

# CFO’S REVIEW

**In 2024, Jahez Group reached significant milestones, achieving record-breaking total orders and profitability while building on the strong momentum of previous years. These accomplishments mark a pivotal step in our journey to becoming a leading Saudi brand, offering a fully integrated ecosystem of On-Demand Services that enhance customer lifestyles and empower merchants and partners.**

Since our inception in 2016 and subsequent initial public offering (IPO) in 2022, we have demonstrated remarkable growth, driven by a robust Gross Merchandise Value (GMV) with a 36% five-year compound annual growth rate. Our commitment to Vision 2030 has been pivotal, enabling us to expand regionally into Bahrain and Kuwait, thereby tapping into a combined addressable population of 42 million.

**Proven financial growth**

In 2024, we achieved a record-breaking financial performance, marked by robust revenue growth, increased order volumes and enhanced operational efficiencies. Our net revenue reached ₪ 2.2 billion, representing a 24% year-on-year increase. This success was driven by a 24% year-on-year growth in Gross Order Value (GOV), which reached ₪ 8.7 billion compared to ₪ 7.0 billion in 2023.

GMV also saw a remarkable 28% year-on-year increase, reaching ₪ 6.5 billion from ₪ 5.1 billion the previous year. This growth was fueled by the expansion of our non-KSA platforms, which grew 2.9x, and our Saudi

platforms, which delivered a solid 20% year-on-year growth. In addition, we achieved record-breaking order volumes of 106 million representing 15x the volume delivered in 2019, a 25% year-on-year increase, while our Average Order Value (AOV) grew to ₪ 61.7 from ₪ 60.1 the previous year, driven by strategic bundle offerings that enhanced customer value.

Our take rate improved significantly, rising to 14.6% in 2024 from 13.5% at the end of 2023. This increase was the result of successful negotiations with merchants, which enhanced the value per transaction and increased commission revenue per order, aligning with our GMV growth.

Jahez delivered substantial growth in Advertising Revenues 20% year-on-year and Online Payments Revenues 39.6% year-on-year in KSA and Non-KSA platforms.

Additionally, Other Revenues generated by the Group’s new verticals (Sol, Co, and Marn) along with Blu Store, experienced significant year-on-year expansion 227.7%. This reflects Jahez’s ability to diversify and scale its revenue streams beyond core delivery services.

**Accelerating profitability and efficiency**

Our profitability reached new heights in 2024. Adjusted EBITDA soared to ₪ 250 million, marking a 38% year-on-year improvement. We achieved an all-time high net profit of ₪ 184.2 million, 55.1% year-on-year increase the ₪ 118.7 million recorded in 2023. Furthermore, our gross profit margin improved by 1.7 percentage points, reaching 24.4% compared to 22.7%

the previous year, reflecting the combination of cost efficiencies and revenue growth.

Operationally, we optimized delivery costs, both for our external and in-house fleets, ensuring cost-per-order efficiency. Investments in our platform infrastructure supported our regional and international growth. Staff costs increased as we built the necessary infrastructure to expand across new markets while maintaining cost discipline. Additionally, our operating costs improved by 22.8% year-on-year, reflecting enhanced sales and marketing efficiencies.

Finally, we maintained a strong positive cash position, which has enabled us to pursue our ambitious expansion plans across key cities in local and international markets. By remaining disciplined in our cost management and consistently generating positive free cash flow, we have demonstrated our ability to scale our business while delivering sustained value to our shareholders.

**Strategic investments and expansion**

This year, we continued to execute our strategic investment plan, focusing on diversifying Jahez’s ecosystem beyond food delivery. Today, Jahez spans local commerce, logistics and a comprehensive merchant ecosystem, each strengthened by innovative technology and strategic partnerships. By maintaining a disciplined balance between revenue growth, cost control and strategic investments, we are driving long-term value creation and positioning Jahez for sustained success in 2024 and beyond.



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₪ 184.2 million

Net profit

₪ 250 million

Adjusted EBITDA



## CFO’S REVIEW continued

Investments in key logistics firms such as “Parcel” and “Barq”, as well as Fintech companies like “Moyasar”, have not only enhanced our core operations but also unlocked new revenue streams. With Logi, our logistics arm, operating the largest fleet in Saudi Arabia, we are well-positioned to capitalize on the Kingdom’s ambition to become a regional logistics hub under Vision 2030. These strategic expansions have been instrumental in driving operational efficiencies while ensuring scalable growth across the Middle East and North Africa.

By enhancing advertising revenues and introducing new verticals, we are creating additional value for our stakeholders. The ongoing digitization of our adTech initiatives is poised to further boost profitability. Additionally, we have optimized our take rate, targeting a progressive increase to 14.6%, while effectively managing logistics costs through an expanded driver base without incurring substantial ramp-up expenses.

We maintain a balanced approach to growth and profitability, ensuring sustained competitive advantages across our verticals and markets. By investing in both our core businesses and portfolio companies, we are positioning Jahez for long-term success. Our strategic investments are carefully integrated to create enduring value for our stakeholders, allowing us to remain agile in the face of a rapidly evolving market landscape.

Our CAPEX investments in 2024 reflect our strategic priorities. The completion of our new headquarters, with an investment of ₪ 150 million, contributed to elevated CAPEX levels this year. However, we anticipate a reduction in CAPEX in 2025 as we focus on optimizing our financial resources while continuing to invest in growth opportunities.

### Saudi Arabia – Driving growth and market leadership

Saudi Arabia remains the cornerstone of our growth initiatives, fueling Jahez’s continued success. Our

platforms in the Kingdom have focused on securing market share and expanding regionally while simultaneously improving margins. This dual strategy has delivered exceptional results, with net profit for Saudi platforms increasing by an impressive 12% year-on-year. Investments in regional growth within Saudi Arabia have been pivotal in consolidating our market positioning and driving sustainable profitability.

In 2024, we achieved a 17.2% year-on-year growth in GOV, with orders from cities outside Riyadh representing 43% of total orders. This reflects the growing contribution of regional markets to our overall performance. Notably, Saudi platforms recorded a 20% increase in GMV to ₪ 5.8 billion, supported by a 16% growth in total orders. By capturing a larger share in an increasingly competitive market, particularly in cities beyond Riyadh, we have solidified our presence across the Kingdom.

Our focus on operational efficiency has also lead to maintaining our per-order profitability showcasing the effectiveness of our cost management strategies. Despite a slight decline in net revenue per order due to delivery campaigns and customer promotions, we stabilized our margin contribution at ₪ 5.8 per order. This was made possible by cost optimization efforts, including scale efficiencies, price negotiations and fleet optimization.

Saudi platforms’ adjusted EBITDA grew by 13% year-on-year, reaching ₪ 291.5 million, or 15.1% of net revenue, compared to ₪ 257.3 million, or 15% of net revenue, in 2023. This reflects significant improvements in profitability, driven by enhanced operational efficiencies and strategic growth initiatives. The segment also recorded a net profit of ₪ 288.8 million, a 12% increase from ₪ 258.5 million the previous year.

### Bahrain and Kuwait – Expansion and operational improvements

In 2024, non-Saudi platforms achieved a GMV of ₪ 700 million, representing a 2.9x year-on-year growth from

₪ 242 million in 2023. Total orders reached 14.1 million, comparing to 5.4 million in the prior year, while the AOV grew by 11% year-on-year to ₪ 49.7 per order. This improvement was driven by an optimized merchant mix and strong regional demand. Active users also doubled, demonstrating increased customer engagement in these newly scaled markets.

Operational performance has improved significantly, with net losses narrowing to ₪ 59.4 million, a 39% reduction compared to the previous year. This was achieved through higher order volumes, particularly from the full-scale launch of our Kuwait operations, and material enhancements in unit economics. Improved revenue per order, cost optimization initiatives and better delivery cost utilization contributed to this success, with a per-order improvement of ₪ 9.3 in profitability.

Non-Saudi platforms’ contribution to the Group’s GMV has grown to 11% in 2024, comparing to 5% the previous year, demonstrating their increasing importance to our overall business. Notably, non-Saudi platforms revenue now accounts for 9.6% of our total food revenue, compared to 2.8% in the prior year, signaling a significant diversification of our revenue base.

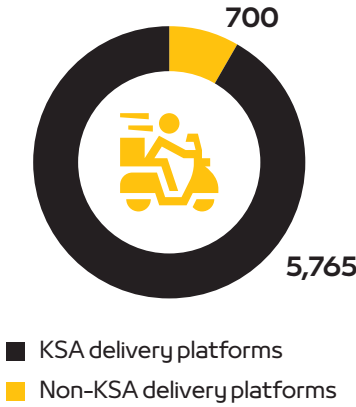
Our EBITDA for non-Saudi platforms has shown substantial improvement and is expected to turn positive within the next two quarters. This reflects our ongoing efforts to balance growth with profitability, focusing on controlled costs while driving revenue and contribution margins.

### Logistic segment

Logi navigated a dynamic regulatory environment while continuing to invest in fleet expansion and operational enhancements to support Jahez’s long-term growth by fulfilling 42% of the Group’s orders during 2024. These strategic investments reinforced Logi’s ability to scale efficiently and maintain compliance with evolving industry standards, positioning the business for sustained profitability in the future.

GMV by geography

₪ million



For the full year, Logi recorded an adjusted EBITDA of ₪ 29 million, compared to ₪ 23.8 million in 2023. This was achieved despite the internal pricing adjustments that aligned with a decline in cost per order from external logistics providers, ensuring competitive pricing while maintaining operational efficiency resulting in the reduction of the cost per order by 10-20%.

With a stronger foundation in place, Logi is well-positioned to drive greater efficiencies and expand its market presence to other platforms in the years ahead.

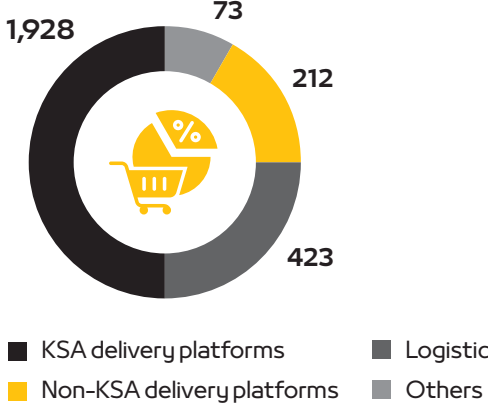
### Scaling new verticals for sustainable growth

Jahez’s other segments, which includes Marn, Co, Sol and the Red Color investments portfolio, has become an essential part of our growth strategy, driving revenue diversification and deeper integration across our merchant ecosystem. While these businesses operate as standalone entities, their services are fully integrated into the Jahez ecosystem, enabling us to expand our market reach and offer scalable solutions that meet the growing demand in Saudi Arabia and beyond.

In 2024, we achieved 5x year-on-year growth in revenue within the segment, driven by strong contributions from non-platform revenues. These new income streams have become important contributors to our overall revenue and are central to our strategy of diversifying and expanding into newer verticals.

Net revenue by segment

₪ million



Despite these achievements, the segment recorded net losses of ₪ 37.5 million, primarily due to changes in the fair value of the Red Color investment portfolio and ramp-up costs related to newer businesses such as Marn, Sol and Co. However, we successfully reduced losses in the segment by 2%, highlighting the progress we have made in improving operational efficiencies and scaling these investments.

Our ongoing efforts with Marn, Co and Sol have driven significant growth in both volume and the bottom-line, with their services making meaningful contributions to our ecosystem. These businesses are vital to our strategy of meeting the demands of an evolving and dynamic market while supporting our goal of revenue diversification. As we continue to optimize ramp-up costs and improve efficiencies, we are confident that the segment will play an increasingly important role in our success.

### 2025 Outlook

As we look ahead to 2025, we are confident in our ability to navigate an increasingly dynamic and competitive market while capitalizing on new opportunities. Our strategy prioritizes driving growth through enhanced user adoption, increased platform engagement and optimized monetization via targeted advertising campaigns. We are accelerating digitization with merchant platform enhancements, expanding into new markets and focusing on sustainable profitability across all segments.

Despite challenges such as regulatory changes, we remain committed to investing in technology-driven initiatives and diversifying our offerings within grocery and retail to strengthen our ecosystem and deliver sustained success. In 2025, our logistics arm, Logi, will expand its services to external clients, further solidifying our presence in the logistics sector. With Vision 2030 positioning Saudi Arabia as a regional logistics hub, Jahez is poised to leverage large-scale government initiatives and infrastructure projects to capture emerging opportunities.

By empowering businesses and enhancing customers' lifestyle through technology and customer-centric solutions, we will drive growth by increasing advertising revenue, optimizing profitability in new markets and expanding our multi-vertical strategy to boost user frequency and retention. Additionally, we will continue to rationalize research and development spending by prioritizing technology-driven initiatives that generate sustainable growth.

### Mr. Heni Bin Abdul Hakeem Bin Mohamed Jallouli

Chief Financial Officer