	**105,525**	23,940
Additions during the period /year	**18,343**	79,964
Disposals during the period /year	**(77,209)**	(7,290)
Change in fair value	**2,852**	8,911
Balance at the end of the period/year	**49,511**	105,525

Financial assets at fair through profit or loss represent investments in quoted equity portfolio mandatorily measured at fair value through profit or loss. The fair value measurement has been categorised as a level 1 fair value based on the input to the valuation technique used.

7 FIANCIAL ASSETS continued

b) *Financial assets at fair value through profit or loss* continued

	Level 1 *AED'000*	*Level 2* *AED'000*	*Level 3* *AED'000*	*Total* *AED'000*
30 September 2022 (Unaudited)				
Financial assets at fair value through profit or loss	**49,511**	**-**	**-**	**49,511**
31 December 2021 (Audited)				
Financial assets at fair value through profit or loss	105,525	-	-	105,525

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices in active markets for assets and liabilities
Level 2: inputs other than quoted prices included within level 1 are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

8 TRADE AND OTHER RECEIVABLES

	30 September 2022 AED'000 (Unaudited)	*31 December 2021 AED'000 (Audited)*
Trade receivables	**5,064**	4,325
Less: allowance for expected credit losses	**(1,970)**	(1,925)
Net trade receivables	**3,094**	2,400
Prepaid expenses	**3,887**	4,726
Advances to suppliers	**1,347**	4,049
Accrued interest income	**1,942**	73
Margin deposits	**357**	357
Dividend receivable	**-**	384
Other receivables	**546**	1,232
	11,173	13,221

9 CASH AND CASH EQUIVALENTS

	30 September 2022 AED'000 (Unaudited)	*31 December 2021 AED'000 (Audited)*
Cash in hand	**40**	34
Cash at banks	**132,706**	273,097
Bank deposits with UAE banks	**425,000**	100,000
Cash and bank balances	**557,746**	373,131
Less: bank deposits with original maturities for more than three months	**(100,000)**	(100,000)
Cash and cash equivalents	**457,746**	273,131

The effective interest rate on bank deposits range from 2.55% to 2.6% per annum (31 December 2021: 0.84% to 3%).

10 SHARE CAPITAL

	30 September 2022 AED'000 (Unaudited)	*31 December 2021 AED'000 (Audited)*
Authorised, issued and fully paid		
89,786 thousand shares of AED 1 each	**89,786**	89,786

11 LEGAL RESERVE

In accordance with the Decree Law No. (32) of 2021 concerning Commercial Companies and the Company's Article of Association, 10% of the annual profit is to be transferred to a non-distributable legal reserve until the balance of the legal reserve equals 50% of the Company's paid up capital.

12 GENERAL RESERVE

In accordance with the Company's Articles of Association, 10% of the annual profit for the year is to be transferred to a general reserve until the general assembly resolves to discontinue such transfers based on the Board of Directors' proposal or if the reserve equals 50% of the Company's paid up share capital. This reserve is used for the purposes determined by the ordinary general assembly based upon the Board of Director's proposal.

13 TRADE AND OTHER PAYABLES

	30 September 2022 AED'000 (Unaudited)	*31 December 2021 AED'000 (Audited)*
Trade payables	**1,327**	3,725
Accruals and other payables	**23,357**	31,351
Advances received from customers*	**37,956**	21,610
Retention payable	**1,813**	602
	64,453	57,288

* These advances are short term and will be recognized within one year from the reporting date.

14 RELATED PARTIES TRANSACTIONS AND BALANCES

Related parties represent associated companies, joint ventures, shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

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

Transactions with related parties included in the interim condensed consolidated statement of comprehensive income are as follows:

	30 September 2022 AED'000 (Unaudited)	*30 September 2021 AED'000 (Unaudited)*
General and administrative expenses		
Management and performance fees	**295**	692
Compensation of key management personnel		
Salaries and short-term benefits	**2,235**	1,460
Post-employment benefits	**270**	199
	2,505	1,658
Sales to a related party		
Uplift Delivery Services LLC	**1,183**	-

15 DIVIDENDS AND DIRECTORS' REMUNERATION

On 3 March 2022, the Shareholders at the Annual General Assembly approved the distribution of cash dividends of 50% of share capital amounting to AED 44,893 thousand which is equal to 0.50 dirhams per share, and the distribution of cash dividends of 15% of share capital to be paid on a quarterly basis starting from the second quarter of 2022 amounting to AED 40,404 thousand (2021: AED 89,786 thousand which is equal to 1 dirham per share).

On 3 March 2022, the Shareholders at the Annual General Assembly approved directors' remuneration relating to the results of the 2021 financial year amounting to AED 5,000 thousand (2021: AED 2,535 thousand relating to the results of the 2020 financial year).

16 COMMITMENTS

Capital commitments
As at 30 September 2022, the Group has commitments in respect of future expenditure amounting to AED 8,180 thousand (31 December 2021: AED 13,530 thousand).